

Spoon River College

Canton, Illinois

Annual Financial Report

Fiscal Years Ended June 30, 2021 and 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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 February 15, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
February 15, 2022

Spoon River College District No. 534

Management Discussion and Analysis

Using This Annual Report

This section of Spoon River College District No. 534's (the "College") presents management discussion and analysis of the College's financial activities for the fiscal years ended June 30, 2021 and 2020. 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.

2021 Financial Highlights

- For the year ended June 30, 2021, the College recorded total operating revenues of \$4,213,052 and total operating expenses of \$19,543,747. The difference produced an operating loss of \$15,330,695. Net nonoperating revenue of \$16,744,556 and \$126,279 of capital contributions offset this loss and resulted in an overall increase in net position of \$1,540,140.
- The largest sources of nonoperating revenue included local property taxes of \$6,354,434, state appropriations of \$6,634,744, and federal grants of \$3,387,083.
- Operating revenue accounted for 19% of the College's total revenue, while nonoperating revenues account for the other 81% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,190,918 and auxiliary enterprise revenues totaling \$1,022,134.

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.

Spoon River College District No. 534

Management Discussion and Analysis

2020 Financial Highlights (continued)

- 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.

Financial Analysis of the College as a Whole

The College's financial position is summarized as follows for the years ended June 30, 2021, 2020, and 2019:

	Net Position As of June 30,		Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
	2021	2020			
Current assets	\$21,946,763	\$17,113,549	\$4,833,214	\$20,644,522	\$2,354,989
Non-current assets -					
Capital assets, net of depreciation	25,454,021	24,910,786	543,235	22,130,120	2,696,700
Total assets	47,400,784	42,024,335	5,376,449	42,774,642	5,051,689
Deferred outflows of resources	1,101,258	708,413	392,845	910,333	175,929
Total assets and deferred outflows of resources	48,502,042	42,732,748	5,769,294	43,684,975	5,227,618
Current liabilities	5,033,561	5,076,282	(42,721)	5,661,359	(202,730)
Non-current liabilities	25,260,802	23,124,011	2,136,791	25,079,030	3,998,355
Total liabilities	30,294,363	28,200,293	2,094,070	30,740,389	3,795,625
Deferred inflows of resources	9,704,554	7,569,470	2,135,084	7,059,478	710,481
Total liabilities and deferred inflows of resources	39,998,917	35,769,763	4,229,154	37,799,867	4,506,106
Net position					
Net investment in capital assets	9,491,183	9,816,724	(325,541)	9,289,381	1,923,242
Restricted	3,152,620	5,280	3,147,340	3,331,286	1,572,081
Unrestricted	(4,140,678)	(2,859,019)	(1,281,659)	(6,735,559)	(2,773,811)
Total	\$8,503,125	\$6,962,985	\$1,540,140	\$5,885,108	\$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 2021 Compared to 2020

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

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

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

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

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

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

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

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, 2021 increased by \$1,077,877. The restricted net position is restricted for \$5,280 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,					
	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Operating revenue:					
Tuition and fees	\$3,190,918	\$3,611,560	(\$420,642)	\$3,543,182	\$68,378
Auxiliary	1,022,134	1,092,547	(70,413)	1,108,350	(15,803)
Other operating revenues	0	0	0	0	0
Total operating revenue	4,213,052	4,704,107	(491,055)	4,651,532	52,575
Less operating expenses	19,543,747	20,482,693	(938,946)	18,852,973	1,215,035
Operating loss	(15,330,695)	(15,778,586)	447,891	(14,201,441)	(1,162,460)
Non-operating revenue					
State grants and contracts	6,634,744	6,581,320	53,424	5,459,676	1,121,644
Federal grants and contracts	3,387,083	3,306,110	80,973	3,213,224	92,886
Property taxes	6,354,434	6,237,245	117,189	5,691,317	545,928
Replacement taxes	1,369,397	982,847	386,550	908,957	73,890
Local grants	71,439	73,119	(1,680)	58,942	14,177
Investment income	29,471	148,662	(119,191)	240,250	(91,588)
Other	80,642	48,471	32,171	52,563	(4,902)
Interest expense	(1,182,654)	(579,270)	(603,384)	(701,976)	122,706
Total net non-operating revenues	16,744,556	16,798,504	(53,948)	14,922,953	1,875,551
Capital contributions	126,279	57,959	68,320	0	57,959
Increase (decrease) in net position	1,540,140	1,077,877	462,263	721,512	356,365
Net position, beginning of year	6,962,985	5,885,108	1,077,877	5,163,596	721,512
Net position, end of year	\$8,503,125	\$6,962,985	\$1,540,140	\$5,885,108	\$1,077,877

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2021 were \$22,266,541 and \$20,726,401, respectively. Fiscal year 2020 total revenues and expenses (Operating and Non-Operating) were \$22,139,840 and \$21,061,963, respectively. Fiscal year 2019 total revenues and expenses (Operating and Non-Operating) were \$20,276,461 and \$19,554,949, respectively.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2021 Compared to 2020

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

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

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

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.

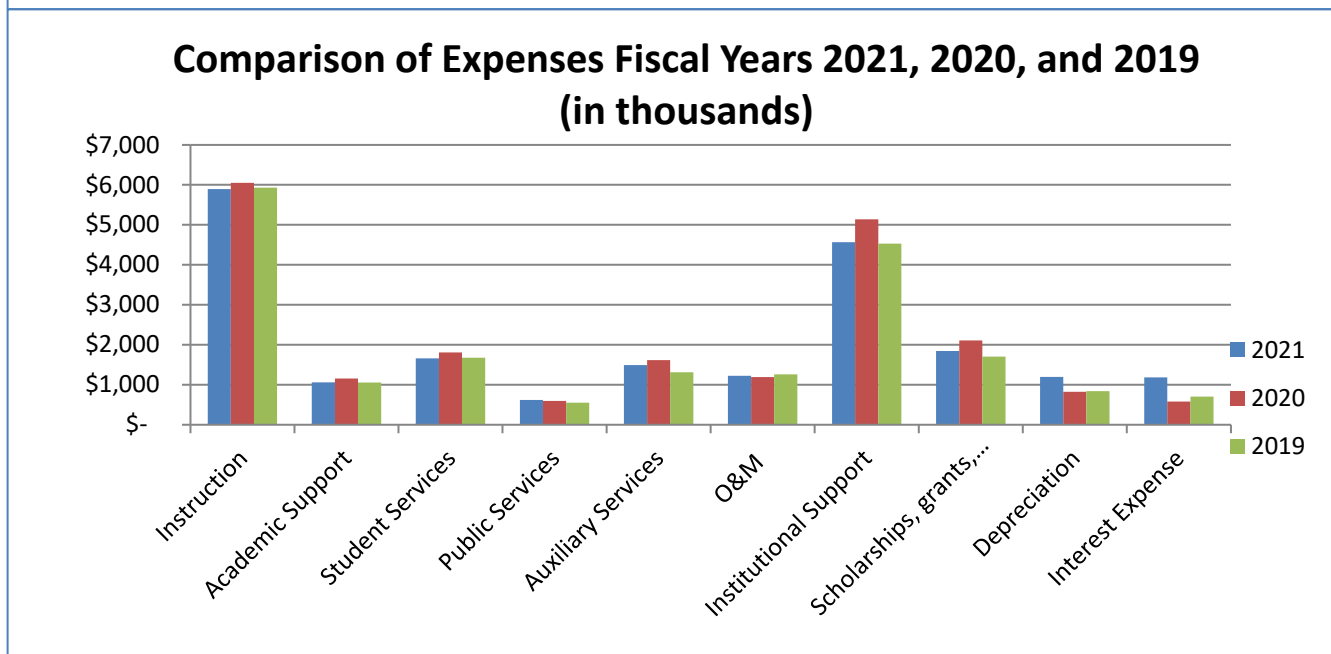
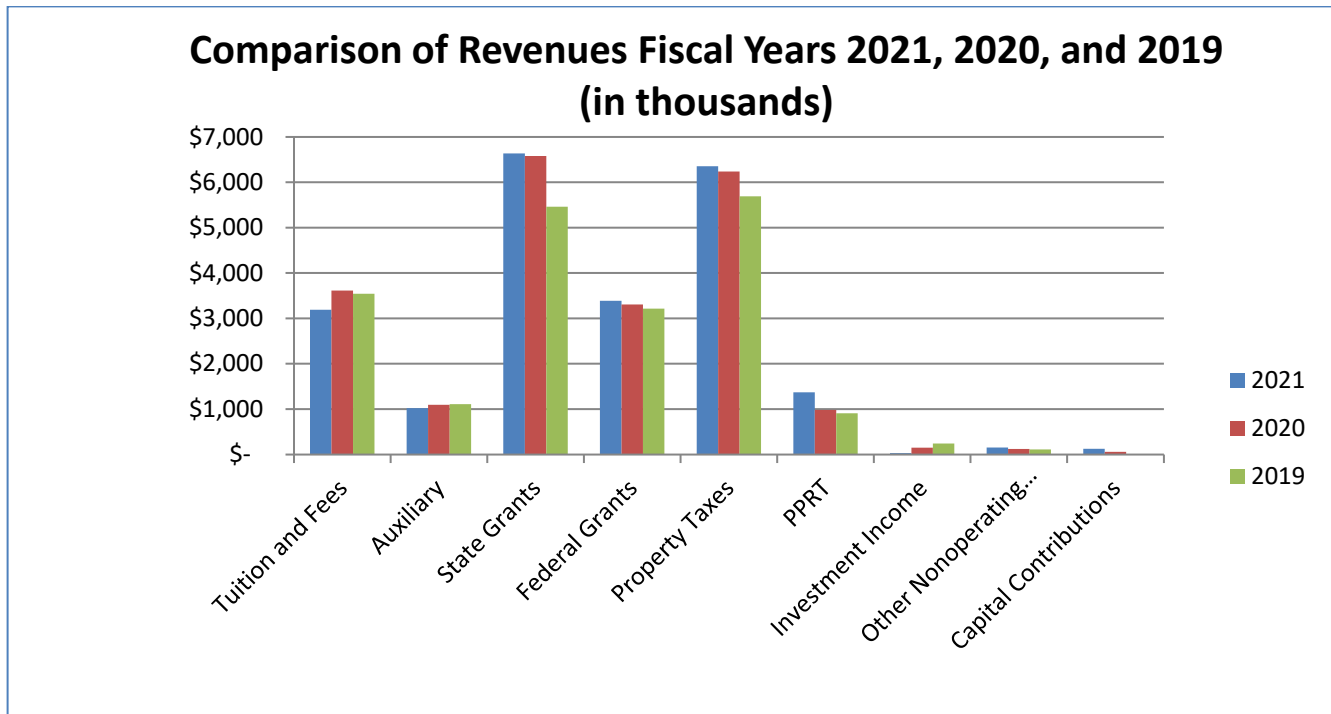
Operating Expenses For the Year Ended June 30,

