

Spoon River College Foundation

Financial Statements

Year Ended June 30, 2022

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 the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Spoon River College Foundation, Inc. (the Foundation, a nonprofit organization), a component unit of Spoon River College District 534, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Spoon River College Foundation, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is a higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit an audit in accordance with generally accepted auditing standards, we:

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

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

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 as listed in the table of contents 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 19, 2022

FINANCIAL STATEMENTS

Spoon River College Foundation

Statement of Financial Position

June 30, 2022

ASSETS

Cash and cash equivalents	\$873,413
Investments	3,910,643
Receivables, net	11,509
Beneficial interest in perpetual trusts	821,951
Capital assets, non-depreciable	40,000
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Total assets	\$5,657,516
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LIABILITIES

Accounts payable	\$55,934
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Total liabilities	55,934
<hr/>	

NET ASSETS

Without donor restrictions	239,203
With donor restrictions	5,362,379
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Total net assets	5,601,582
<hr/>	
Total liabilities and net assets	\$5,657,516
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See Notes to Financial Statements.

Spoon River College Foundation

Statement of Activities

For the year ended June 30, 2022

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

See Notes to Financial Statements.

Spoon River College Foundation

Statement of Cash Flows

For the year ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	(\$31,791)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Contributions restricted for long-term investment	(480,000)
Realized (gains) losses of investments	(197,957)
Unrealized (gains) losses of investments	677,076
(Increase) decrease in operating assets:	
Receivables	41,000
Beneficial interest in trusts	132,548
Increase (decrease) in operating liabilities:	
Accounts payable	27,789
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Net cash flows from operating activities	168,665
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CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(819,137)
Proceeds from the sale of investment	197,957
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Net cash flows from investing activities	(621,180)
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CASH FLOWS FROM FINANCING ACTIVITIES	
Cash gifts for donor-restricted endowment	480,000
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Net cash flows from financing activities	480,000
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INCREASE IN CASH AND CASH EQUIVALENTS	27,485
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	845,928
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$873,413
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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, 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.

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):

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, 2022, the Foundation's capital assets consist of land which is not depreciable.

Contributed nonfinancial assets

Contributed nonfinancial assets are to be recognized in the financial statements. 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 receives contributed nonfinancial assets generally in the form of contributed time by volunteers. However, these contributed nonfinancial assets are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. Contributed nonfinancial assets funded by the College are recognized in the financial statements and included in supporting services.

For the year ended June 30, 2022, the Foundation received contributed administrative services totaling \$82,550 from the College, a related party.

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 19, 2022, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2022 have been incorporated herein.

Change in Accounting Policies

In 2020, the FASB issued *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)*. The amendments in this ASU apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. 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.

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, 2022, reduced by amounts not available for general expenditures:

Total financial assets	\$4,795,565
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	4,540,428
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Financial assts available to meet cash needs for general expenditures within one year	\$255,137
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Note 3 Investments:

All investments are carried by the Foundation at fair value. The investments at June 30, 2022 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
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Money market	\$273,607	\$273,607	\$0
Certificates of deposit	595,782	595,782	0
Mutual funds	797,143	908,292	(111,149)
Equities	1,844,729	1,531,388	313,341
Bonds and notes	399,382	428,969	(29,587)
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	\$3,910,643	\$3,738,038	\$ 172,605
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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, 2022 :

	With Donor Restrictions
Interest and dividends	\$81,164
Realized gains (losses)	197,957
Unrealized gains (losses)	(677,076)
Investment fees	(26,202)
Total	(\$424,157)

Note 4 Capital Assets:

At June 30, 2022, 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 74 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, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$0	\$3,958,268	\$3,958,268

Changes in endowment net assets as of June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$0	\$3,837,413	\$ 3,837,413
Investment return:			
Interest income	0	54,962	54,962
Net appreciation (realized and unrealized) on investments	0	(479,119)	(479,119)
Total investment return	0	(424,157)	(424,157)
Contributions	0	619,863	619,863
Net assets reclassified	0	3,200	3,200
Appropriation of endowment assets for expenditure	0	(78,051)	(78,051)
Endowment net assets, end of year	\$0	\$3,958,268	\$3,958,268

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, 2022.

