

# Spoon River College District #534

Canton, Illinois

Annual Financial Report

Fiscal Years Ended June 30, 2024 and 2023



**WIPFLI**

# Spoon River College District #534

Years Ended June 30, 2024 and 2023

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# Spoon River College District #534

Years Ended June 30, 2024 and 2023

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# Financial Section

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## **Independent Auditor's Report**

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

### ***Report on the Audit of the financial statements***

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the Spoon River College District #534 (the "College"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the Spoon River College District #534 as of June 30, 2024 and 2023, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are required to be independent of Spoon River College District #534 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the financial statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spoon River College District #534's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, schedule of share of net pension liability, schedule of pension contributions, schedule of share of net OPEB liability, and schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materiality respects in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the other financial information listed in the special reports section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Spoon River College District #534's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Wipfli LLP

Sterling, Illinois  
October 16, 2024

# Spoon River College District No. 534

## Management Discussion and Analysis

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### Using This Annual Report

This section of Spoon River College District No. 534's (the "College") presents management discussion and analysis of the College's financial activities for the fiscal years ended June 30, 2024 and 2023. Since management discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

The College's financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the College as a whole.

### 2024 Financial Highlights

- For the year ended June 30, 2023, the College recorded total operating revenues of \$4,984,527 and total operating expenses of \$18,750,262. The difference produced an operating loss of \$13,765,735. Net nonoperating revenue of \$18,115,849 and capital contributions of \$962,415 offset this loss and resulted in an overall increase in net position of \$5,319,529.
- The largest sources of nonoperating revenue included local property taxes of \$7,426,017, state appropriations of \$4,547,545, and federal grants of \$3,743,240.
- Operating revenue accounted for 20% of the College's total revenue, while nonoperating revenues account for the other 80% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,363,803 and auxiliary enterprise revenues totaling \$1,620,724.

### 2023 Financial Highlights

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



# Spoon River College District No. 534

## Management Discussion and Analysis

### Financial Analysis of the College as a Whole

The College's financial position is summarized as follows for the years ended June 30, 2024, 2023, and 2022:

	Net Position As of June 30,		Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
	2024	2023			
Current assets	\$35,792,526	\$35,204,239	\$588,287	\$32,014,610	\$3,189,629
Non-current assets -					
Capital assets, net of depreciation	27,031,020	24,542,354	2,488,666	25,379,368	(837,014)
Total assets	62,823,546	59,746,593	3,076,953	57,393,978	2,352,615
Deferred outflows of resources	1,296,168	1,721,734	(425,566)	1,792,020	(70,286)
Total assets and deferred outflows of resources	64,119,714	61,468,327	2,651,387	59,185,998	2,282,329
Current liabilities	6,209,751	5,523,427	686,324	4,773,405	750,022
Non-current liabilities	24,527,000	26,859,211	(2,332,211)	32,309,397	(5,450,186)
Total liabilities	30,736,751	32,382,638	(1,645,887)	37,082,802	(4,700,164)
Deferred inflows of resources	11,437,699	12,452,954	(1,015,255)	9,713,427	2,739,527
Total liabilities and deferred inflows of resources	42,174,450	44,835,342	(2,661,142)	46,796,229	(1,960,637)
Net position					
Net investment in capital assets	15,674,835	12,129,028	3,545,807	10,912,368	1,216,660
Restricted	726,610	734,520	(7,910)	279,097	455,423
Unrestricted	5,543,819	3,769,187	1,774,632	1,198,304	2,570,883
Total	\$21,945,264	\$16,632,735	\$5,312,529	\$12,389,769	\$4,242,966

This schedule is prepared from the College's Statements of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated and long-term liabilities are recorded.

# Spoon River College District No. 534

## Management Discussion and Analysis

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### **Fiscal Year 2024 Compared to 2023**

Current assets increased \$588,287 due to increases in student tuition receivable and government receivables.

Non-current assets increased \$2,488,666 due to more capital asset additions than the annual depreciation.

Deferred outflows of resources decreased \$425,566 due to a decrease in unamortized loss on refunding as well as a decrease in deferred OPEB.

Current liabilities increased \$686,324 due to an increase in accounts payable and unearned tuition and fees.