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Operating expense:					
Instruction	\$5,891,923	\$6,051,598	(\$159,675)	\$5,928,402	\$123,196
Academic support	1,057,950	1,154,817	(96,867)	1,056,318	98,499
Student services	1,658,308	1,808,359	(150,051)	1,676,161	132,198
Public services	618,837	593,488	25,349	548,651	44,837
Auxiliary services	1,492,663	1,613,776	(121,113)	1,311,538	302,238
Operations & maintenance of plant	1,223,733	1,191,906	31,827	1,257,115	(65,209)
Institutional support	4,564,728	5,136,087	(571,359)	4,530,755	605,332
Scholarships, grants, waivers	1,842,822	2,109,150	(266,328)	1,705,090	404,060
Depreciation	1,192,783	823,512	369,271	838,943	(15,431)
Total	\$19,543,747	\$20,482,693	(\$938,946)	\$18,852,973	\$1,629,720

Spoon River College District No. 534

Management Discussion and Analysis

The following graphs depict revenues and expense for the years ended June 30, 2021, 2020, and 2019:



Spoon River College District No. 534

Management Discussion and Analysis

Capital Assets, Net June 30,

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Capital assets:					
Land and improvements	\$1,784,964	\$869,115	\$915,849	\$869,115	\$0
Buildings and improvements	40,205,619	34,461,900	5,743,718	34,461,900	0
Equipment	554,550	562,698	(8,148)	540,787	21,911
Computer technology	722,040	337,428	384,612	344,717	(7,289)
Construction in progress	288,200	5,647,337	(5,359,137)	2,102,233	3,545,104
Total	43,555,372	41,878,478	1,676,894	38,318,752	3,559,726
Less accumulated depreciation	18,101,351	16,967,692	1,133,659	16,188,632	779,060
Net capital assets	\$25,454,021	\$24,910,786	\$543,235	\$22,130,120	\$2,780,666

Fiscal Year 2021 Compared to 2020

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

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.

Debt June 30,

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
General obligation bonds	\$22,528,663	\$18,327,876	\$4,200,787	\$20,096,587	(\$1,768,711)
Capital Lease	20,916	27,323	(6,407)	0	27,323
Compensated absences	264,631	342,065	(77,434)	271,164	70,901
Total	\$22,814,210	\$18,697,264	\$4,116,946	\$20,367,751	(\$1,670,487)

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2021 Compared to 2020

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

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.

Factors or Conditions Impacting Future Periods

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

The District's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2022.

Property tax revenue in the Operating Funds has increased roughly 2% for fiscal year 2021, after a 2.2% increase in fiscal year 2020. The District experienced a 3% increase in equalized assessed valuation (EAV) from tax year 2019 to 2020. For fiscal year 2021, the District has estimated a 2.0% increase in EAV due to the economic conditions of the District. Each percentage point in EAV is the equivalent of about \$40,000 in property tax revenue in the Operating funds.

Management anticipates a 5% increase in tuition revenue in fiscal year 2022 based on estimated 4% increase in credit hour enrollment for the 2021-2022 academic year, combined with a 3% increase in tuition.

The State of Illinois adopted a budget for fiscal year 2022. Expected State appropriations for the District for fiscal year 2022 are \$100,000 less than the fiscal year 2021 State funding. Overall, Operating funds revenue is expected to increase by \$300,000, or 3%, from fiscal year 2021 actual levels to fiscal year 2022.

For fiscal year 2022, the Operating funds budget is forecasted to be balanced. The majority of the Operating funds budget for fiscal year 2022 continues to comprise instruction, academic support, and student services, reflecting the District's commitment to providing quality education and learning opportunities to the people of West Central Illinois.

Contacting the College's Financial Management

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

Basic Financial Statements

Spoon River College District No. 534

Statements of Net Position

June 30, 2021 and 2020

ASSETS	2021	2020
Current assets:		
Cash and cash equivalents	\$2,782,278	\$925,641
Investments	9,941,251	8,148,839
Property taxes receivable, net of allowance	6,029,356	5,448,285
Other receivables, net of allowance	2,813,593	2,227,838
Prepaid items	74,499	61,540
Inventories	305,786	301,406
Total current assets	21,946,763	17,113,549
Noncurrent assets:		
Non-depreciable capital assets	1,047,238	6,406,375
Depreciable capital assets	42,508,134	35,472,103
Less accumulated depreciation	(18,101,351)	(16,967,692)
Total noncurrent assets	25,454,021	24,910,786
Total assets	47,400,784	42,024,335
DEFERRED OUTFLOW OF RESOURCES		
Unamortized loss on refunding	584,730	0
SURS pension contribution	28,373	28,369
College insurance plan OPEB	488,155	680,044
Total deferred outflow of resources	1,101,258	708,413
Total assets and deferred outflows of resources	48,502,042	42,732,748
LIABILITIES		
Current liabilities:		
Accounts payable	203,684	639,107
Accrued liabilities	344,992	539,679
Unearned tuition and fees	1,942,290	1,731,403
Accrued compensated absences	264,631	342,065
Capital lease	6,681	6,407
Bonds payable, net of unamortized premiums (discounts)	2,276,082	1,817,621
Total current liabilities	5,038,360	5,076,282
Noncurrent liabilities:		
Capital lease	14,235	20,916
Bonds payable, net of unamortized premiums (discounts)	20,252,581	16,510,255
OPEB liability	4,989,187	6,592,840
Total noncurrent liabilities	25,256,003	23,124,011
Total liabilities	30,294,363	28,200,293
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	6,550,571	6,284,297
Deferred grant revenue	552,883	10,978
Unamortized gain on refunding	24,886	43,163
Deferred OPEB	2,576,214	1,231,032
Total deferred inflows of resources	9,704,554	7,569,470
Total liabilities and deferred inflows of resources	39,998,917	35,769,763
NET POSITION		
Net investment in capital assets	9,491,183	9,816,724
Restricted - expendable:		
Capital projects	3,152,620	5,280
Debt service	0	0
Grants and scholarships	0	0
Unrestricted	(4,140,678)	(2,859,019)
Total net position	\$8,503,125	\$6,962,985

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, 2021 and 2020

	2021	2020
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$1,219,141 and \$1,436,764, respectively	\$3,190,918	\$3,611,560
Auxiliary enterprises revenue	1,022,134	1,092,547
Total operating revenue	4,213,052	4,704,107
Operating expenses:		
Instruction	5,891,923	6,051,598
Academic support	1,057,950	1,154,817
Student services	1,658,308	1,808,359
Public services	618,837	593,488
Auxiliary services	1,492,663	1,613,776
Operation and maintenance of plant	1,223,733	1,191,906
Institutional support	4,564,728	5,136,087
Scholarships, student grants, and waivers	1,842,822	2,109,150
Depreciation	1,192,783	823,512
Total operating expenses	19,543,747	20,482,693
Operating loss	(15,330,695)	(15,778,586)
Nonoperating revenues and (expenses):		
State grants	6,634,744	6,581,320
Federal grants	3,387,083	3,306,110
Property taxes	6,354,434	6,237,245
Personal property replacement tax	1,369,397	982,847
Local grants	71,439	73,119
Investment income	29,471	148,662
Other nonoperating revenues	80,642	48,471
Interest expense	(1,182,654)	(579,270)
Net nonoperating revenues and (expenses)	16,744,556	16,798,504
Capital contributions - Capital grants and gifts	126,279	57,959
Change in net position	1,540,140	1,077,877
Net position, beginning of year	6,962,985	5,885,108
Net position, end of year	\$8,503,125	\$6,962,985

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows

For the years ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$4,584,616	\$4,967,629
Payments to suppliers	(5,194,299)	(4,768,799)
Payments to employees	(8,045,210)	(6,900,109)
Payments to students for scholarships	(3,061,963)	(3,801,452)
Auxiliary enterprise charges	1,022,134	1,092,547
Net cash used in operating activities	(10,694,722)	(9,410,184)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	6,039,637	6,117,536
Replacement tax	1,369,397	982,847
Proceeds from grants	4,622,088	4,736,488
Other nonoperating	586,785	25,454
Net cash provided by noncapital financing activities	12,617,907	11,862,325
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,736,018)	(3,604,536)
Proceeds from sale of capital assets	0	359
Principal paid on capital debt	(1,710,000)	(1,645,000)
Proceeds from bonds sold	17,330,000	0
Principal deposit in escrow	(11,090,000)	0
Premium (discount) on bonds sold	204,547	0
Interest paid on bonds payable and other long-term obligations	(1,283,859)	(790,193)
Net cash used in capital and related financing activities	1,714,670	(6,039,370)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales of investments	(1,792,412)	3,897,870
Interest on investments	11,194	130,802
Net cash provided by (used in) investing activities	(1,781,218)	4,028,672
Net increase (decrease) in cash and cash equivalents	1,856,637	441,443
CASH AND CASH EQUIVALENTS:		
Beginning of year	925,641	484,198
End of year	\$2,782,278	\$925,641

See Notes to Financial Statements.