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 \$ 272,071 as of June 30, 2022. 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 \$ 62,745 as of June 30, 2022. 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 \$11,198 as of June 30, 2022. 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 \$24,519 as of June 30, 2022. 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 \$ 451,418 as of June 30, 2022. 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, 2022 is as follows:

Due in one year or less	\$12,788
Less allowance for uncollectible pledges	(1,279)
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Donation receivables	\$11,509
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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, 2022:

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

Reconciliation of assets measured using Level 3 inputs as of June 30, 2022:

Balance, beginning of year	\$954,499
Gains (Losses)	(124,878)
Purchases	\$32,544
Distributions and fees	(40,214)
Balance, end of year	\$ 821,951

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, 2022. 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, 2022

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

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

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

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

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

Spoon River College Foundation

Notes to Financial Statements

Note 9 **Net Assets with Donor Restrictions:**

Net assets with donor restrictions consist of the following as of June 30, 2022:

Subject to expenditure for specified purpose:	
Student scholarships, awards and College support	\$2,036,095
Subject to expenditure for time restrictions:	
Perpetual endowments	2,504,333
Beneficial interest in perpetual trusts	821,951
<hr/>	
Net assets with donor restrictions	\$5,362,379
<hr/>	

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, 2022 for scholarships, awards and institutional support totaled \$261,517.

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, \$119,753 was expended for scholarships and \$141,764 was expended for institutional support. As of June 30, 2022, the Foundation had payables to the College in the amount of \$55,934 and receivables from the College in the amount of \$11,509.

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 \$82,550 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, 2022, the Foundation is committed to paying scholarships of approximately \$69,300 awarded in 2022, but not yet payable until the students enroll and attend classes.

Spoon River College Foundation

Notes to Financial Statements

Note 12 Contributed Nonfinancial Assets:

Contributed nonfinancial assets consist of the following:

<u>Contributed services</u>	<u>\$82,550</u>
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The Foundation recognizes contributed nonfinancial assets within revenues, including contributed services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise professional services from College accounting and administrative personnel handling the Foundation's financial records and operational activities.