Non-current liabilities decreased \$2,332,211 due a decrease in bonds payable and net OPEB liability.

Deferred inflows of resources decreased \$1,015,255 due to decreases in deferred property taxes and deferred OPEB.

Total net position at June 30, 2023 increased by \$5,312,529. The restricted net position of \$726,610 is restricted for grants and scholarships.

### **Fiscal Year 2023 Compared to 2022**

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

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

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

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

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

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

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

# Spoon River College District No. 534

## Management Discussion and Analysis

Operating Results for the Year Ended June 30,					
	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Operating revenue:					
Tuition and fees	\$3,363,803	\$3,030,952	\$332,851	\$3,024,333	\$6,619
Auxiliary	1,620,724	1,354,824	265,900	1,322,662	32,162
Total operating revenue	4,984,527	4,385,776	598,751	4,346,995	38,781
Less operating expenses	18,750,262	17,421,609	1,328,653	20,768,140	(3,346,531)
Operating loss	(13,765,735)	(13,035,833)	(729,902)	(16,421,145)	3,385,312
Non-operating revenue					
Property taxes	7,426,017	6,729,054	696,963	6,458,937	270,117
Replacement taxes	1,862,030	3,090,095	(1,228,065)	2,960,883	129,212
State grants and contracts	4,547,545	3,882,697	664,848	4,998,995	(1,116,298)
Federal grants and contracts	3,743,240	3,353,540	370,191	5,689,881	(2,336,341)
Facilities revenue	2,550	0	2,550	0	0
Local grants	96,447	79,652	16,795	83,535	(3,883)
Investment income	1,201,850	785,090	416,760	22,548	762,542
Other	11,484	10,777	707	60,740	(49,963)
Loss on disposal of assets	(35,374)	0	(35,374)	0	0
Interest expense	(739,940)	(782,627)	42,687	(696,037)	(86,590)
Total net non-operating revenues	18,115,849	17,148,278	967,571	19,579,482	(2,431,204)
Capital contributions	962,415	130,521	831,894	728,307	(597,786)
<b>Change in net position</b>	<b>5,312,529</b>	<b>4,242,966</b>	<b>1,069,563</b>	<b>3,886,644</b>	<b>356,322</b>
Net position, beginning of year	16,632,735	12,389,769	4,242,966	8,503,125	3,886,644
Net position, end of year	\$21,945,264	\$16,632,735	\$5,312,529	\$12,389,769	\$4,242,966

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2024 were \$24,802,731 and \$19,490,202, respectively. Fiscal year 2023 total revenues and expenses (Operating and Non-Operating) were \$22,447,202 and \$18,204,236, respectively. Fiscal year 2022 total revenues and expenses (Operating and Non-Operating) were \$25,350,821 and \$21,464,177, respectively.

# Spoon River College District No. 534

## Management Discussion and Analysis

### Fiscal Year 2024 Compared to 2023

Operating revenue increased \$598,751 due to an increase in auxiliary income and tuition income.

Operating expenses increased \$1,328,653 due to increases in instruction, student services, and institutional support expenses.

Net nonoperating revenue increased \$1,002,945 due to an increase in property taxes and state grants.