Spoon River College District No. 534

Statements of Cash Flows - (Continued)

For the years ended June 30, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	(\$15,330,695)	(\$15,778,586)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,192,783	823,512
State on-behalf payments for fringe benefits	5,083,794	5,066,351
Changes in assets and liabilities:		
Receivables	(36,330)	468,415
Prepaid expenses	(12,959)	5,572
Inventories	(4,380)	116,116
Deferred outflows of resources	(392,845)	201,920
Accounts payable	(441,830)	(95,707)
Accrued liabilities	(1,211,972)	48,057
Accrued compensated absences	(77,434)	70,901
Unearned tuition and fees	210,887	(549,110)
Other unearned revenue inc(decr)	584,730	0
OPEB liability	(1,603,653)	(158,314)
Deferred inflows of resources	1,345,182	370,689
Net cash used in operating activities	(\$10,694,722)	(\$9,410,184)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Acquisition of capital assets with state capital contributions	\$126,279	\$57,959
Acquisition of capital assets using accounts payable	\$0	\$408,260
Disposal of assets	\$0	\$359
STATE ON-BEHALF PAYMENTS	\$5,083,794	\$5,066,351

See Notes to Financial Statements.

Spoon River College District No. 534
 Component Unit - Spoon River College Foundation
 Statements of Financial Position
 June 30, 2021 and 2020

ASSETS	2021	2020
Cash	\$845,928	\$679,591
Investments	3,768,582	2,930,334
Receivables, net	52,509	13,569
Beneficial interest in perpetual trusts	954,499	809,954
Capital assets, non-depreciable	40,000	40,000
Total assets	\$5,661,518	\$4,473,448

LIABILITIES		
Accounts payable	\$28,145	\$20,752
Total liabilities	28,145	20,752

NET ASSETS		
Without donor restrictions	218,250	162,762
With donor restrictions	5,415,123	4,289,934
Total net assets	5,633,373	4,452,696
Total liabilities and net assets	\$5,661,518	\$4,473,448

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities
For the years ended June 30, 2021 and 2020

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

See Notes to Financial Statements.

Spoon River College District No. 534
Component Unit - Spoon River College Foundation
Statements of Activities (Continued)
For the years ended June 30, 2021 and 2020

	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

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, 2021, the Foundation distributed \$98,789 to students attending the College and gave \$117,814 in direct support to the College. In addition, the College provided the Foundation with \$83,926 of in-kind services.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

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

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

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

Measurement focus, basis of accounting, and financial statement presentation

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

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

The following is a summary of the more significant policies:

Cash and cash equivalents

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

Investments

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

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Receivables

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables as of June 30, 2021 and 2020 were \$1,417,460 and \$1,425,460, respectively.

Property taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee's resolution, property tax levies for 2020 and 2019 are to be recognized as revenue in fiscal years 2021 and 2020, 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 2020 levy which was passed by the Board on December 16, 2020.

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 2021 and 2020, the state made contributions of \$5,083,794 and \$5,066,351, 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) and additions to/deductions from SURS plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer (State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense, with the expense further allocated to the related function by employees.

Spoon River College District No. 534

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Net position

The College's net position is classified as follows:

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

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

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

Use of estimates

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

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, 2021 and 2020 consist of the following:

	<u>Carrying Amount</u>	
	<u>2021</u>	<u>2020</u>
Cash on hand	\$10,625	\$5,241
Deposits with financial institutions	2,771,653	920,400
Total	\$2,782,278	\$925,641

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, 2021 and 2020 comprise the following at fair value:

	2021	2020
Illinois School District Liquid Asset Fund	\$7,448,951	\$5,431,755
Local Government Investment Pool	297,263	659,506
Goldman Sachs Financial Square Prime Obligations Fund	2,195,037	2,057,578
	<u>\$9,941,251</u>	<u>\$8,148,839</u>

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

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

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	<u>\$8,148,839</u>	<u>\$8,148,839</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Spoon River College District No. 534

Notes to Financial Statements

Note 2 Cash and Investments (continued):

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

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

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

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, 2021, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$2,771,653 and the bank balance was \$2,775,456. Of the bank balance, \$551,135 was covered by federal depository insurance, \$616,047 was covered by pledged securities in the College's name, and \$1,608,274 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, 2021, is as follows:

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

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

Spoon River College District No. 534

Notes to Financial Statements

Note 3 Capital Assets (continued):

A summary of the changes in capital assets for the College for the year ended June 30, 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

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, 2021:

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

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, 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

Details on the debt as of June 30, 2021 are as follows:

1. 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. These bonds were paid off during FY2021.
2. In December 2013, the College issued General Obligation Community College Bonds, Series 2013, in the amount of \$4,300,000 with interest rates ranging from 1.15% to 4.20%. The bonds are due serially beginning in 2015 through 2024. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2013. The bond proceeds were 100% used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2022	\$500,000	\$90,375	\$590,375
2023	500,000	75,750	575,750
2024	1,625,000	34,125	1,659,125
Totals	\$2,625,000	\$200,250	\$2,825,250

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 2020 through 2023. The proceeds were used to defease the General Obligation Community College Bonds, Series 2008 which was used 100% for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2022	\$1,025,000	\$43,487	\$1,068,487
2023	865,000	14,056	879,056
Totals	\$1,890,000	\$57,543	\$1,947,543

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 (86.39%) were used for the purchase of capital assets. This bond was partially defeased by the Series 2021C Refunding Bonds issued in April 2021. The funds were placed in escrow with interest to be paid until the bonds can be called on December 1, 2022. The remaining annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2022	\$240,000	\$10,562	\$250,562
2023	205,000	3,331	208,331
Totals	\$445,000	\$13,893	\$458,893

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 (97.29%) were used for the purchase of capital assets. This bond was fully defeased by the Series 2021C Refunding Bonds issued in April 2021. The funds were placed in escrow with interest to be paid until the bonds can be called on December 1, 2023.

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

6. In February 2021, the College issued General Obligation Community College Bonds, Series 2021A, in the amount of \$4,100,000 with interest rates ranging from 0% to 2.75%. The bonds are due serially beginning in 2023 through 2032. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2021, 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:			
2022	\$0	\$131,426	\$131,426
2023	190,000	101,028	291,028
2024	200,000	98,088	298,088
2025	200,000	94,087	294,087
2026	210,000	89,463	299,463
2027-2031	1,565,000	410,000	1,975,000
2032	1,735,000	23,856	1,758,856
Totals	\$4,100,000	\$947,948	\$5,047,948

7. In February 2021, the College issued General Obligation Community College Bonds, Series 2021B, in the amount of \$775,000 with interest rates ranging from 0% to 1.58%. The bonds are due in 2031. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2021, 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:			
2022	\$0	\$15,783	\$15,783
2023	0	12,245	12,245
2024	0	12,245	12,245
2025	0	12,245	12,245
2026	0	12,245	12,245
2027-2031	775,000	55,102	830,102
Totals	\$775,000	\$119,865	\$894,865

Spoon River College District No. 534

Notes to Financial Statements

Note 4 Debt (continued):

8. In April 2021, the College issued General Obligation Refunding Community College Bonds, Series 2021C, in the amount of \$12,455,000 with interest rates ranging from 0.50% to 2.35%. The bonds are due serially beginning in 2022 through 2030. The proceeds were used to partially defease the General Obligation Community College Bonds, Series 2018 and fully defease the General Obligation Community College Bonds, Series 2019. As a result, the refunded bonds are considered defeased in substance and the liability for those bonds have been removed from the financial statements. The reacquisition price exceeded the carrying amount of the old debt by \$607,220 resulting in a deferred outflow of resources. The advance refunding reduced the total debt service payments by \$450,192 and resulted in an economic gain of \$382,009. The escrow balance as of June 30, 2021 is \$12,189,812. The escrow pay out the remaining principal and interest due on the Series 2018 and Series 2019 bonds on their respective call dates of December 1, 2022 and December 1, 2023. At June 30, 2021, the defeased bonds has balances outstanding of \$11,090,000. The portion of the 2018 and 2019 bond proceeds used for the purchase of capital assets (88.32%) was carried over to the Series 2021C Refunding bond. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2022	\$465,000	\$223,461	\$688,461
2023	265,000	195,077	460,077
2024	265,000	193,289	458,289
2025	1,940,000	182,596	2,122,596
2026	1,960,000	159,665	2,119,665
2027-2030	7,560,000	300,645	7,860,645
Totals	\$12,455,000	\$1,254,733	\$13,709,733

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

Year Ending June 30,	General Obligation Bonds	Capital Lease	Compensated Absences	Total Principal	Interest	Total Principal and Interest
2022	\$2,230,000	\$6,681	\$264,631	\$2,501,312	\$515,990	\$3,017,302
2023	2,025,000	6,968		2,031,968	402,096	2,434,064
2024	2,090,000	7,267		2,097,267	338,058	2,435,325
2025	2,140,000			2,140,000	288,928	2,428,928
2026	2,170,000			2,170,000	261,373	2,431,373
2027-2031	9,900,000			9,900,000	765,747	10,665,747
2032-2036	1,735,000			1,735,000	23,856	1,758,856
Total	\$22,290,000	\$20,916	\$264,631	\$22,575,547	\$2,596,048	\$25,171,595

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2021, is \$28,626,570. General obligation debt at June 30, 2021, is \$22,290,000 resulting in a legal debt margin of \$6,336,570.

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 (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's financial reporting entity and is included in the State's Comprehensive Annual Financial Report as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2020 can be found in SURS Comprehensive Annual Financial Report - 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 within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 2021 respectively, was 13.02% and 12.70% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

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, 2020 and June 30, 2019. SURS reported a NPL of \$30,619,504,321 at June 30, 2020 and \$28,720,071,173 at June 30, 2019.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the College in fiscal year 2020 is \$0 and for fiscal year 2019 it was \$0. The proportionate share of the State's NPL associated with the College at June 30, 2020 is \$45,182,710 or 0.1476% and at June 30, 2019 is \$44,228,910 or 0.1540%. These amounts are not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2020 was determined based on the June 30, 2019 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 2020.