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2022

	Balance 6/30/2021	Increases		Decreases			Balance 6/30/2022
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
General Without Donor Restrictions	\$218,250	\$105,357			\$84,404		\$239,203
Total without donor restrictions	218,250	105,357	\$0	\$0	84,404	\$0	239,203
Temporarily restricted							
Brown, Rosie Memorial Nursing Scholarship	1,538	100		250			1,388
Canton Chamber of Commerce Scholarship	0	500		500			0
Canton PEO Chapter LY Scholarship	1,500	1,000		1,000			1,500
Canton Works Club Scholarship	5,572	1,431		1,500			5,503
Cook Stan "Give Hope" Scholarship	0	5,000		5,000			0
Compeer Scholarship	0	2,500					2,500
The Educators Scholarship	2,500	1,000		1,500			2,000
Edward Jones - Rusty Melhouse Scholarship	0	500		500			0
Fornoff, Clayton Memorial Scholarship	731						731
Herink, F.R. & M.O Memorial Trust Scholarship	5,248	1,275		1,000			5,523
IHIA Scholarship	(1,350)	800		800			(1,350)
Jeager, Katherine Scholarship	1,275	400		350			1,325
Dr. Gary King Scholarship	2,650	200		500			2,350
McCloud, Ashley Memorial Scholarship	3,945	50					3,995
Shawver, Linda Memorial Agriculture Scholarship	500					(500)	0
Shawver, Linda Memorial Nursing Scholarship	(500)					500	0
Sports Information Intern Scholarship	275						275
SRC Art Department Scholarship	450	200					650
Swalec Incentive Scholarship	6,250			1,652			4,598
Telander, Brian Memorial Scholarship	2,848	100		500			2,448
TRIO Scholarship	0	5,000		5,000			0
Wesley United Meth. Church/Fellheimer Sch.	3,002	15,000		16,400			1,602
West Central FS Scholarships	6,000	5,000		4,500			6,500
General Scholarships	2,400	800				(3,200)	0
Bishop, David L Memorial Scholarship	15,421	1,200		500		(10,000)	6,121
Blackfelner, Loren & Carol Scholarship	1,000	5,000					6,000
Bobell Scholarship	2,810						2,810
Dare, Cheryl Memorial Scholarship	10,170	250		250			10,170
Goforth, Lukas Memorial Scholarship	0	870					870
Groves, Harold & Millicent Memorial Scholarship	8,500	2,000					10,500
Miller, Delano Memorial Scholarship	2,734						2,734
Ritschel, Dr. Robert E. Scholarship	0	250					250
Zilly, Craig Memorial Scholarship	0	3,970					3,970
Ashton, Vivian W. Memorial Scholarship	1,488		264	300			1,452
Ball, Danny Scholarship	1,893		381	350			1,924
Barnard, L.D. & Virginia L. Scholarship	1,858		375	300			1,933
Bell, Donald Memorial Scholarship	41,778		5,548				47,326
Benson, Dr. Fred Scholarship	763		247	300			710
Brott, Mildred & Emory Memorial Scholarship	16,427		3,314	2,025			17,716
Bugos, Edward J. (Boogie) Memorial Scholarship	1,477		263	300			1,440
Canton Elks Lodge #626 Scholarship	2,065		483				2,548
Canton Rotary Club/Ketric&Alice Klingman Schlsp	585		245	250			580
Canton Rotary Club Scholarship	1,285		259	250			1,294
Champlin, Bob & Elizabeth Scholarship	10,571	10,000	575	1,500			19,646
Champlin, Elizabeth Memorial Scholarship	21,054		816	1,000			20,870
Chapin, Odella B & Schreiber Family Schp Endow	10,308		627				10,935
Chicken for Charity Scholarship	1,333		346	350			1,329
Cleer, Ray & Emily Scholarship	1,859	1,500	272	300			3,331
Cox, Dorothy Memorial Scholarship	3,575		977	700			3,852
Crawford, Dean and Mildred Memorial Scholarship	2,568		403	400			2,571
Dalmasso, Joseph and Maxine Memorial Scholarshi	590		243	250			583
Dare, Anna Mae Memorial Scholarship	925		251	300			876
Dare, Harold Memorial Scholarship	356		238	500			94
Davis, Carol Scholarship	3,405	50	347	800			3,002
Davis, Harley Memorial Scholarship	2,184	50	291	350			2,175
DeRenzy, Gale E. Memorial Scholarship	925		251				1,176
English, Donald E. & Helen M. Memorial Scholarshi	1,569		426	400			1,595
Fink, Rodney & Bertha Scholarship	2,768		293				3,061
Foundation Board/BOT's Scholarship	(3,714)		144	4,481		8,051	0
Graham Health Systems Scholarship	0	50,000		2,165			47,835
Greenwell, Tom Memorial Scholarship	1,310		260	300			1,270
Helle, Shauna Memorial Scholarship	5,325		1,435	1,250			5,510
Howerter, Roger Memorial Scholarship	766		247				1,013

