

Spoon River College Foundation

Financial Statements

Year Ended June 30, 2021

SPOON RIVER COLLEGE
Programs Scholarships Facilities
FOUNDATION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Spoon River College Foundation
Canton, Illinois

Report on Financial Statements

We have audited the accompanying financial statements of Spoon River College Foundation (the Foundation), a component unit of Spoon River College, Illinois Community College District #534, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spoon River College Foundation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of changes in net assets on pages 18-21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Sterling, Illinois
October 11, 2021

FINANCIAL STATEMENTS

Spoon River College Foundation

Statement of Financial Position

June 30, 2021

ASSETS

Cash and cash equivalents	\$845,928
Investments	3,768,582
Receivables, net	52,509
Beneficial interest in perpetual trusts	954,499
Capital assets, non-depreciable	40,000
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Total assets	\$5,661,518
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LIABILITIES

Accounts payable	\$28,145
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Total liabilities	28,145
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NET ASSETS

Without donor restrictions	218,250
With donor restrictions	5,415,123
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Total net assets	5,633,373
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Total liabilities and net assets	\$5,661,518
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See Notes to Financial Statements.

Spoon River College Foundation

Statement of Activities

For the year ended June 30, 2021

	Without donor Restrictions	With donor Restrictions	Total
Revenue, gains, and other support received:			
Contributions	\$93,075	\$588,093	\$681,168
In-kind	83,926	0	83,926
Interest and dividends	0	57,230	57,230
Net realized gain (loss) on investments	0	141,531	141,531
Net unrealized gain (loss) on investments	0	453,850	453,850
Unrealized gain (loss) on beneficial interest in trusts	0	144,546	144,546
Net assets 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:			
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 Foundation

Statement of Cash Flows

For the year ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$1,180,677
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Contributions restricted for long-term investment	(220,000)
Realized (gains) losses of investments	(141,531)
Unrealized (gains) losses of investments	(453,850)
Donated investments	(241,778)
(Increase) decrease in operating assets:	
Receivables	(38,940)
Beneficial interest in trusts	(144,545)
Increase (decrease) in operating liabilities:	
Accounts payable	7,393
<hr/>	
Net cash flows from operating activities	(52,574)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(278,326)
Proceeds from sale of donated investments	241,778
Proceeds from the sale of investment	35,459
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Net cash flows from investing activities	(1,089)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash gifts for donor-restricted endowment	220,000
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Net cash flows from financing activities	220,000
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INCREASE IN CASH AND CASH EQUIVALENTS	166,337
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	679,591
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$845,928
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See Notes to Financial Statements.

Spoon River College Foundation

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies:

Nature of Business

Spoon River College Foundation (the Foundation) was formed under the General Not For Profit Foundation Act of the State of Illinois on May 21, 1979. The Foundation has been approved by the Commissioner of Internal Revenue as an exempt organization under Section 501 of the Internal Revenue Code. Contributions to the Foundation qualify as charitable contributions for federal income tax purposes.

The Foundation was established to assist in carrying out the educational functions of Spoon River Community College. The Foundation provides funds by solicitation and receipt of grants, endowments and other funds and the allocation of these funds to the College for educational, service, capital and other institutional needs.

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 Foundation

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued):

Contributions and Revenues (continued)

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

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

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

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

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

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Income Taxes

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

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

Spoon River College Foundation

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued):

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

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

Functional Allocation of Expenses

Included on the statement of activities is expenses by function with natural classification detail. Expenses that can be identified with a specific program are recorded directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various methods.

Cash and Cash Equivalents

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

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its general cash accounts in one financial institution. Those balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Certificates of Deposit

The Foundation holds non-brokered certificates of deposit which are carried at cost, which closely approximates fair value.

Investments and Investment Earnings

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

Spoon River College Foundation

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued):

Donated investments

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

Capital Assets

The Foundation capitalizes all expenditures for capital assets at historical cost. Donated capital assets are carried at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight-line method over the estimated useful years. As of June 30, 2021, the Foundation's capital assets consist of land which is not depreciable.