Pension Expense

At June 30, 2020 and June 30, 2019, SURS reported a collective net pension expense of \$3,364,411,021 and \$3,094,666,252, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020 and 2019, respectively. As a result, the College recognized revenue and pension expense of \$4,964,587 and \$4,765,786 for the fiscal years ended June 30, 2021 and June 30, 2020, respectively.

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

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

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

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

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

<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
Total	\$933,453,783	\$135,627,405

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>
2021	\$435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
2025	0
Therefore	0
Total	\$1,118,666,290

College's Deferral of Fiscal Year 2021 Contributions

The College paid \$28,373 and \$28,369 in federal, trust or grant contributions for the fiscal year ended June 30, 2021 and June 30, 2020, respectively. These contributions were made subsequent to the pension measurement date of June 30, 2020 and June 30, 2019 and are recognized as deferred outflows of resources as of June 30, 2021 and June 30, 2020.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2014, through June 30, 2017. The total pension liability in the June 30, 2020 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 RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	44%	6.67%
Stabilized Growth		
Credit Fixed Income	14%	2.39%
Core Real Assets	5%	4.14%
Options Strategies	6%	4.44%
Non-Traditional Growth		
Private Equity	8%	9.66%
Non-Core Real Assets	3%	8.70%
Inflation Sensitive		
U.S. TIPS	6%	0.13%
Principal Protection		
Core Fixed Income	8%	(0.45%)
Crisis Risk Offset		
Systematic Trend Following	2.1%	2.16%
Alternative Risk Premia	1.8%	1.60%
Long Duration	2.1%	0.86%
Total	100%	4.84%
Inflation		2.25%
Expected arithmetic return		7.09%

Discount Rate. A single discount rate of 6.49% and 6.59% at June 30, 2020 and June 30, 2019, 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, 2020 and June 30, 2019, respectively, and a municipal bond rate of 2.45% and 3.13% at June 30, 2020 and June 30, 2019, 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 SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of SURS Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.49% and 6.59% at June 30, 2020 and June 30, 2019, respectively, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

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

Spoon River College District No. 534

Notes to Financial Statements

Note 5 Defined Benefit Pension Plans (continued)

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

Additional information regarding the SURS basic financial statements including the plan's 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.

Spoon River College District No. 534

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

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 1071 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

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, 2020 and June 30, 2019. CIP reported a net OPEB liability at June 30, 2020 of \$1,822,763,538 and at June 30, 2019 of \$1,888,540,494.

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 2021 is \$4,989,187 or 0.2737%, and for fiscal year 2020 is \$6,592,840 or 0.3491%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0754%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2020 and June 30, 2019 was \$4,989,187 or 0.2737% and \$6,592,840 or 0.3491%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2020 and June 30, 2019 was \$9,978,364 and \$13,185,680, respectively. The net OPEB liability and total OPEB liability as of June 30, 2020 was determined based on the June 30, 2019 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 2020.

OPEB Expense. At June 30, 2020 and June 30, 2019, CIP reported a collective net OPEB expense of \$38,455,955 and \$84,924,196, 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 2020 and 2019, respectively. As a result, the College recognized on-behalf revenue of \$119,207 and \$300,565 for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. Additionally, the College recognized OPEB expense of \$91,755 and \$385,675 for the fiscal years ended June 30, 2021 and June 30, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position 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, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$45,323	\$279,235
Changes in assumption	0	797,588
Net difference between projected and actual earnings on OPEB plan investments	0	211
Changes in proportion and differences between employer contributions and share of contributions	412,359	1,499,180
Total deferred amounts to be recognized in pension expense in future periods	457,682	2,576,214
OPEB contributions made subsequent to the measurement date	30,473	0
Total	\$488,155	\$2,576,214

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
Total deferred amounts to be recognized in pension expense in future periods	654,871	1,231,032
OPEB contributions made subsequent to the measurement date	25,173	0
Total	\$680,044	\$1,231,032

The College reported \$30,473 and \$25,173 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, 2021 and June 30, 2020, 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
2022	(\$353,089)
2023	(353,089)
2024	(353,089)
2025	(353,089)
2026	(353,089)
Thereafter	(353,087)
Total	(\$2,118,532)

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, 2019, 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, for all plan years
Healthcare cost trend rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate due to the repeal of 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, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.13% as of June 30, 2019, and 2.45% as of June 30, 2020.

The decrease in the single discount rate from 3.13% to 2.45% caused the total OPEB liability to increase by approximately \$152.7 million from 2019 to 2020.

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 2.45% and 3.13% at June 30, 2020 and June 30, 2019, 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, 2020 to the Single Discount Rate Assumption			
	1% Decrease (1.45%)	Current Single Discount Rate Assumption (2.45%)	1% Increase (3.45%)
Net OPEB liability	\$5,684,810	\$4,989,187	\$4,389,322

Sensitivity of Net OPEB Liability 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 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 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$4,134,041	\$4,989,187	\$6,123,498

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

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 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

Sensitivity of Net OPEB Liability as of June 30, 2019 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.
- (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.

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:

Operating Leases. 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 2021 was \$37,524.

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

<u>Year Ended June 30</u>	<u>Facilities</u>
2022	\$37,524
<u>Total</u>	<u>\$37,524</u>

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 2021, the College entered into a contact with Hastings & Chivetta Architects and CDB/Art in Architecture for the renovation of the CTE/Nursing Building at the Canton Campus with estimated total cost of \$762,577. The total remaining project costs as of June 30, 2021 was \$729,742. The project is expected to be completed in FY2024.

Note 9 **Component Unit - Foundation:**

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

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

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Net Assets

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

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

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

Contributions and Revenues

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

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Component Unit – Foundation (continued):

Contributions and Revenues (continued)

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

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

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

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

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

Income Taxes

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

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

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

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Component Unit – Foundation (continued):

Forms 990 filed by the Foundation are subject to examination by the Internal Revenue Services (IRS) up to three years from the extended due date of each return. Forms 990 filed by the Foundation are no longer subject to examination for tax years before June 30, 2016.

Change in Accounting Policies

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

Investments

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

In 2021, donated stock valued at \$241,778 was received and recognized as a contribution. In accordance with the Foundation's policy, it was sold shortly after receipts.

Investments as of June 30 are as follows:

	2021 Fair Value	2020 Fair Value
Money market	\$143,436	\$137,730
Certificates of deposit	590,406	584,304
Mutual funds	710,405	110,336
Equities	1,954,961	1,212,243
Bonds and notes	261,358	885,721
Alternative investment & real assets	108,016	0
	\$ 3,768,582	\$2,930,334

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Component Unit – Foundation (continued):

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

	2021 With Donor Restrictions	2020 With Donor Restrictions
Interest and dividends	\$81,255	\$72,606
Realized gains (losses)	141,531	27,601
Unrealized gains (losses)	453,850	35,294
Investment fees	(24,025)	(20,132)
Total	\$652,611	\$115,369

Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy, as described under current accounting standards, are as follows:

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

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

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

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

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

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Money market mutual funds	\$ 143,431	\$143,431	\$0	\$0
Mutual funds	710,408	710,408	0	0
Equities	1,954,962	1,954,962	0	0
Bonds and notes	261,359	0	261,359	0
Alternative investments & real assets	108,016	108,016	0	0
Total investments	3,178,176	2,916,817	261,359	0
Beneficial interest in perpetual trusts	954,499	0	0	954,499
Total fair value measurements	\$ 4,132,675	\$ 2,916,817	\$261,359	\$954,499

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Component Unit – Foundation (continued):

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2020:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Money market mutual funds	\$137,730	\$137,730	\$0	\$0
Mutual funds	110,336	110,336	0	0
Equities	1,212,243	1,212,243	0	0
Bonds and notes	885,721	0	885,721	0
Total investments	2,346,030	1,460,309	885,721	0
Beneficial interest in perpetual trusts	809,954	0	0	809,954
Total fair value measurements	\$3,155,984	\$1,460,309	\$885,721	\$809,954

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

	2021	2020
Balance, beginning of year	\$809,954	\$824,212
Gains (Losses)	149,545	(7,395)
Purchases	11,640	10,382
Distributions and fees	(16,640)	(17,245)
Balance, end of year	\$954,499	\$809,954

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

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

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

As of June 30, 2020				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$809,954	Market approach	Fair value of assets contributed to trust	N/A

Spoon River College District No. 534

Notes to Financial Statements

Note 9 Component Unit – Foundation (continued):

Restricted Net Position

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

	2021	2020
Subject to expenditure for specified purpose:		
Student scholarships, awards and College support	\$2,446,291	\$1,685,647
Subject to expenditure for time restrictions:		
Perpetual endowments	2,014,333	1,794,333
Beneficial interest in perpetual trusts	954,499	809,954
<u>Net assets with donor restrictions</u>	<u>\$5,415,123</u>	<u>\$4,289,934</u>

Note 10 Impact of Pending Accounting Pronouncements:

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.

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, 2021. 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, 2020. 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.

Spoon River College District No. 534

Notes to Financial Statements

Note 10 Impact of Pending Accounting Pronouncements (continued):

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

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, 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. The College has not determined the effect of this Statement.

Note 11 Subsequent Event:

The College has evaluated subsequent events through February 15, 2022, which is the date these financial statements were available to be issued.

Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%	0%	0%		
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$45,182,710	\$44,228,910	\$42,946,498	\$40,871,694	\$38,063,665	\$35,750,486	\$34,007,812			
Employer defined benefit covered payroll	\$5,488,178	\$5,585,858	\$5,598,932	\$5,681,188	\$5,311,468	\$5,489,800	\$5,705,637			
Proportion of collective net pension liability associated with the College as a percentage of defined benefit covered payroll	823.27%	791.80%	767.05%	719.42%	716.63%	651.22%	596.04%			
SURS plan net position as a percentage of total pension liability	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%			

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Federal, trust, grant and other contribution	\$28,373	\$28,369	\$25,652	\$15,502	\$8,405	\$8,314	\$10,381	\$3,361			
Contribution in relation to required contribution	28,373	28,369	25,652	15,502	8,405	8,314	10,381	3,361			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Employer covered payroll	\$6,386,586	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468	\$5,489,800	\$5,705,637			
Contribution as a percentage of covered payroll	0.44%	0.48%	0.43%	0.26%	0.15%	0.16%	0.19%	0.06%			

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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Proportion percentage of the collective net OPEB liability	0.27%	0.35%	0.36%	0.35%	0.30%					
Proportion amount of the collective net OPEB liability	\$4,989,187	\$ 6,592,840	\$ 6,751,154	\$6,304,942	\$5,467,052					
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$4,989,177	\$ 6,592,840	\$6,751,154	\$6,221,902	\$5,696,203					
Total collective net OPEB liability associated with the College	\$9,978,364	\$13,185,680	\$13,502,308	\$12,526,844	\$11,163,255					
District's covered payroll	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468					
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	167.55%	223.43%	229.78%	225.57%	210.17%					
College insurance plan net position as a percentage of total OPEB liability	-5.07%	-4.13%	-3.54%	-2.87%	-2.15%					

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$30,473	\$25,173	\$31,337	\$31,272	\$29,995	\$27,225				
Contribution in relation to the required statutorily	30,473	25,173	31,337	31,272	29,995	27,225				
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0				
District's covered payroll	\$6,386,586	\$5,955,310	\$5,901,485	\$5,876,188	\$5,553,295	\$5,311,468				
Contribution as a percentage of covered payroll	0.48%	0.42%	0.53%	0.53%	0.54%	0.51%				

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

Spoon River College District No. 534

Notes to Required Supplementary Information

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

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

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 effective rate of interest 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 to the 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 MP-2014 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, 2020.

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, 2018:

Spoon River College District No. 534

Notes to Required Supplementary Information

Note 4 Changes of OPEB Assumptions (continued):

- The discount rate was changed from 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2020.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2020;
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed;
- Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020, and updated premium rates through plan year end 2021; and
- Healthcare plan participation rates by plan were updated based on observed experience.

Supplemental Financial Information

Spoon River College District No. 534

Supplemental Financial Information Section

Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Certificate of Chargeback Reimbursement

- No. 6 - Certificate of Chargeback Reimbursement

Spoon River College District No. 534

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)
Fund balance at July 1, 2020	\$5,888,942	\$350,239	\$5,280
Revenue:			
Local tax revenue	2,343,466	487,599	156,793
All other local government	902,569	466,828	0
ICCB grants	998,317	333,620	0
All other state revenue	0	0	126,279
Federal revenue	907,450	0	0
Student tuition and fees	4,413,468	0	0
On-behalf CIP	0	0	0
On-behalf SURS	0	0	0
All other revenue	54,693	52,474	2,383
Total revenue	9,619,963	1,340,521	285,455
Expenditures:			
Instruction	3,359,349	0	0
Academic support	702,209	0	0
Student services	799,507	0	0
Public service/continuing education	297,071	0	0
Auxiliary services	0	0	0
Operation and maintenance	0	1,104,951	0
Institutional support	2,498,225	0	0
Scholarships, student grants, and waivers	401,479	0	0
Principal retirement	0	0	0
Interest and issuance costs	0	0	209,547
Building construction, building improvements, and equipment	467,619	0	1,233,115
Total expenditures	8,525,459	1,104,951	1,442,662
Bond issuance	775,000	0	4,100,000
Bond premium	0	0	204,547
Deposit in escrow	0	0	0
Net transfers	(298,422)	0	0
	476,578	0	4,304,547
Fund balance (deficit) at June 30, 2021	\$7,460,024	\$585,809	\$3,152,620

Spoon River College District No. 534

Uniform Financial Statement #1 (Continued)

All Funds Summary

For the year ended June 30, 2021

	Bond and Interest Fund	Auxiliary Enterprise Fund	Health Insurance Fund	Restricted Purpose Fund
Fund balance (deficit) at July 1, 2020	\$0	\$2,064	\$0	\$0
Revenue:				
Local tax revenue	2,388,459	0	0	0
All other local government	0	0	0	0
ICCB grants	0	0	0	165,013
All other state revenue	0	0	0	54,000
Federal revenue	0	0	0	2,479,633
Student tuition and fees	0	0	0	0
On-behalf CIP	0	0	0	119,207
On-behalf SURS	0	0	0	4,964,587
All other revenue	304	2,137,968	332,346	71,452
Total revenue	2,388,763	2,137,968	332,346	7,853,892
Expenditures:				
Instruction	0	0	0	2,559,537
Academic support	0	0	0	360,082
Student services	0	0	0	865,797
Public service/continuing education	0	0	0	324,161
Auxiliary services	0	2,416,024	332,346	194,810
Operation and maintenance	0	0	0	126,716
Institutional support	0	0	0	1,295,355
Scholarships, student grants, and waivers	0	0	0	2,661,581
Principal retirement	1,710,000	0	0	0
Interest and issuance costs	964,317	0	0	0
Building construction, building improvements, and equipment	0	0	0	1,792
Total expenditures	2,674,317	2,416,024	332,346	8,389,831
Bond issuance	12,455,000	0	0	0
Bond premium	0	0	0	0
Deposit in escrow	(12,189,812)	0	0	0
Net transfers	20,366	278,056	0	0
	285,554	278,056	0	0
Fund balance (deficit) at June 30, 2021	\$0	\$2,064	\$0	(\$535,939)

Spoon River College District No. 534
Uniform Financial Statement #1 (Continued)
All Funds Summary
For the year ended June 30, 2021

	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance (deficit) at July 1, 2020	\$60,881	\$1,083,142	\$7,390,548
Revenue:			
Local tax revenue	48,759	929,358	6,354,434
All other local government	0	0	1,369,397
ICCB grants	0	0	1,496,950
All other state revenue	0	0	180,279
Federal revenue	0	0	3,387,083
Student tuition and fees	0	0	4,413,468
On-behalf CIP	0	0	0
On-behalf SURS	0	0	0
All other revenue	6	229	2,651,855
Total revenue	48,765	929,587	24,937,260
Expenditures:			
Instruction	0	0	5,918,886
Academic support	0	0	1,062,291
Student services	0	0	1,665,304
Public service/continuing education	0	0	621,232
Auxiliary services	0	0	2,943,180
Operation and maintenance	0	0	1,231,667
Institutional support	47,100	744,967	4,585,647
Scholarships, student grants, and waivers	0	0	3,063,060
Principal retirement	0	0	1,710,000
Interest and issuance costs	0	0	1,173,864
Building construction, building improvements, and equipment	0	33,492	1,736,018
Total expenditures	47,100	778,459	25,711,149
Bond issuance	0	0	17,330,000
Bond premium	0	0	204,547
Deposit in escrow	0	0	(12,189,812)
Net Transfers	0	0	0
	0	0	5,344,735
Fund balance (deficit) at June 30, 2021	\$62,546	\$1,234,270	\$11,961,394

Spoon River College District No. 534
Uniform Financial Statement #2
Summary of Capital Assets and Long-Term Debt
For the year ended June 30, 2021

	Capital Assets/ Debt Account Groups July 1, 2020	Additions	Deletions	Reclassification	Capital Assets/ Debt Account Groups June 30, 2021
Capital assets:					
Land	\$759,038	\$0	\$0	\$0	\$759,038
Construction in process	5,647,337	259,566	0	(5,618,703)	288,200
Land improvements	110,077	159,654	0	756,195	1,025,926
Buildings and improvements	34,461,900	881,210	0	4,862,508	40,205,618
Equipment	562,698	0	(8,148)	0	554,550
Computer technology	337,428	435,588	(50,976)	0	722,040
Total capital assets	41,878,478	1,736,018	(59,124)	0	43,555,372
Accumulated depreciation	16,967,692	1,192,783	(59,124)	0	18,101,351
Total net capital assets	\$24,910,786	\$543,235	\$0	\$0	\$25,454,021
Long-term debt:					
Capital lease	\$27,323	\$0	(\$6,407)	\$0	\$20,916
Bonds payable	17,760,000	17,330,000	(12,800,000)	0	22,290,000
Bond premium	567,876	204,547	(533,760)	0	238,663
OPEB liability	6,592,840	0	(1,603,653)	0	4,989,187
Other fixed liabilities	342,065	309,608	(387,042)	0	264,631
Total long-term debt	\$25,290,104	\$17,844,155	(\$15,330,862)	\$0	\$27,803,397

Spoon River College District No. 534
Uniform Financial Statement #3
Operating Funds Revenues and Expenditures
For the year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government revenue:			
Local taxes	\$2,343,466	\$487,599	\$2,831,065
Corporate personal property replacement tax	902,569	466,828	1,369,397
Tuition chargeback revenue	0	0	0
Total local government	3,246,035	954,427	4,200,462
State government:			
ICCB base operating grant	619,240	333,620	952,860
ICCB equalization grant	264,617	0	264,617
ICCB small college grant	32,258	0	32,258
ICCB career & technical education	82,202	0	82,202
Total state government	998,317	333,620	1,331,937
Federal government:			
Department of Education	907,450	0	907,450
Total federal government	907,450	0	907,450
Student tuition and fees:			
Tuition	3,913,029	0	3,913,029
Fees	500,439	0	500,439
Total tuition and fees	4,413,468	0	4,413,468
Other sources:			
Facilities revenue	0	400	400
Interest	26,460	65	26,525
Other	28,233	52,009	80,242
Total other sources	54,693	52,474	107,167
Total revenue	9,619,963	1,340,521	10,960,484
Less non-operating items *			
Tuition chargeback revenue	0	0	0
Adjusted revenue	\$9,619,963	\$1,340,521	\$10,960,484