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2022

	Balance 6/30/2021	Increases		Decreases			Balance 6/30/2022
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Jackson, Carl F. Scholarship	785		266	350			701
Kauzlarich, Robert G and Jennifer Bond Scholarship	564	100	242	250			656
Kiwanis Club of Canton Scholarship	3,084	250	530				3,864
Krulac, Cody Memorial Scholarship	16,900		617	1,000			16,517
Kruschinsky, Berniece Sprecher Scholarship	1,110	50	450	525			1,085
Kruschinsky, Carl Scholarship	1,895		468	400			1,963
Long Family Scholarship	0	1,000					1,000
Love, Linda Cameron Memorial Scholarship	364		238	250			352
Mathis, Gail Memorial Scholarship Endowment	1,747	450	270	250			2,217
McPheeters, Frances G. & Dorothea B. Scholarship	9,239	1,500	1,336	1,000			11,075
MidAmerica National Bank Schlsp.	26,622		4,741	3,750			27,613
Miller, Gustav A. & Elizabeth P. Scholarship	43,895		3,534	3,500			43,929
Murphy, Vicki Memorial Scholarship	5,099	1,905	346	1,000			6,350
O'Brien, Molly K. Scholarship	37,130	4,318	1,540	1,750			41,238
Oliver, Avis A. Memorial Scholarship	647		244	250			641
Phi Mu Tau/Edward R. Kaiser Scholarship	8,954	348	504	1,000			8,806
Quick, J. Marshall & Helen Scholarship	27,065		4,636	2,250			29,451
Ransom, Stanley Scholarship	719	50	246	150			865
Reading Disability Scholarship	7,163	50	853	500			7,566
Red Dog Cystic Fibrosis Scholarship	5,024		1,263	750			5,537
Reed, Sherman Memorial Scholarship	64,141	18,160		8,230			74,071
Rogers, Mr. & Mrs. Glen Scholarship	40,053		6,421	3,250			43,224
Saville, Marge Memorial Scholarship	1,171		279	150			1,300
Schleich Memorial Scholarship	598		243	150			691
Severinsen Memorial Scholarship	690		360	300			750
Smolich, Robert Memorial Scholarship	1,422		274	300			1,396
Spoon River Partnership for Economic Developmen	2,946		297				3,243
SRC Alumni Scholarship	997	210	261	150			1,318
SRC Foundation Scholarships	6,987	15,592	573	17,525		(4,851)	776
Taylor, B.H. & Jim Scholarship	3,715		1,045	1,000			3,760
Taylor, W.I. Memorial Scholarship	2,465		286	400			2,351
Watson, Bradley K Scholarship	2,570	250	288	300			2,808
Williams, Jackson Bette Scholarship	5,435	5,000	354				10,789
Wood, Louise Trust Scholarship	1,191						1,191
Wood, Sherrie L. Memorial Nursing Scholarship	1,069	750	391	500			1,710
Wood, Susanna Memorial Scholarship	60,612	2,500	1,850	5,000			59,962
Wrestler, Gene & Eveyln Scholarship	13,223	5,000	533				18,756
Zaborac, Dee Memorial Scholarship	7,180	780	394	1,000			7,354
Zaborac, Ed & Shirley Memorial Scholarship	25,638	10,000	818	750			35,706
Zaborac, Millie and Tom Education Scholarship	8,298		420	1,000			7,718
AG Program Support	10,350	5,100					15,450
Alumni Association	337						337
Arboretum	1,875				239		1,636
Athletic Campaign	49,979	250			8,692		41,537
Athletic Program Support	4,552	100					4,652
Canton Area Economic Development	7,685						7,685
Canton Campus	25,760	570					26,330
College for Kids	2,565						2,565
Community Chorus Fund	12,166	12,939			12,749		12,356
Emergency Hardship Fund	9,109	5,450			9,005		5,554
English as a Second Language	58,825						58,825
Havana Center	9,666	144			6,740		3,070
Long, Gene & Marie Trust (Capital Improvements)	15,279	14,140			3,375		26,044
Macomb Campus	69,055	1,074					70,129
NG Cannabis Training	100,000				26,815		73,185
Rushville Center	2,269						2,269
Retirees Leading Initiative	15,416				854		14,562
Truman Standard Trust Fund	2,326						2,326
Two River's Arts Council	612	500			1,325		(213)
Program Support (Weld, CDT)	320						320
Undistributed Investment fees	(84,719)						(84,719)
Realized Invest. Gain	384,064		197,957				582,021
Unrealized Invest. Gain	850,558		(677,076)				173,482
Undistributed Interest	87,474		(2,270)				85,204
Adult Educ. & Family Literacy/GED	15,315	900			226		15,989
Ag Fundraising	767	3,612					4,379
Athletic Fundraising- Students	17,123	2,595			7,221		12,497