Donated Services

Donated services are to be recognized in the financial statements. Donated services funded by the College are recognized in the financial statements and included in in-kind in the amount of \$83,926. The services must either (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated. The Foundation also receives donated services generally in the form of contributed time by volunteers. However, these donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Use of Estimates

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

Subsequent Events

The Foundation has evaluated subsequent events through October 11, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2021 have been incorporated herein.

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.

Spoon River College Foundation

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (continued):

Pending Accounting Pronouncements

On February 25, 2016, the FASB issued ASU 2016-02: *Leases*. When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases as well as finance leases. This standard is effective for financial statement issued for annual periods beginning after December 15, 2020. The Foundation is evaluating what impact this new standard will have on its financial statements.

In September 2020, the FASB issued ASU 2020-07: Not-for-Profit Entities (Topic 958): *Presentation and Disclosure b Not-for-Profit Entities for Contributed Nonfinancial Assets*. When this standard is adopted, Not-for-Profit entities will be required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures regarding contributed nonfinancial assets. The Foundation is evaluating what impact this new standard will have on its financial statements.

Note 2 Liquidity and Availability of Financial Assets:

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The Foundation maintains at least \$300,000 on hand, which covers about 15 months of expenses. Excess cash is invested in certificates of deposit at local banks or added to existing investment accounts. The following table reflects the Foundation's financial assets as of June 30, 2021, reduced by amounts not available for general expenditures:

Total financial assets	\$4,667,019
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	4,460,624
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Financial assts available to meet cash needs for general expenditures within one year	\$206,395
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Note 3 Investments:

All investments are carried by the Foundation at fair value. The investments at June 30, 2021 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
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Money market	\$143,436	\$143,436	\$0
Certificates of deposit	590,406	590,406	0
Mutual funds	710,405	689,218	21,187
Equities	1,954,961	1,209,189	745,772
Bonds and notes	261,358	258,725	2,633
Alternative investment & real assets	108,016	27,927	80,089
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	\$ 3,768,582	\$2,918,901	\$849,681
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Spoon River College Foundation

Notes to Financial Statements

Note 3 Investments (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
Interest and dividends	\$81,255
Realized gains (losses)	141,531
Unrealized gains (losses)	453,850
Investment fees	(24,025)
Total	\$652,611

Note 4 Capital Assets:

At June 30, 2021, the Foundation's capital assets consisted of donated land carried at the approximate fair value at the date of the donation.

	Fair Value	Accumulated Depreciation	Net
Land	\$40,000	\$0	\$40,000

During fiscal year 2017, the Foundation purchased land from the College for \$10 to lease to a company that built apartments on campus. Since this is a related party transaction that is not at arm's length, the land was valued at approximated fair value instead of cost.

Note 5 Endowment Funds:

The Foundation's endowment consists of approximately 73 individual funds established to be maintained permanently with earnings to be used for a variety of purposes.

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

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classified the net assets with donor restriction-perpetual endowments as (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions-perpetual endowments are classified as net assets with donor restrictions-endowments subject to spending policy and appropriation until those assets have been appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed in UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

Spoon River College Foundation

Notes to Financial Statements

Note 5 Endowment Funds (continued):

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

Investment income generated by the Foundation's endowment funds are used to benefit each endowment's intended purpose.

The endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$0	\$3,837,413	\$3,837,413

Changes in endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$0	\$2,882,794	\$2,882,794
Investment return:			
Interest income	0	56,963	56,963
Net appreciation (realized and unrealized) on investments	0	595,381	595,381
Total investment return	0	652,344	652,344
Contributions	0	368,984	368,984
Net assets reclassified	0	0	0
Appropriation of endowment assets for expenditure	0	(66,709)	(66,709)
Endowment net assets, end of year	\$0	\$3,837,413	\$3,837,413

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. The Foundation had no individual donor-restricted endowment fund deficiencies at June 30, 2021.