* 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, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures by program:			
Instruction	\$3,359,349	\$0	\$3,359,349
Academic support	702,209	0	702,209
Student services	799,507	0	799,507
Public services	297,071	0	297,071
Operation and maintenance	0	\$1,104,951	1,104,951
Institutional support	2,965,844	0	2,965,844
Scholarships, student grants, and waivers	401,479	0	401,479
Total expenditures	8,525,459	1,104,951	9,630,410
Less non-operating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,525,459	\$1,104,951	\$9,630,410
By object:			
Salaries	\$5,407,409	\$168,392	\$5,575,801
Employee benefits	1,192,775	64,599	1,257,374
Contractual services	133,941	344,946	478,887
General materials and supplies	586,341	191,235	777,576
Library Materials**	40,862	0	40,862
Conference and meeting expense	76,168	14,194	90,362
Fixed charges	6,745	6,896	13,641
Utilities	0	314,689	314,689
Capital Outlay	467,619	0	467,619
Other	654,461	0	654,461
Student grants and scholarships**	401,479	0	401,479
Total expenditures	8,525,459	1,104,951	9,630,410
Adjusting non-operating items *			
Tuition chargeback	0	0	0
Adjusted expenditures	\$8,525,459	\$1,104,951	\$9,630,410

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

**Non-add line.

Spoon River College District No. 534
 Uniform Financial Statement #4
 Restricted Purposes Fund Revenues and Expenditures
 For the year ended June 30, 2021

Revenue by source:

State government:	
ICCB - State Adult Education	\$165,013
S of S Volunteer Literacy	54,000
Transitional Math	0
On-behalf CIP	119,207
On-behalf SURS	4,964,587
<hr/>	
Total state government	5,302,807
<hr/>	
Federal government:	
Department of Education	2,479,633
<hr/>	
Total federal government	2,479,633
<hr/>	
Other sources:	
Career Link Transition	51,867
Dollar General Literacy	8,000
Western Illinois Works	11,572
Interest	13
<hr/>	
Total other sources	71,452
<hr/>	
Total restricted purposes fund revenues	\$7,853,892
<hr/> <hr/>	

Spoon River College District No. 534
 Uniform Financial Statement #4 (Continued)
 Restricted Purposes Fund Revenues and Expenditures
 For the year ended June 30, 2021

Expenditures by program:	
Instruction	\$2,561,329
Academic support	360,082
Student services	865,797
Public services	324,161
Auxiliary services	194,810
Operation and maintenance	126,716
Institutional support	1,295,355
Scholarships, student grants, and waivers	2,661,581
<hr/>	
Total restricted purposes fund expenditures	\$8,389,831
<hr/>	

Expenditures by object:	
Salaries	\$576,257
Employee benefits (including SURS and CIP on-behalf)	5,206,920
Contractual services	28,546
General materials and supplies	223,970
Library Materials*	0
Travel, conference and meeting expense	12,240
Capital outlay	1,792
Other	2,340,106
Student grants and scholarships**	2,314,393
<hr/>	
Total restricted purposes fund expenditures by object	\$8,389,831
<hr/>	

* Non-add line

Spoon River College District No. 534
 Uniform Financial Statement #5
 Current Funds* - Expenditures by Activity
 For the year ended June 30, 2021

Instruction -	
Instructional programs	\$5,920,678
Academic support:	
Library center	169,345
Instructional materials center	90,487
Academic administration and planning	442,377
Other academic support	360,082
Total academic support	1,062,291
Student services:	
Admissions and records	409,396
Counseling and career guidance	136,165
Financial aid administration	251,526
Other student services	868,217
Total student services	1,665,304
Public service/continuing education:	
Administration	297,071
Other public service	324,161
Total public service/continuing education	621,232
Total auxiliary services	2,943,180
Operations and maintenance:	
Maintenance	746,032
Plant utilities	358,919
Other operations and maintenance	126,716
Total operations and maintenance	1,231,667
Institutional support:	
Executive management	254,606
Fiscal operations	439,940
Administrative support services	1,367,785
Board of trustees	15,247
General institutional	272,195
Administrative data processing	1,441,630
Other institutional support	1,295,355
Total institutional support	5,086,758
Scholarships, student grants, and waivers	3,063,060
Total current funds expenditures	\$21,594,170

* 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 2021

All fiscal year 2021 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$8,057,840
2	Operations and Maintenance Fund	1,104,951
3	Public Building Commission Operation and Maintenance Fund	0
4	Bond and Interest Fund	537,673
5	Public Building Commission Rental Fund	
6	Restricted Purposes Fund	3,304,245
7	Audit Fund	47,100
8	Liability, Protection, and Settlement Fund	744,967
9	Auxiliary Enterprises Fund (subsidy only)	<u>0</u>
10	Total noncapital expenditures (sum of lines 1-9)	<u><u>\$13,796,776</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$880,196</u></u>
12	Total costs included (line 10 plus line 11)	<u><u>\$14,676,972</u></u>
13	Total certified semester credit hours for FY 2021	<u><u>22,739</u></u>
14	Per capita cost (line 12 divided by line 13)	\$645.45
15	All FY 2021 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>\$3,606,096</u></u>
16	FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)	158.59
17	District's average ICCB grant rate (excluding equalization grants) for FY 20252	<u>37.83</u>
18	District's student tuition and fee rate per semester credit hour for FY 2022	<u>174.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u><u>\$275.04</u></u>

Approved: 
 President

2/15/2022
 Date

Approved: 
 Chief Financial Officer

2/15/2022
 Date

Other Supplemental Financial Information

Spoon River College District No. 534

Balance Sheet - All Fund Types

June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Education	Operations and Maintenance	Operations and Maintenance Restricted
Cash and cash equivalents	\$229,148	\$0	\$2,544,748
Investments	6,751,672	0	2,390,017
Receivables:			
Property taxes	2,196,213	453,504	220,338
Government claims and grants	312,524	0	0
Other	1,704,958	462	0
Advances to other funds	1,429,759	640,976	0
Prepaid items	74,499	0	0
Inventories	0	0	0
Property and equipment, net	0	0	0
Total assets	12,698,773	1,094,942	5,155,103
Deferred outflows of resources:			
Unamortized loss on refunding	0	0	0
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$12,698,773	\$1,094,942	\$5,155,103
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$218,700	\$0	\$0
Accrued liabilities	222,503	3,698	0
Advances from other funds	0	0	1,769,027
Unearned tuition and fees	2,169,464	0	0
Accrued compensated absences	243,280	12,911	0
Capital lease	0	0	0
OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	2,853,947	16,609	1,769,027
Deferred inflows of resources:			
Deferred property taxes	2,384,802	492,524	233,456
Deferred grant revenue	0	0	0
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,384,802	492,524	233,456
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	3,152,620
Unrestricted	7,460,024	585,809	0
Total fund balance/net position (deficit)	7,460,024	585,809	3,152,620
Total liabilities, deferred inflows of resources, and fund balances/net position	\$12,698,773	\$1,094,942	\$5,155,103

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Cash and cash equivalents	\$0	\$7,365	\$1,017
Investments	0	188,996	0
Receivables:			
Property taxes	2,260,248	0	0
Government claims and grants	0	0	784,561
Other	0	11,088	0
Advances to other funds	196,463	0	0
Prepaid items	0	0	0
Inventories	0	305,786	0
Property and equipment, net	0	0	0
Total assets	2,456,711	513,235	785,578
Deferred outflows of resources:			
Unamortized loss on refunding	0	0	0
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$2,456,711	\$513,235	\$785,578
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$280
Accrued liabilities	0	4,079	6,691
Advances from other funds	0	498,652	761,663
Unearned tuition and fees	0	0	0
Accrued compensated absences	0	8,440	0
Capital lease	0	0	0
OPEB liability	0	0	0
Bonds payable, net of unamortized premiums (discounts)	0	0	0
Total liabilities	0	511,171	768,634
Deferred inflows of resources:			
Deferred property taxes	2,456,711	0	0
Deferred grant revenue	0	0	552,883
Unamortized gain on refunding	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	2,456,711	0	552,883
Fund balance/net position (deficit):			
Net investment in capital assets	0	0	0
Restricted	0	0	0
Unrestricted	0	2,064	(535,939)
Total fund balance/net position (deficit)	0	2,064	(535,939)
Total liabilities, deferred inflows of resources, and fund balances/net position	\$2,456,711	\$513,235	\$785,578

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2021

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	\$2,782,278
Investments	0	0	610,566	9,941,251
Receivables:				
Property taxes	0	45,350	853,703	6,029,356
Government claims and grants	0	0	0	1,097,085
Other	0	0	0	1,716,508
Advances to other funds	0	66,448	710,992	3,044,638
Prepaid items	0	0	0	74,499
Inventories	0	0	0	305,786
Property and equipment, net	0	0	0	0
Total assets	0	111,798	2,175,261	24,991,401
Deferred outflows of resources:				
Unamortized loss on refunding	0	0	0	0
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	\$111,798	\$2,175,261	\$24,991,401
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	(\$15,296)	\$0	\$0	\$203,684
Accrued liabilities	0	0	7,165	244,136
Advances from other funds	15,296	0	0	3,044,638
Unearned tuition and fees	0	0	0	2,169,464
Accrued compensated absences	0	0	0	264,631
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	7,165	5,926,553
Deferred inflows of resources:				
Deferred property taxes	0	49,252	933,826	6,550,571
Deferred grant revenue	0	0	0	552,883
Unamortized gain on refunding	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	0	49,252	933,826	7,103,454
Fund balance/net position (deficit):				
Net investment in capital assets	0	0	0	0
Restricted	0	0	0	3,152,620
Unrestricted	0	62,546	1,234,270	8,808,774
Total fund balance/net position (deficit)	0	62,546	1,234,270	11,961,394
Total liabilities, deferred inflows of resources, and fund balances/net position	\$0	\$111,798	\$2,175,261	\$24,991,401

Spoon River College District No. 534

Balance Sheet - All Fund Types (Continued)