Spoon River College Foundation

Schedule of Changes in Net Assets

For the year ended June 30, 2022

	Balance 6/30/2021	Increases		Decreases			Balance 6/30/2022
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Athletics - Baseball Program	20,218	18,305			25,731		12,792
Athletics - Softball Program	15,316	12,535			16,758		11,093
Athletics - Basketball - Men's	2,895	1,870					4,765
Athletics - Basketball - Women's	0	1,325					1,325
Athletics - Volleyball	5,560	3,018			3,369		5,209
Athletics - eSports	0	90					90
Friends of SRC Theatre	12,189	3,572			3,014		12,747
Food Insecurity	3,516	5,082			2,373		6,225
Funk Kitchen	650						650
Habitat for Humanity - Macomb Chapter	1,047						1,047
Habitat for Humanity - Canton Chapter	2,000				255		1,745
Land Use	1,000						1,000
Land Lab Revenue / Expense	4,947	222			1,365		3,804
HEAL Association	15,577	1,300			122		16,755
Nursing Fundraising	2,680				250		2,430
PEEPS	31						31
PTK Canton	377						377
PTK Macomb	1,054						1,054
Relay for Life	9						9
Kaleidoscope Fundraising	46						46
Speech & Debate Team	500						500
SRC - Learning Resource Center	880						880
Student Activities	433						433
Tools & Equipment - Ditec	10,644	1,989					12,633
TRIO Activity Account	4,822	4,537			11,286		(1,927)
Total temporarily restricted	2,446,291	285,478	(424,157)	119,753	141,764	(10,000)	2,036,095
Permanently restricted							
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	200,000						200,000
Benson, Dr. Fred Endowment	10,000						10,000
Bishop, David L Endowment	0					10,000	10,000
Brott, Mildred & Emory Memorial Endowment	128,000						128,000
Bruster, Janice Dare Endowment	0	10,000					10,000
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	70,991		(8,246)				62,745
Champlin, Bob & Elizabeth Scholarship	14,500						14,500
Champlin, Elizabeth Memorial Scholarship	14,500						14,500
Chapin, Odella B & Schreiber Family Scholarship Ei	17,000						17,000
Chicken for Charity Scholarship Endowment	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 Endowmer	10,000						10,000
Dare, Anna Mae Memorial	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 Endowmer	17,000						17,000
Fink, Rodney & Bertha Endowment	10,000						10,000
Foundation Board/BOT's Endowment	10,000						10,000
Graham Health Systems Scholarship Endow	0	450,000					450,000
Greenwell, Tom Memorial Endowment	10,000						10,000
Helle, Shauna Memorial Endowment	57,230						57,230
Herink, F.R. & M.O Beneficial Interest in Trust	28,516		(3,997)				24,519
Howerter, Roger Memorial Scholarship	10,010						10,010
Jackson, Carl F. Endowment	10,800						10,800
Jaeger, Katherine Beneficial Interest in Trust	13,432		(2,234)				11,198
Robert George and Jennifer Bond Kauzlarich Schol	10,000						10,000
Kiwanis Club of Canton Endowment	20,000						20,000
Krulac, Cody Memorial Scholarship	10,000						10,000

Spoon River College Foundation
Schedule of Changes in Net Assets
For the year ended June 30, 2022

	Balance 6/30/2021	Increases		Decreases			Balance 6/30/2022
		Contributions	Investment Income	Scholarships	Disbursements	Transfers	
Kruschinsky, Berneice Sprecher Endowment	18,500						18,500
Kruschinsky, Carl Endowment	18,500						18,500
Long Family Scholarship	0	20,000					20,000
Long, Gene & Marie Beneficial Interest in Trust	330,241		(58,172)				272,069
Love, Linda Cameron Memorial Scholarship	10,000						10,000
Mathis, Gail A. Memorial Scholarship	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 Scholarship 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 Endowm	13,000						13,000
Quick, J. Marshall & Helen Endowment	175,000						175,000
Ransom, Stanley Scholarship	10,000						10,000
Reading Disability Scholarship Endowment	30,000						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	511,319		(59,899)				451,420
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 Developmen	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 Scholarship	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 and Shirley	10,000						10,000
Zaborac, Millie and Tom Education Endowment	10,000						10,000
Total permanently restricted	2,968,832	480,000	(132,548)	0	0	10,000	3,326,284
Totals	\$5,633,373	\$870,835	(\$556,705)	\$119,753	\$226,168	\$0	\$5,601,582