Spoon River College Foundation

Notes to Financial Statements

Note 5 Endowment Funds (continued):

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

Note 6 Beneficial Interest in Perpetual Trusts:

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 20% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 20% of the trust's fair value. The recorded value was \$330,242 as of June 30, 2021. The change in fair value is recorded on the statement of activities.

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 60% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 60% of the trust's fair value. The recorded value was \$70,991 as of June 30, 2021. The change in fair value is recorded on the statement of activities.

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 50% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 50% of the trust's fair value. The recorded value was \$13,432 as of June 30, 2021. The change in fair value is recorded on the statement of activities.

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 100% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 100% of the trust's fair value. The recorded value was \$28,516 as of June 30, 2021. The change in fair value is recorded on the statement of activities.

Spoon River College Foundation

Notes to Financial Statements

Note 6 Beneficial Interest in Perpetual Trusts (continued):

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 50% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 50% of the trust's fair value. The recorded value was \$511,318 as of June 30, 2021. The change in fair value is recorded on the statement of activities.

Note 7 Pledges Receivables:

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. The breakdown of pledges receivable as of June 30, 2021 is as follows:

Due in one year or less	\$53,975
Less allowance for uncollectible pledges	(1,466)
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Donation receivables	\$52,509
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Note 8 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.

Spoon River College Foundation

Notes to Financial Statements

Note 8 Fair Value Measurements (continued):

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

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
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

Reconciliation of assets measured using Level 3 inputs as of June 30, 2021:

Balance, beginning of year	\$809,954
Gains (Losses)	149,545
Purchases	11,640
Distributions and fees	(16,640)
Balance, end of year	\$954,499

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

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

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

Bonds and notes: Investments in debt securities that are classified as Level 2 if the fair value is determined using similar benchmark quoted securities. They are subject to restrictive provisions relating to redemptions of the investments.

Beneficial Interests in Perpetual Trusts: As described in Note 6, the Foundation is the beneficiary of five perpetual trusts established by donors and managed by banks. The fair value of the beneficial interest is estimated using the fair value of the assets held in the trust reported by the trustee as of June 30, 2021. The Foundation considers the measurement of its beneficial interest in the perpetual charitable trust to be a Level 3 measurement because even though that measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Foundation will never receive those assets or have the ability to direct the trustee to redeem them and they cannot be sold.

Spoon River College Foundation
Notes to Financial Statements

Note 8 Fair Value Measurements (continued):

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

Note 9 Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of June 30, 2021

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

The Foundation reports gifts or cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2021 for scholarships, awards and institutional support totaled \$260,061.

Note 10 Related Parties:

The Foundation expends funds either directly to or for the indirect benefit of Spoon River College, a related party. These expenses are for scholarships and other miscellaneous expenses. During the year, \$98,789 was expended for scholarships and \$117,814 was expended for institutional support. As of June 30, 2021, the Foundation had payables to the College in the amount of \$28,154 and receivables from the College in the amount of \$31,754.

Spoon River College Foundation

Notes to Financial Statements

Note 10 Related Parties (continued):

The College pays the salaries and benefits of the Foundation's employees. The Foundation has implemented "Not-for-Profit Entities: Services Received from Employees of an Affiliate" that includes \$83,926 on the financial statements as donation and the related in-kind expenses for the personnel costs incurred by the College on the Foundation's behalf.

Note 11 Commitments:

As of June 30, 2021, the Foundation is committed to paying scholarships of approximately \$60,700 awarded in 2021, but not yet payable until the students enroll and attend classes.