### Fiscal Year 2023 Compared to 2022

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

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

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

#### **Operating Expenses For the Year Ended June 30,**

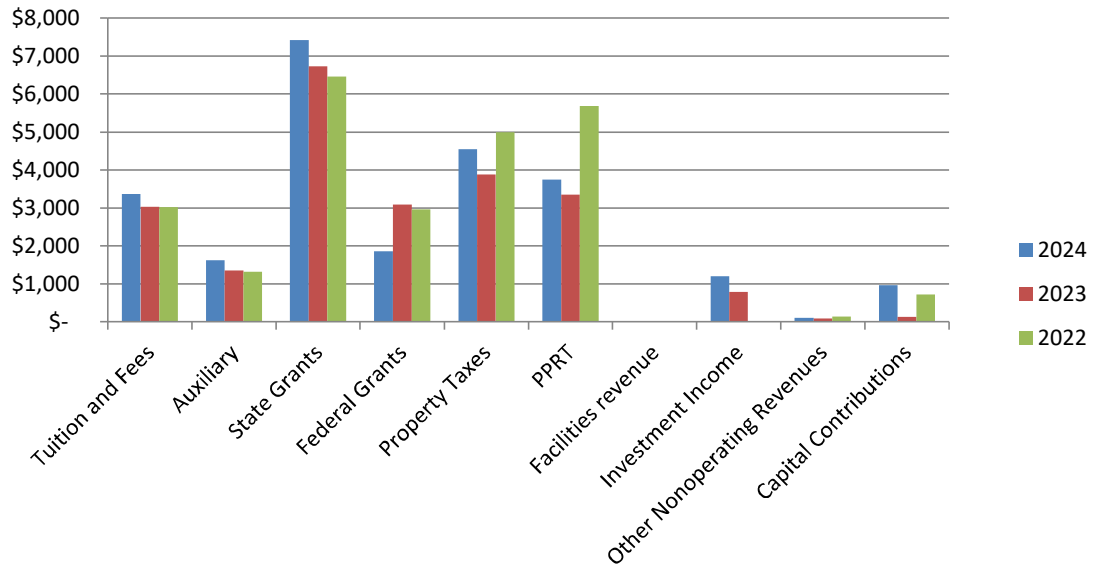
	<b>2024</b>	<b>2023</b>	<b>Increase (Decrease) 2024-2023</b>	<b>2022</b>	<b>Increase (Decrease) 2023-2022</b>
Operating expense:					
Instruction	\$4,420,587	\$4,204,571	\$216,016	\$5,180,633	(\$976,062)
Academic support	1,344,622	1,132,024	212,598	930,414	201,610
Student services	1,534,372	1,368,207	166,165	1,490,471	(122,264)
Public services	490,425	484,793	5,632	548,306	(63,513)
Auxiliary services	1,669,825	1,528,727	141,098	1,609,289	(80,562)
Operations & maintenance of plant	1,727,936	1,505,363	222,573	1,541,852	(36,489)
Institutional support	4,383,500	3,775,752	607,748	4,453,525	(677,773)
Scholarships, grants, waivers	1,667,431	2,016,430	(348,999)	3,720,907	(1,704,477)
Depreciation	1,511,564	1,405,742	105,822	1,292,743	112,999
<b>Total</b>	<b>\$18,750,262</b>	<b>\$17,421,609</b>	<b>\$1,328,653</b>	<b>\$20,768,140</b>	<b>(\$3,346,531)</b>

# Spoon River College District No. 534

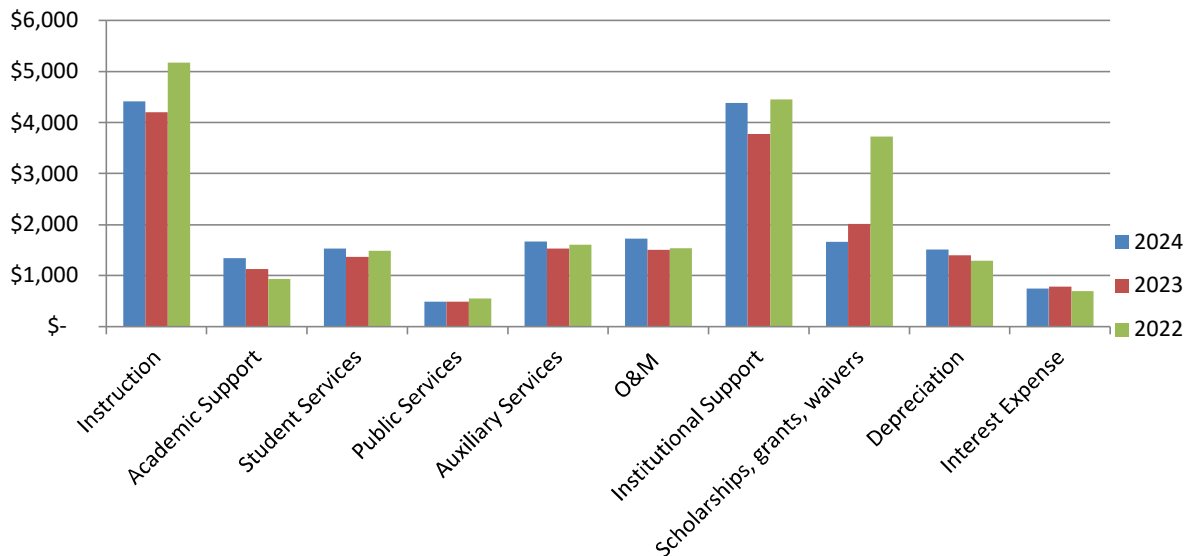
## Management Discussion and Analysis

The following graphs depict revenues and expense for the years ended June 30, 2024, 2023, and 2022:

**Comparison of Revenues Fiscal Years 2024, 2023, and 2022  
(in thousands)**



**Comparison of Expenses Fiscal Years 2024, 2023, and 2022  
(in thousands)**



# Spoon River College District No. 534

## Management Discussion and Analysis

Capital Assets, Net June 30,					
	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Capital assets:					
Land and improvements	\$2,240,132	\$1,861,165	\$378,967	\$1,805,568	\$55,597
Buildings and improvements	41,745,247	41,564,565	180,682	40,506,988	1,057,577
Equipment	863,261	758,864	104,397	660,210	98,654
Computer technology	721,610	831,228	(109,618)	777,628	53,600
Construction in progress	3,390,111	326,368	3,063,743	1,023,068	(696,700)
Lease assets	92,866	0	92,866	0	0
Subscription assets	120,142	0	120,142	0	0
Total	49,173,169	45,342,190	3,830,979	44,773,462	568,728
Less accumulated depreciation and amortization	22,142,349	20,799,836	1,342,513	19,394,094	1,405,742
Net capital assets	\$27,031,020	\$24,542,354	\$2,488,666	\$25,379,368	(\$837,014)

### Fiscal Year 2024 Compared to 2023

As of June 30, 2023, the College had recorded \$49,173,169 invested in capital assets, \$22,142,349 in accumulated depreciation, and \$27,031,020 in net capital assets. The College had \$4,035,604 in capital asset additions mostly related to building renovations and \$204,425 of disposals. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

### Fiscal Year 2023 Compared to 2022

As of June 30, 2023, the College had recorded \$45,342,190 invested in capital assets, \$20,799,836 in accumulated depreciation, and \$24,542,354 in net capital assets. The College had \$568,728 in capital asset additions mostly related to the MTL Lab renovation project, new computer software and hardware, and building renovations and \$0 of disposals. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Debt June 30,					
	2024	2023	Increase (Decrease) 2024-2023	2022	Increase (Decrease) 2023-2022
Bonds payable, net	\$24,466,789	\$26,614,121	(\$2,147,332)	\$28,707,509	(\$2,093,388)
Contracts payable	0	7,267	(7,267)	14,235	(6,968)
Lease obligations	57,058	0	57,058	0	0
Subscription liability	78,552	0	78,552	0	0
Compensated absences	287,778	289,594	(1,816)	275,883	13,711
Total	\$24,890,177	\$26,910,982	(\$2,020,805)	\$28,997,627	(\$2,086,645)

# Spoon River College District No. 534

## Management Discussion and Analysis

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### **Fiscal Year 2024 Compared to 2023**

During fiscal year 2022, the College paid \$2,090,000 in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

### **Fiscal Year 2023 Compared to 2022**

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

### **Factors or Conditions Impacting Future Periods**

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

The District's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2025.

Combined property and replacement tax revenue in the Operating Funds decreased roughly 5% for fiscal year 2024, after a 4% increase in fiscal year 2023. The District experienced a 2% increase in equalized assessed valuation (EAV) from tax year 2022 to 2023. For fiscal year 2025, the District has estimated a 2.0% increase in EAV due to the economic conditions of the District. Each percentage point in EAV is the equivalent of about \$40,000 in property tax revenue in the Operating funds. Additionally, personal property replacement tax is expected to decrease again in 2025, falling closer to 2021 levels.

Management anticipates increases in tuition revenue in fiscal year 2025 based on slightly higher credit hour enrollment for the 2024-2025 academic year combined with an increase in tuition rates.

The State of Illinois adopted a budget for fiscal year 2025. Expected State appropriations for the District for fiscal year 2025 are over \$50,000 less than the fiscal year 2024 State funding. Overall, Operating funds revenue is expected approximate fiscal year 2024 actual levels.