June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	GASB			Adjusted Totals
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Cash and cash equivalents	\$0	\$0	\$0	\$2,782,278
Investments	0	0	0	9,941,251
Receivables:				
Property taxes	0	0	0	6,029,356
Government claims and grants	0	0	0	1,097,085
Other	0	0	0	1,716,508
Advances to other funds	0	0	(3,044,638)	0
Prepaid items	0	0	0	74,499
Inventories	0	0	0	305,786
Property and equipment, net	25,454,021	0	0	25,454,021
Total assets	25,454,021	0	(3,044,638)	47,400,784
Deferred outflows of resources:				
Unamortized loss on refunding	0	584,730	0	584,730
Deferred pension	0	0	28,373	28,373
Deferred OPEB	0	488,155	0	488,155
Total deferred outflows of resources	0	1,072,885	28,373	1,101,258
Total assets and deferred outflows	\$25,454,021	\$1,072,885	(\$3,016,265)	\$48,502,042
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$203,684
Accrued liabilities	0	100,856	0	344,992
Advances from other funds	0	0	(3,044,638)	0
Unearned tuition and fees	0	0	(227,174)	1,942,290
Accrued compensated absences	0	0	0	264,631
Capital lease	0	20,916	0	20,916
OPEB liability	0	4,989,187	0	4,989,187
Bonds payable, net of unamortized premiums (discounts)	0	22,528,663	0	22,528,663
Total liabilities	0	27,639,622	(3,271,812)	30,294,363
Deferred inflows of resources:				
Deferred property taxes	0	0	0	6,550,571
Deferred grant revenue	0	0	0	552,883
Unamortized gain on refunding	0	24,886	0	24,886
Deferred OPEB	0	2,576,214	0	2,576,214
Total deferred inflows	0	2,601,100	0	9,704,554
Fund balance/net position (deficit):				
Net investment in capital assets	25,454,021	(15,962,838)	0	9,491,183
Restricted	0	0	0	3,152,620
Unrestricted	0	(13,204,999)	255,547	(4,140,678)
Total fund balance/net position (deficit)	25,454,021	(29,167,837)	255,547	8,503,125
Total liabilities, deferred inflows of resources, and fund balances/net position	\$25,454,021	\$1,072,885	(\$3,016,265)	\$48,502,042

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, 2021

	Education	Operations and Maintenance	Operations and Maintenance Restricted
Revenues:			
Local government	\$3,246,035	\$954,427	\$156,793
State government	998,317	333,620	126,279
State of Illinois SURS and CIP on-behalf payments	0	0	0
Federal government	907,450	0	0
Student tuition and fees	4,413,468	0	0
Sales and service fees	0	0	0
Interest	26,460	65	2,383
Other	28,233	52,409	0
Total revenues	9,619,963	1,340,521	285,455
Expenditures/expenses:			
Current:			
Instruction	3,359,349	0	0
Academic support	702,209	0	0
Student services	799,507	0	0
Public services	297,071	0	0
Auxiliary services	0	0	0
Operation and maintenance of plant	0	1,104,951	1,233,115
Institutional support	2,965,844	0	0
Scholarships, student grants, and waivers	401,479	0	0
Depreciation expense	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest	0	0	0
Bond issuance cost	0	0	209,547
Total expenditures/expenses	8,525,459	1,104,951	1,442,662
Excess (deficiency) of revenues over expenditures/expenses	1,094,504	235,570	(1,157,207)
Other financing sources (uses):			
Bond issuance	775,000	0	4,100,000
Bond premium	0	0	204,547
Deposit in escrow	0	0	0
Transfers in	0	0	0
Transfers out	(298,422)	0	0
Total other financing sources (uses)	476,578	0	4,304,547
Net change in fund balance / net position	1,571,082	235,570	3,147,340
Fund balance/net position at beginning of year (deficit)	5,888,942	350,239	5,280
Fund balance/net position at end of year (deficit)	\$7,460,024	\$585,809	\$3,152,620

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, 2021

	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purpose
Revenues:			
Local government	\$2,388,459	\$0	\$0
State government	0	0	219,013
State of Illinois SURS and CIP on-behalf payments	0	0	5,083,794
Federal government	0	0	2,479,633
Student tuition and fees	0	0	0
Sales and service fees	0	706,683	0
Interest	304	11	13
Other	0	1,763,620	71,439
Total revenues	2,388,763	2,470,314	7,853,892
Expenditures/expenses:			
Current:			
Instruction	0	0	2,561,329
Academic support	0	0	360,082
Student services	0	0	865,797
Public services	0	0	324,161
Auxiliary services	0	2,748,370	194,810
Operation and maintenance of plant	0	0	126,716
Institutional support	0	0	1,295,355
Scholarships, student grants, and waivers	0	0	2,661,581
Depreciation expense	0	0	0
Debt service:			
Principal retirement	1,710,000	0	0
Interest	699,129	0	0
Bond issuance costs	265,188	0	0
Total expenditures/expenses	2,674,317	2,748,370	8,389,831
Excess (deficiency) of revenues over expenditures/expenses	(285,554)	(278,056)	(535,939)
Other financing sources (uses):			
Bond issuance	12,455,000	0	0
Bond premium	0	0	0
Deposit in escrow	(12,189,812)	0	0
Transfers in	20,366	278,056	0
Transfers out	0	0	0
Total other financing sources (uses)	285,554	278,056	0
Net change in fund balance / net position	0	0	(535,939)
Fund balance/net position at beginning of year (deficit)	0	2,064	0
Fund balance/net position at end of year (deficit)	\$0	\$2,064	(\$535,939)

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, 2021

	Trust and Agency Fund	Audit	Liability, Protection, and Settlement Fund	Fund Totals
Revenues:				
Local government	\$0	\$48,759	\$929,358	\$7,723,831
State government	0	0	0	1,677,229
State of Illinois SURS and CIP on-behalf payments	0	0	0	5,083,794
Federal government	0	0	0	3,387,083
Student tuition and fees	0	0	0	4,413,468
Sales and service fees	0	0	0	706,683
Interest	0	6	229	29,471
Other	0	0	0	1,915,701
Total revenues	0	48,765	929,587	24,937,260
Expenditures/expenses:				
Current:				
Instruction	0	0	0	5,920,678
Academic support	0	0	0	1,062,291
Student services	0	0	0	1,665,304
Public services	0	0	0	621,232
Auxiliary services	0	0	0	2,943,180
Operation and maintenance of plant	0	0	0	2,464,782
Institutional support	0	47,100	778,459	5,086,758
Scholarships, student grants, and waivers	0	0	0	3,063,060
Depreciation expense	0	0	0	0
Debt service:				
Principal retirement	0	0	0	1,710,000
Interest	0	0	0	699,129
Bond issuance cost	0	0	0	474,735
Total expenditures/expenses	0	47,100	778,459	25,711,149
Excess (deficiency) of revenues over expenditures/expenses	0	1,665	151,128	(773,889)
Other financing sources (uses):				
Bond issuance	0	0	0	17,330,000
Bond premium	0	0	0	204,547
Deposit in escrow	0	0	0	(12,189,812)
Transfers in	0	0	0	298,422
Transfers out	0	0	0	(298,422)
Total other financing sources (uses)	0	0	0	5,344,735
Net change in fund balance/net position	0	1,665	151,128	4,570,846
Fund balance/net position at beginning of year (deficit)	0	60,881	1,083,142	7,390,548
Fund balance/net position at end of year (deficit)	\$0	\$62,546	\$1,234,270	\$11,961,394

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, 2021

	GASB			Adjusted Totals
	General Fixed Assets Account	General Long-Term Debt Account	Other Adjustments	
Revenues:				
Local government	\$0	\$0	\$0	\$7,723,831
State government	0	0	0	1,677,229
State of Illinois SURS and CIP on-behalf payments	0	0	0	5,083,794
Federal government	0	0	0	3,387,083
Student tuition and fees	0	0	(1,222,550)	3,190,918
Sales and service fees	0	0	315,451	1,022,134
Interest	0	0	0	29,471
Other	0	0	(1,763,620)	152,081
Total revenues	0	0	(2,670,719)	22,266,541
Expenditures/expenses:				
Current:				
Instruction	(1,792)	(26,963)	0	5,891,923
Academic support	0	(4,341)	0	1,057,950
Student services	0	(6,996)	0	1,658,308
Public services	0	(2,395)	0	618,837
Auxiliary services	0	(2,348)	(1,448,169)	1,492,663
Operation and maintenance of plant	(1,233,115)	(7,934)	0	1,223,733
Institutional support	(501,111)	(20,915)	(4)	4,564,728
Scholarships, student grants, and waivers	0	(1,097)	(1,219,141)	1,842,822
Depreciation expense	1,192,783	0	0	1,192,783
Debt service:				
Principal retirement	0	(1,710,000)	0	0
Interest	0	483,525	0	1,182,654
Bond issuance cost	0	(474,735)	0	0
Total expenditures/expenses	(543,235)	(1,774,199)	(2,667,314)	20,726,401
Excess (deficiency) of revenues over expenditures/expenses	543,235	1,774,199	(3,405)	1,540,140
Other financing sources (uses):				
Bond issuance	0	(17,330,000)	0	0
Bond premium	0	(204,547)	0	0
Deposit in escrow	0	12,189,812	0	0
Transfers in	0	0	(298,422)	0
Transfers out	0	0	298,422	0
Total other financing sources (uses)	0	(5,344,735)	0	0
Net change in fund balance / net position	543,235	(3,570,536)	(3,405)	1,540,140
Fund balance/net position at beginning of year (deficit)	24,910,786	(25,597,301)	258,952	6,962,985
Fund balance/net position at end of year (deficit)	\$25,454,021	(\$29,167,837)	\$255,547	\$8,503,125

Spoon River College District No. 534
 Schedule of Operating Revenues and Expenses, by Program
 Auxiliary Enterprise Fund
 For the year ended June 30, 2021