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2021

	Balance 7/1/2020	Increases		Decreases			Balance 6/30/2021
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
General Without Donor Restrictions	\$162,762	\$93,075			\$37,587		\$218,250
Total without donor restrictions	162,762	93,075	0	0	37,587	0	218,250
With Donor Restrictions - Purpose/Time Restrictions							
Ball, Virgil/Fulton County Youth Scholarship	0						0
Brown, Rosie Memorial Nursing Scholarship	1,313	475		250			1,538
Canton Chamber of Commerce Scholarship	0	500		500			0
Canton PEO Chapter LY Scholarship	0	2,000		500			1,500
Canton Works Club Scholarship	7,006	1,066		2,500			5,572
The Educators Scholarship	2,500	1,000		1,000			2,500
Edward Jones - Rusty Melhouse Scholarship	500			500			0
Fornoff, Clayton Memorial Scholarship	731						731
Herink, F.R. & M.O Memorial Trust Scholarship	5,998			750			5,248
Hunter, Mildred Scholarship (Rushville Student)	0						0
IHIA Scholarship	(1,350)	800		800			(1,350)
Jeager, Katherine Scholarship	1,975			700			1,275
Dr. Gary King Scholarship	2,450	200					2,650
Loebach Scholarship	0						0
McCloud, Ashley Memorial Scholarship	3,890	55					3,945
Shawver, Linda Memorial Agriculture Scholarship	1,000			500			500
Shawver, Linda Memorial Nursing Scholarship	0			500			(500)
Sports Information Intern Scholarship	275						275
SRC Art Department Scholarship	350	100					450
Swalec Incentive Scholarship	4,250	3,000		1,000			6,250
Swedell & Reimolds Scholarship	0						0
Telander, Brian Memorial Scholarship	2,673	175					2,848
Trainer, Thomas O Memorial Scholarship	0						0
TRIO Scholarship	0	5,000		5,000			0
Wesley United Meth. Church/Fellheimer Sch.	3,082	15,000		15,080			3,002
West Central FS Scholarships	8,500			2,500			6,000
General Scholarships	1,600	800					2,400
Bishop, David L Memorial Scholarship	8,191	7,230					15,421
Blackfelner, Loren & Carol Scholarship	0	1,000					1,000
Bobell Scholarship	2,810						2,810
Dare, Cheryl Memorial Scholarship	10,050	120					10,170
Groves, Harold & Millicent Memorial Scholarship	6,500	2,000					8,500
Miller, Delano Memorial Scholarship	2,734						2,734
Murphy, Vicki Memorial Scholarship	0						0
Ritschel, Dr. Robert E. Scholarship	0						0
Zaborac, Edward & Shirley Scholarship	0						0
SRC Alumni Scholarship	0						0
SRC Community Chorus Scholarship	0						0
Ashton, Vivian W. Memorial Scholarship	1,361		277	150			1,488
Ball, Danny Scholarship	1,644	200	399	350			1,893
Barnard, L.D. & Virginia L. Scholarship	2,006		402	550			1,858
Bell, Donald Memorial Scholarship	0	41,778					41,778
Benson, Dr. Fred Scholarship	507		256				763
Brott, Mildred & Emory Memorial Scholarship	13,864		3,463	900			16,427
Bugos, Edward J. (Boogie) Memorial Scholarship	1,496		281	300			1,477
Canton Elks Lodge #626 Scholarship	2,051		514	500			2,065
Canton Rotary Club/Ketric&Alice Klingman Schls	575		261	250			586
Canton Rotary Club Scholarship	1,017		269				1,286
Champlin, Bob & Elizabeth Scholarship	700	10,000	371	500			10,571
Champlin, Elizabeth Memorial Scholarship	21,184		871	1,000			21,055
Chapin, Odella B & Schreiber Family Schp Endow	10,633		674	1,000			10,307
Chicken for Charity Scholarship	1,314		368	350			1,332
Cleer, Ray & Emily Scholarship	600	1,000	259				1,859
Cox, Dorothy Memorial Scholarship	3,414		1,035	875			3,574
Crawford, Dean and Mildred Memorial Scholarship	2,149		419				2,568
Dalmasso, Joseph and Maxine Memorial Scholarship	630		259	300			589
Dare, Anna Mae Memorial Scholarship	665		260				925
Dare, Harold Memorial Scholarship	597		259	500			356
Davis, Carol Scholarship	2,947	500	358	400			3,405
Davis, Harley Memorial Scholarship	1,784	100	300				2,184
DeRenzy, Gale E. Memorial Scholarship	616	50	259				925
English, Donald E. & Helen M. Memorial Scholarship	1,517		452	400			1,569
Fink, Rodney & Bertha Scholarship	3,245	1,000	323	1,800			2,768