For fiscal year 2025, the Operating funds budget is forecasted to be balanced. The majority of the Operating funds budget for fiscal year 2025 continues to comprise instruction, academic support, and student services, reflecting the District's commitment to providing quality education and learning opportunities to the people of West Central Illinois.

### **Contacting the College's Financial Management**

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

# **Basic Financial Statements**



# Spoon River College District #534

## Statements of Net Position

<i>As of June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 12,184,624	\$ 2,274,470
Investments	14,120,146	24,970,065
Property taxes receivable, net	4,100,503	4,663,572
Government receivables	2,167,730	934,740
Student tuition receivable, net	2,304,450	1,962,108
Other receivables	595,859	99,899
Prepaid items	110,863	77,713
Inventories	208,351	221,672
Total current assets	35,792,526	35,204,239
Noncurrent assets:		
Non-depreciable capital assets	4,528,116	1,085,406
Depreciable capital assets	44,645,253	44,256,784
Accumulated depreciation and amortization	(22,142,349)	(20,799,836)
Total noncurrent assets	27,031,020	24,542,354
Total assets	62,823,546	59,746,593
<b>Deferred outflow of resources</b>		
Deferred pension	58,358	78,666
Deferred OPEB	976,930	1,274,238
Deferred loss on refunding	260,880	368,830
Total deferred outflow of resources	1,296,168	1,721,734
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 1,136,069	\$ 320,394
Accrued salaries	252,953	255,351
Accrued interest	52,165	417,398
Unearned tuition and fees	2,206,303	2,086,091
Accrued compensated absences	287,778	289,594
Contracts payable	-	7,267
Lease obligations, current	45,128	-
Subscription liability, current	37,326	-
Bonds payable, net, current	2,192,029	2,147,332
Total current liabilities	6,209,751	5,523,427
Noncurrent liabilities:		
Lease obligations	11,930	-
Subscription liability	41,226	-
Bonds payable, net	22,274,760	24,466,789
Net OPEB liability	2,199,084	2,392,422
Total noncurrent liabilities	24,527,000	26,859,211
Total liabilities	30,736,751	32,382,638

# Spoon River College District #534

## Statements of Net Position (Continued)

<i>As of June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Deferred inflow of resources</b>		
Deferred property taxes	7,271,853	7,375,187
Deferred grant revenue	162,878	670
Deferred OPEB	4,002,968	5,077,097
Total deferred inflow of resources	11,437,699	12,452,954
<b>Net position</b>		
Net investment in capital assets	15,674,835	12,129,028
Restricted - expendable:		
Debt service	87,695	92,352
Grants and scholarships	638,915	642,168
Unrestricted	5,543,819	3,769,187
Total net position	\$ 21,945,264	\$ 16,632,735

See Accompanying Notes to Financial Statements.

# Spoon River College District #534

## Statements of Revenues, Expenses, and Changes in Net Position

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
Operating revenues:		
Student tuition and fees, net	\$ 3,363,803	\$ 3,030,952
Auxiliary enterprises revenue	1,620,724	1,354,824
Total operating revenues	4,984,527	4,385,776
Operating expenses:		
Instruction	4,420,587	4,204,571
Academic support	1,344,622	1,132,024
Student services	1,534,372	1,368,207
Public services	490,425	484,793
Auxiliary services	1,669,825	1,528,727
Operation and maintenance of plant services	1,727,936	1,505,363
Institutional support	4,383,500	3,775,752
Scholarships, student grants, and waivers	1,667,431	2,016,430
Depreciation	1,511,564	1,405,742
Total operating expenses	18,750,262	17,421,609
Operating (loss)	(13,765,735)	(13,035,833)
Non-operating revenues (expenses)		
Property taxes	7,426,017	6,729,054
Personal property replacement tax	1,862,030	3,090,095
State grants	2,245,402	1,951,921
On-behalf payments	2,302,143	1,930,776
Federal grants	3,743,240	3,353,540
Facilities revenue	2,550	-
Investment income	1,201,850	785,090
Local grants	96,447	79,652
Other nonoperating revenues	11,484	10,777
Loss on disposal of assets	(35,374)	-
Interest expense	(739,940)	(782,627)
Total non-operating revenues (expenses)	18,115,849	17,148,278
Capital grants and contributions	962,415	130,521
Change in net position	5,312,529	4,242,966
Net position, beginning of year	16,632,735	12,389,769
Net position, end of year	\$ 21,945,264	\$ 16,632,735

See Accompanying Notes to Financial Statements.