	General	Bookstore	Food Services	Print Shop	Postage	Nursing Exams	Student Activities
Operating revenues:							
Sales and service fees	\$0	\$478,289	\$21,969	\$636	\$16,259	\$12,465	\$0
Student tuition and fees	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Interest	11	0	0	0	0	0	0
Total revenues	11	478,289	21,969	636	16,259	12,465	0
Operating expenses:							
Salaries	0	37,880	39,876	1,200	0	0	14,965
Employee benefits	0	25,626	0	0	0	0	0
Contractual services	0	0	1,140	24,548	0	0	8,688
General materials and supplies	0	316,778	35,043	4,806	18,607	1,725	3,229
Travel and conference/ meeting expenses	0	78	0	0	0	0	0
Fixed charges	0	17,900	0	0	0	0	0
Other	0	8,959	0	0	0	0	930
Total operating expenses	0	407,221	76,110	30,554	18,607	1,725	28,731
Operating income (loss) before operating transfers	11	71,068	(54,141)	(29,918)	(2,348)	10,740	(28,731)
Operating transfers	278,056	0	0	0	0	0	0
Net income (loss)	\$278,067	\$71,068	(\$54,141)	(\$29,918)	(\$2,348)	\$10,740	(\$28,731)

Spoon River College District No. 534

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

Auxiliary Enterprise Fund

For the year ended June 30, 2021

	Athletics	Diesel Tractor Auto Technology	Health Insurance	Total
Operating revenues:				
Sales and service fees	\$100,000	\$77,065	\$0	\$706,683
Student tuition and fees	0	0	0	0
Other	0	0	332,346	332,346
Interest	0	0	0	11
Total revenues	100,000	77,065	332,346	1,039,040
Operating expenses:				
Salaries	164,960	0	0	258,881
Employee benefits	25,240	0	332,346	383,212
Contractual services	41,458	0	0	75,834
General materials and supplies	71,153	46,118	0	497,459
Travel and conference/ meeting expenses	71,656	0	0	72,626
Fixed charges	1,217	0	0	19,117
Other	0	0	0	9,889
Total operating expenses	375,684	46,118	332,346	1,317,096
Operating income (loss) before operating transfers	(275,684)	30,947	0	(278,056)
Operating transfers	0	0	0	278,056
Net income (loss)	(\$275,684)	\$30,947	\$0	\$0

Spoon River College District No. 534
Assessed Valuations, Tax Rates, Tax Extensions
and Tax Collections
Levy Years 2020, 2019, 2018, and 2017

	2020	2019	2018	2017
Assessed Valuations	\$995,706,722	\$974,413,076	\$945,852,246	\$931,311,632
Tax Rate (per \$100 assessed valuation):				
Educational Accounts	0.2421	0.2401	0.2412	0.2366
Bond and Interest Fund	0.2494	0.2432	0.2563	0.2249
Operations and Maintenance Accounts	0.0500	0.0500	0.0500	0.0481
Audit Fund	0.0050	0.0050	0.0047	0.0045
Fire Prevention/Safety/Energy	0.0237	0.0224	0.0234	0.0228
Liability, Protection, Settlement, and Social Security	0.0948	0.0884	0.0795	0.0772
Total tax rate	0.6650	0.6491	0.6551	0.6141
Tax Extensions:				
Educational Accounts	\$2,406,176	\$2,344,091	\$2,281,396	\$2,257,316
Bond and Interest Fund	2,483,289	2,374,356	2,424,219	2,145,691
Operations and Maintenance Accounts	497,853	488,149	472,926	458,905
Audit Fund	49,785	48,815	44,455	42,933
Fire Prevention/Safety/Energy	235,982	218,691	221,329	217,527
Liability, Protection, Settlement, and Social Security	943,929	863,047	751,953	736,537
Total tax extensions	\$6,617,014	\$6,337,149	\$6,196,278	\$5,858,909
Tax Collections to June 30:				
Educational Accounts	\$188,589	\$2,341,407	\$2,309,093	\$2,248,139
Bond and Interest Fund	196,462	2,386,314	2,427,500	1,993,903
Operations and Maintenance Accounts	39,020	487,172	472,237	456,824
Audit Fund	3,902	48,716	44,307	42,421
Fire Prevention/Safety/Energy	13,118	156,650	121,022	157,437
Liability, Protection, Settlement, and Social Security	80,123	928,483	851,949	792,593
Total tax collections	\$521,214	\$6,348,742	\$6,226,108	\$5,691,317
Percent of extensions collected	7.88%	100.18%	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, 2021, 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 of America 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, 2021, 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, 2021, 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
February 15, 2022

Spoon River College District No. 534
 Balance Sheet
 State Adult Education and Family Literacy Restricted Funds
 June 30, 2021

ASSETS	State Basic	State Performance	Total
Cash	\$0	\$0	\$0
Receivables	0	0	0
Advances to other funds	1,953	2,291	4,244
Total assets	\$1,953	\$2,291	\$4,244
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accrued liabilities	\$1,953	\$2,291	\$4,244
Advances from other funds	0	0	0
Total liabilities	1,953	2,291	4,244
Deferred inflows of resources - Unavailable grant revenue	0	0	0
Fund balance	0	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$1,953	\$2,291	\$4,244

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, 2021

	State Basic	State Performance	Total
Revenues -			
Grant revenue	\$105,208	\$59,805	\$165,013
Expenditures:			
Instruction	68,999	915	69,914
Social work services	5,344	0	5,344
Guidance services	13,743	0	13,743
Subtotal instructional and student services	88,086	915	89,001
General administration	17,122	57,844	74,966
Data and information services	0	1,046	1,046
Subtotal program support	17,122	58,890	76,012
Contractual Services	0	0	0
Total expenditures	105,208	59,805	165,013
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, 2021

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$68,999	65.58%
General Administration (20% maximum allowed)	\$17,122	16.27%

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, 2021. 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 childcare facilities or provision.

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

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

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

We have examined management of Spoon River College District No. 534's (the "College") assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Spoon River College District No. 534 during the period July 1, 2020 through June 30, 2021. 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
February 15, 2022

Spoon River College District No. 534

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed
For the year ended June 30, 2021


Credit Hour Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate	1,661.0	0.0	7,495.0	0.0	7,301.0	0.0	16,457.0	0.0
Business Occupational	44.0	0.0	534.0	1.0	201.0	2.0	779.0	3.0
Technical Occupation	170.0	0.0	920.5	0.0	1,096.0	0.0	2,186.5	0.0
Health Occupational	156.0	0.0	776.5	0.0	1,020.0	0.0	1,952.5	0.0
Remedial Development	28.0	0.0	517.0	0.0	312.0	0.0	857.0	0.0
Adult Education	0.0	0.0	0.0	279.0	0.0	225.0	0.0	504.0
	2,059.0	0.0	10,243.0	280.0	9,930.0	227.0	22,232.0	507.0

	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:	18,506.5	468.0	2,711.0	0.0	75.0	0.0

Credit Hours on Chargeback or Contractual Agreement: 0.0

District equalized assessed valuation \$974,413,076

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

Signature: 

President

Signature: 

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, 2021

<u>Credit Hour Categories</u>	Total Reimbursable Semester Credit Hours					
	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
Baccalaureate	16,457.0	16,457.0	0.0	0.0	0.0	0.0
Business Occupational	779.0	779.0	0.0	3.0	3.0	0.0
Technical Occupation	2,186.5	2,186.5	0.0	0.0	0.0	0.0
Health Occupational	1,952.5	1,952.5	0.0	0.0	0.0	0.0
Remedial Development	857.0	857.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	504.0	504.0	0.0
Total:	22,232.0	22,232.0	0.0	507.0	507.0	0.0
<u>Credit Hour Categories</u>	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
	In-District Credit Hours:	18,506.5	18,506.5	0.0	468.0	468.0
Dual Credit Hours:	2,711.0	2,711.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	75.0	75.0	0.0	0.0	0.0	0.0
<u>Credit Hour Categories</u>	Total Correctional Semester Credit Hours					
	Unrestricted			Restricted		
	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference	Total Reported in Audit Hours	Total Certified to ICCB Hours	Difference
Baccalaureate	0	0	0	0	0	0
Business Occupational	0	0	0	0	0	0
Technical Occupation	0	0	0	0	0	0
Health Occupational	0	0	0	0	0	0
Remedial Development	0	0	0	0	0	0
Adult Education	0	0	0	0	0	0
Total:	0	0	0	0	0	0

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

Spoon River College District No. 534

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

Note 1 Residency Verification Process

Procedures for Verifying and Classifying Residency

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

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

Students must provide one of the following to verify residency:

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

Annual Federal Financial Compliance Section

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated February 15, 2022. 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”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we do not express an opinion on the effectiveness the College’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wipfli LLP

Sterling, Illinois
February 15, 2022

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

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

Report on Compliance for Each Major Federal Program

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, 2021. 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, 2021.

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
February 15, 2022

Spoon River College District No. 534

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Education:				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	53401	\$75,272	\$0
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational				
Opportunity Grants (m)	84.007	P007AXX1289	52,430	0
Federal Work Study Program (m)	84.033	P033AXX1289	39,105	0
Federal Pell Grant Program (m)	84.063	P063AXX1340	2,065,675	0
Federal Direct Loan Program (m)	84.268	P268KXX1340	843,738	0
Total student financial assistance cluster			3,000,948	0
Direct award:				
TRIO - Student Support Services	84.042	P042AXX0515	246,300	0
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE53416	91,947	0
Education Stabilization Fund:				
Passed through the Illinois Community College Board:				
COVID-19 - Governor's Emergency Education				
Relief Grant (m)	84.425C	GEER-534	214,161	0
Direct awards:				
COVID-19 - Higher Education Emergency Relief				
Fund - Student portion (m)	84.425E	P425E202966	112,534	0
COVID-19 - Higher Education Emergency Relief				
Fund - Institutional portion (m)	84.425F	P425F2024121	1,035,743	0
Total education stabilization fund			1,362,438	0
Total U.S. Department of Education			\$4,776,905	\$0
Total federal awards expended			\$4,776,905	\$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, 2021, 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, 2021.

Note 2 **Loan Program**

For the year ended June 30, 2021, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$843,738.

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, 2021.

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>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268 84.425C, 84.425E, 84.425F	Student Financial Assistance Higher Education Emergency Relief Grant

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

Auditee qualified as low-risk auditee? X yes ___no

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

Section II – Financial Statement Findings

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, 2020

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

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