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2021

	Balance 7/1/2020	Increases		Decreases			Balance 6/30/2021
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Foundation Board/BOT's Scholarship	289		251	4,254			(3,714)
Greenwell, Tom Memorial Scholarship	1,041		269				1,310
Helle, Shauna Memorial Scholarship	5,299		1,526	1,500			5,325
Howerter, Roger Memorial Scholarship	632		260	125			767
Jackson, Carl F. Scholarship	1,114		21	350			785
Kauzlarich, Robert G and Jennifer Bond Scholarship	605		259	300			564
Kiwanis Club of Canton Scholarship	2,778	250	556	500			3,084
Krulac, Cody Memorial Scholarship	15,771	1,000	629	500			16,900
Kruschinsky, Berniece Sprecher Scholarship	985		476	350			1,111
Kruschinsky, Carl Scholarship	1,799		495	400			1,894
Love, Linda Cameron Memorial Scholarship	605		259	500			364
Mathis, Gail Memorial Scholarship Endowment	1,125	350	272				1,747
McPheeters, Frances G. & Dorothea B. Scholarship	4,922	3,500	1,316	500			9,238
MidAmerica National Bank Schlsp.	25,360		5,013	3,750			26,623
Miller, Gustav A. & Elizabeth P. Scholarship	37,541	5,000	3,604	2,250			43,895
Murphy, Vicki Memorial Scholarship	3,792	1,720	337	750			5,099
O'Brien, Molly K. Scholarship	30,859	6,286	1,485	1,500			37,130
Oliver, Avis A. Memorial Scholarship	637		260	250			647
Phi Mu Tau/Edward R. Kaiser Scholarship	7,994	448	512				8,954
Quick, J. Marshall & Helen Scholarship	25,179		4,886	3,000			27,065
Ransom, Stanley Scholarship	463		255				718
Reading Disability Scholarship	2,849	5,000	314	1,000			7,163
Red Dog Cystic Fibrosis Scholarship	3,714		1,311				5,025
Reed, Sherman Memorial Scholarship	54,042	17,480		7,380			64,142
Rogers, Mr. & Mrs. Glen Scholarship	35,582		6,721	2,250			40,053
Saville, Marge Memorial Scholarship	1,174		297	300			1,171
Schleich Memorial Scholarship	638		260	300			598
Severinsen Memorial Scholarship	707		383	400			690
Smolich, Robert Memorial Scholarship	1,138		284				1,422
Spoon River Partnership for Economic Development	2,638		308				2,946
SRC Alumni Scholarship	726		271				997
SRC Foundation Scholarships	5,153	15,896	564	14,625			6,988
Taylor, B.H. & Jim Scholarship	3,606		1,109	1,000			3,715
Taylor, W.I. Memorial Scholarship	1,583	1,000	283	400			2,466
Watson, Bradley K Scholarship	2,173	250	297	150			2,570
Williams, Jackson Bette Scholarship	333	5,000	252	150			5,435
Wood, Louise Trust Scholarship	1,191						1,191
Wood, Sherrie L. Memorial Nursing Scholarship	1,248		420	600			1,068
Wood, Susanna Memorial Scholarship	57,715	6,500	1,897	5,500			60,612
Wrestler, Gene & Eveyln Scholarship	8,277	5,000	446	500			13,223
Zaborac, Dee Memorial Scholarship	4,264	3,067	348	500			7,179
Zaborac, Ed & Shirley Memorial Scholarship	15,272	10,000	617	250			25,639
Zaborac, Millie and Tom Education Scholarship	1,896	6,612	290	500			8,298
AG Program Support	20,093	175			9,919		10,349
Alumni Association	66		271				337
Arboretum	1,875						1,875
Athletic Campaign	115,586	12,665			78,271		49,980
Athletic Program Support	4,552						4,552
Big Read Program (Spoon River Reads)	0						0
Canton Area Economic Development	7,685						7,685
Canton Campus	31,381	514			6,136		25,759
College for Kids	2,540	25					2,565
Community Chorus Fund	11,326	2,255			1,415		12,166
Emergency Hardship Fund	10,417	7,592			8,900		9,109
English as a Second Language	58,000	825					58,825
Havana Center	9,114	552					9,666
Long, Gene & Marie Trust (Capital Improvements)	46,138	14,140			45,000		15,278
Macomb Campus	68,927	128					69,055
NG Cannabis Training	0	100,000					100,000
Rushville Center	2,169	100					2,269
Russell, Patricia (LRC)	0						0
Retirees Leading Initiative	15,741	25			350		15,416
Truman Standard Trust Fund	2,326						2,326
Two River's Arts Council	37	575					612
Program Support (Weld, CDT)	320						320
Undistributed Investment fees	(84,719)						(84,719)