# Spoon River College District #534

## Statements of Cash Flows

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Tuition and fees	\$ 3,878,161	\$ 4,016,613
Payments to suppliers	(5,832,401)	(5,798,314)
Payments to employees	(7,486,992)	(7,056,975)
Payments to students for scholarships	(2,403,919)	(3,040,679)
Auxiliary enterprise changes	1,620,854	2,877,080
Other revenues	14,034	(1,882,209)
Net cash used in operating activities	(10,210,263)	(10,884,484)
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	7,885,752	6,481,961
Proceeds from grants	4,346,307	5,526,411
Replacement tax	2,033,940	3,927,658
Net cash provided by non-capital financing activities	14,265,999	15,936,030
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	(4,035,604)	(568,728)
Principal payment on capital debt	(2,174,665)	(2,031,968)
Proceeds from issuance of long-term debt	213,008	
Interest paid on bonds payable and other long-term obligations	(1,162,505)	(502,120)
Capital contributions	962,415	
Net cash used in capital and related financing activities	(6,197,351)	(3,102,816)
<b>Cash flows from investing activities:</b>		
Interest received	167,636	852
Proceeds from maturities of investment securities	51,190,544	-
Purchases of investments	(39,306,411)	(2,290,035)
Net cash provided by investing activities	12,051,769	(2,289,183)
Net increase (decrease) in cash and cash equivalents	9,910,154	(340,453)
Cash and cash equivalents, beginning of year	2,274,470	2,614,923
Cash and cash equivalents, end of year	\$ 12,184,624	\$ 2,274,470

# Spoon River College District #534

## Statements of Cash Flows (Continued)

<i>Years ended June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (13,765,735)	\$ (13,035,833)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,511,564	1,405,742
State on-behalf payments for fringe benefits	2,302,143	1,930,776
Other non-operating revenues	14,034	-
Change in assets and liabilities:		
Receivables	(342,212)	(394,970)
Prepaid expenses	(33,150)	13,143
Inventories	13,321	45,263
Deferred outflows of resources	425,566	70,286
Accounts payable	815,675	48,170
Accrued liabilities	(2,398)	(67,723)
Accrued compensated absences	(1,816)	13,711
Unearned tuition and fees	120,212	352,726
Other unearned revenue	-	(356,643)
OPEB liability	(193,338)	(3,295,587)
Deferred inflows of resources	(1,074,129)	2,386,455
<b>Totals</b>	<b>\$ (10,210,263)</b>	<b>\$ (10,884,484)</b>
<b>Noncash investing, capital, and financial:</b>		
Acquisition of capital assets with state capital contributions	\$ 962,415	\$ 130,521
<b>State on-behalf payments</b>	<b>\$ 2,302,143</b>	<b>\$ 1,930,776</b>

See Accompanying Notes to Financial Statements.

# Spoon River College District #534

## Component Unit - Spoon River College Foundation

### Statements of Financial Position

<i>As of June 30,</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 327,129	\$ 470,693
Investments	5,777,866	4,946,885
Receivables, net	296,186	11,415
Beneficial interest in perpetual trust	912,798	850,991
Capital assets, non-depreciable	40,000	40,000
<b>Total assets</b>	<b>\$ 7,353,979</b>	<b>\$ 6,319,984</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 199,031	\$ 177,670
<b>Total liabilities</b>	<b>199,031</b>	<b>177,670</b>
<b>Net assets</b>		
Without donor restrictions	266,323	279,305
With donor restrictions	6,888,625	5,863,009
<b>Total net assets</b>	<b>7,154,948</b>	<b>6,142,314</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,353,979</b>	<b>\$ 6,319,984</b>

See Accompanying Notes to Financial Statements.