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2021

	Balance 7/1/2020	Increases		Decreases			Balance 6/30/2021
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Realized Invest. Gain	242,533		141,531				384,064
Unrealized Invest. Gain	396,708		453,850				850,558
Undistributed Interest	82,716		4,758				87,474
Adult Educ. & Family Literacy/GED	14,534	999			218		15,315
Ag Fundraising	767						767
Athletic Fundraising- Students	11,993	6,877			1,748		17,122
Athletics - Baseball Program	13,028	9,785			2,595		20,218
Athletics - Softball Program	8,554	6,762					15,316
Athletics - Basketball - Men's	975	1,920					2,895
Athletics - Basketball - Women's	0						0
Athletics - Cross Country	0						0
Athletics - Volleyball	4,419	1,140					5,559
Friends of SRC Theatre	12,818	485			1,114		12,189
Food Insecurity	1,376	2,965			824		3,517
Funk Kitchen	510	312			172		650
Habitat for Humanity - Macomb Chapter	1,047						1,047
Habitat for Humanity - Canton Chapter	2,000						2,000
Land Use	1,000						1,000
Land Lab Revenue / Expense	6,869	237			2,159		4,947
HEAL Association	16,078				500		15,578
Nursing Fundraising	2,680						2,680
PEEPS	31						31
PTK Canton	377						377
PTK Macomb	504	550					1,054
Relay for Life	9						9
Kaleidoscope Fundraising	0	46					46
Speech & Debate Team	500						500
SRC - Learning Resource Center	880						880
Student Activities	433						433
Tools & Equipment - Ditec	8,744	1,900					10,644
TRIO Activity Account	1,737	5,036			1,951		4,822
Total with donor restrictions - temporarily restricted	1,685,647	368,093	652,612	98,789	161,272	0	2,446,291
With Donor Restrictions - Perpetual in Nature							
Ashton, Vivian W. Memorial Scholarship	10,000						10,000
Ball, Danny Endowment	14,700						14,700
Barnard, L.D. & Virginia L. Endowment	14,481						14,481
Bell, Donald Memorial Scholarship Endowment	0	200,000					200,000
Benson, Dr. Fred Endowment	10,000						10,000
Brott, Mildred & Emory Memorial Endowment	128,000						128,000
Bugos, Edward J. (Boogie) Memorial Endowment	10,000						10,000
Canton Elks Lodge #626 Endowment	19,000						19,000
Canton Rotary Club/Ketric&Alice Klingman Endowm.	10,100						10,100
Canton Rotary Club Scholarship	10,000						10,000
Canton Works Club beneficial interest in trust	60,371		10,620				70,991
Champlin, Bob & Elizabeth Scholarship	14,500						14,500
Champlin, Elizabeth Scholarship	14,500						14,500
Chapin, Odella B & Schreiber Family Schp Endow	17,000						17,000
Chicken for Charity	13,750						13,750
Cleer, Ray & Emily Scholarship Endowment	10,000						10,000
Cox, Dorothy Memorial Endowment	39,000						39,000
Crawford, Dean and Mildred Memorial Endowment	15,000						15,000
Dalmasso, Joseph and Maxine Memorial Endowment	10,000						10,000
Dare, Anna Mae Memorial Scholarship	10,000						10,000
Dare, Harold Memorial Endowment	10,000						10,000
Davis, Carol Scholarship	11,735						11,735
Davis, Harley Memorial Scholarship	10,500						10,500
DeRenzy, Gale E. Memorial Endowment	10,000						10,000
English, Donald E. & Helen M. Memorial Endowment	17,000						17,000
Fink, Rodney & Bertha Endowment	10,000						10,000
Foundation Board/BOT's Endowment	10,000						10,000
Greenwell, Tom Memorial Endowment	10,000						10,000
Helle, Shauna Memorial Endowment	57,230						57,230
Herink, Francis & Margaret beneficial interest in trust	24,698		3,818				28,516
Howerter, Roger Memorial Scholarship	10,010						10,010
Jackson, Carl F. Endowment	10,800						10,800
Jaeger, Katherine beneficial interest in trust	11,144		2,288				13,432

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2021

	Balance 7/1/2020	Increases		Decreases			Balance 6/30/2021
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Kauzlarich, Robert G and Jennifer Bond Scholarship	10,000						10,000
Kiwanis Club of Canton Endowment	20,000						20,000
Krulac, Cody Memorial Scholarship	10,000						10,000
Kruschinsky, Berneice Sprecher Endowment	18,500						18,500
Kruschinsky, Carl Endowment	18,500						18,500
Long, Gene & Marie beneficial interest in trust	280,341		49,900				330,241
Love, Linda Cameron Memorial Scholarship	10,000						10,000
Mathis, Gail Memorial Scholarship Endowment	10,000						10,000
McPheeters, Frances G. & Dorothea B. Endowment	49,000						49,000
MidAmerica National Bank Endowment	180,000						180,000
Miller, Gustav A. & Elizabeth P. Endowment	110,110						110,110
Murphy, Vicki Memorial Endowment	10,000						10,000
O'Brien, Molly K. Memorial Endowment	30,000						30,000
Oliver, Avis A. Memorial Endowment	10,000						10,000
Phi Mu Tau Endowment/Edward R. Kaiser Endowment	13,000						13,000
Quick, J. Marshall & Helen Endowment	175,000						175,000
Ransom, Stanley Scholarship	10,000						10,000
Reading Disability Scholarship	10,000	20,000					30,000
Red Dog Cystic Fibrosis Endowment	50,000						50,000
Reed, Sherman Memorial Endowment	30,500						30,500
Reed, Sherman beneficial interest in trust	433,400		77,919				511,319
Rogers, Mr. & Mrs. Glen Endowment	239,778						239,778
Saville, Marge Memorial Endowment	11,000						11,000
Schleich Memorial Endowment	10,000						10,000
Severinsen Memorial Endowment	15,000						15,000
Smolich, Robert Memorial Endowment	10,500						10,500
Spoon River Partnership for Economic Development	10,000						10,000
SRC Alumni Scholarship	10,360						10,360
SRC Foundation Scholarships Endowment	17,972						17,972
Taylor, B.H. & Jim Endowment	41,839						41,839
Taylor, W.I. Memorial Endowment	10,000						10,000
Watson, Bradly K Endowment	10,000						10,000
Williams, Jackson Bette Endowment	10,000						10,000
Wood, Louise Trust Endowment	10,000						10,000
Wood, Sherrie L. Memorial Nursing Endowment	15,968						15,968
Wood, Susanna Memorial Endowment	20,000						20,000
Wrestler, Gene & Evelyn Scholarship	10,000						10,000
Zaborac, Dee Memorial Endowment	10,000						10,000
Zaborac, Edward & Shirley Scholarship	10,000						10,000
Zaborac, Millie and Tom Education Endowment	10,000						10,000
Total with donor restrictions - permanently restricted	2,604,287	220,000	144,545	0	0	0	2,968,832
Totals	\$4,452,696	\$681,168	\$797,157	\$98,789	\$198,859	\$0	\$5,633,373