# Spoon River College District #534

## Component Unit - Spoon River College Foundation

### Statements of Activities

Years ended June 30,	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributions	\$ 96,841	\$ 828,105	\$ 924,946	\$ 171,084	\$ 466,329	\$ 637,413
In-kind	97,400	-	97,400	87,267	-	87,267
Interest and dividends	-	134,132	134,132	-	69,489	69,489
Net unrealized gain (loss) on investments	-	253,764	253,764	-	47,421	47,421
Net realized gain (loss) on investments	-	66,394	66,394	-	112,983	112,983
Unrealized gain (loss) on beneficial interest in trusts	-	61,808	61,808	-	29,040	29,040
Net asset released from restrictions	318,587	(318,587)	-	224,632	(224,632)	-
Total support and revenue	512,828	1,025,616	1,538,444	482,983	500,630	983,613
Expenses:						
Program services						
Grants, awards and scholarships	183,899	-	183,899	139,713	-	139,713
Institutional support	130,340	-	130,340	84,919	-	84,919
Total program services	314,239	-	314,239	224,632	-	224,632
Supporting services:						
Management and general:						
In-kind - salaries, benefits, and rent	97,400	-	97,400	87,266	-	87,266
Other	50,125	-	50,125	62,747	-	62,747
Total management and general	147,525	-	147,525	150,013	-	150,013
Fundraising:						
Professional fees	64,046	-	64,046	68,236	-	68,236
Total fund raising	64,046	-	64,046	68,236	-	68,236
Total expenses	525,810	-	525,810	442,881	-	442,881
Changes in net assets	(12,982)	1,025,616	1,012,634	40,102	500,630	540,732
Net assets, beginning of year	279,305	5,863,009	6,142,314	239,203	5,362,379	5,601,582
Net assets, end of year	\$ 266,323	\$ 6,888,625	\$ 7,154,948	\$ 279,305	\$ 5,863,009	\$ 6,142,314

See Accompanying Notes to Financial Statements.

# Spoon River College District #534

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Entity

Spoon River College District #534 is a two-year community college and is part of the Illinois Community College System which is regulated by the Illinois Community College Board. The College's district covers five counties in west-central Illinois.

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

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

Spoon River College District #534 (the "College") is organized in accordance with Chapter 110 of the Illinois Compiled Statutes. The Board of Trustees (the "Board") has the governing responsibilities over all activities related to public post and secondary school education within the jurisdiction of the College. The College receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management and the responsibility to significantly influence operations and primary accountability for fiscal matters.

#### Reporting Entity

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

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

During the fiscal year ended June 30, 2024, the Foundation distributed \$183,899 to students attending the College and gave \$130,340 in direct support to the College. In addition, the College provided the Foundation with \$90,400 of in-kind services.



# Spoon River College District #534

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Reporting Entity (Continued)**

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

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

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

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The following is a summary of the more significant policies:

#### **Cash and Cash Equivalents**

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

#### **Investments**

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

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Receivables**

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables as of June 30, 2024 and 2023 were \$1,486,853 and \$1,423,853, respectively.

#### **Property Taxes**

The College's property tax is levied each year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee's resolution, property tax levies for 2023 and 2022 are to be recognized as revenue in fiscal years 2024 and 2023, respectively.

The Fulton County Supervisor of Assessments prepares the property tax assessment rolls with the property tax liens as of January 1 of each year. Levies are set prior to the lien by the last Tuesday of December. Deferred property taxes represent the revenue to be generated from the 2023 levy which was passed by the Board on December 14, 2023.

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

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

#### **Inventories**

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

# Spoon River College District #534

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Capital Assets

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

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

Assets	Years
Land improvements	10
Buildings and improvements	10-40
Equipment	4-5
Computer technology	3

#### Unearned Tuition and Fee Revenue

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

#### Long-Term Debt

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

#### Compensated Absences

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

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Other Post-Employment (“OPEB”) Obligations**

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

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

#### **Deferred Inflows and Outflows of Resources**

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

#### **Classification of Revenues and Expenses**

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

#### **Federal Financial Assistance Programs**

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

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **On-Behalf Payments for Fringe Benefits and Salaries**

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2024 and 2023, the state made contributions of \$2,302,143 and \$1,930,776, respectively (Note 5, Note 6, and 7).

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) and additions to/deductions from SURS plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

#### **Lease Accounting**

The College is a lessee in noncancelable leases. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the College's incremental borrowing rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the College might incur from an external lender.

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Lease Accounting (Continued)**

For all underlying classes of assets, the College does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the College is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The College recognizes short-term leases with lease costs included in short-term lease expense. The College recognizes short-term lease cost on a straightline basis over the lease term.

In addition, under the new standard, the College has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the College will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

#### **Subscription Based Information Technology Arrangements**

The College is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the College the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the College's incremental borrowing rate.

For all underlying classes of assets, the College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense. The College has established a policy which sets a de minimis NPV by grouping of like agreements for which the County will calculate and track these assets and liabilities to avoid undue hardship in tracking smaller agreements.

# Spoon River College District #534

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Position

The College's net position is classified as follows:

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

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

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

#### Use of Estimates

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

### Note 2: Cash and Investments

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

Cash and deposits consist of the following:

<i>As of June 30</i>	2024	2023
Cash on hand	\$ 21,891	\$ 4,785
Deposits with financial institutions	12,162,733	2,269,685
Total	\$ 12,184,624	\$ 2,274,470

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

#### Interest Rate Risk

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

Investments comprise the following at fair value:

<i>As of June 30</i>	2024	2023
Illinois School District Liquid Asset Fund	\$ 4,996,763	\$ 15,457,581
Local Government Investment Pool	3,172,734	5,865,787
Goldman Sachs Financial Square Prime Obligations Fund	5,950,649	3,646,697
<b>Totals</b>	<b>\$ 14,120,146</b>	<b>\$ 24,970,065</b>

As of June 30, 2024, the College had the following investments with stated maturities:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois School District Liquid Asset Fund	\$ 4,996,763	\$ 4,996,763	\$ -	\$ -	\$ -
Local Government Investment Pool	3,172,734	3,172,734	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	5,950,649	5,950,649	-	-	-
<b>Totals</b>	<b>\$ 14,120,146</b>	<b>\$ 14,120,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Illinois School District Liquid Asset Fund	\$ 15,457,581	\$ 15,457,581	\$ -	\$ -	\$ -
Local Government Investment Pool	5,865,787	5,865,787	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	3,646,697	3,646,697	-	-	-
<b>Totals</b>	<b>\$ 24,970,065</b>	<b>\$ 24,970,065</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Spoon River College District #534

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

As of June 30, 2024, the College had the following investments with stated ratings:

	Total	Investment Ratings by Standard & Poors			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$ 4,996,763	\$ 4,996,763	\$ -	\$ -	-
Local Government Investment Pool	3,172,734	3,172,734	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	5,950,649	5,950,649	-	-	-
Total investments	\$ 14,120,146	\$ 14,120,146	\$ -	\$ -	-

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

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

#### Credit Risk

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

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the College's will not recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, there are no investments with custodial credit risk.

#### Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$12,162,733 and the bank balance was \$12,162,733. Of the bank balance, \$407,915 was covered by federal depository insurance; \$11,754,818 was covered by pledged securities in the College's name and \$0 was uncollateralized.

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 2: Cash and Investments (Continued)**

#### Concentration Risk

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

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not have a foreign currency risk policy. The College does not have any investments with foreign currency risk exposure.

# Spoon River College District #534

## Notes to Financial Statements

### Note 3: Capital Assets

A summary of the changes in capital assets for the College for the year ended June 30, 2024, is as follows:

	Balance 7/1/2023	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2024
Capital assets, not being depreciated:					
Land	\$ 759,038	\$ 378,967	\$ -	\$ -	\$ 1,138,005
Construction in progress	326,368	3,244,425	-	(180,682)	3,390,111
Total capital assets, not being depreciated	1,085,406	3,623,392	-	(180,682)	4,528,116
Capital assets, being depreciated:					
Land improvements	1,102,127	-	-	-	1,102,127
Building and improvements	41,564,565	-	-	180,682	41,745,247
Equipment	758,864	182,822	(78,425)	-	863,261
Computer technology	831,228	16,382	(126,000)	-	721,610
Total capital assets, being depreciated	44,256,784	199,204	(204,425)	180,682	44,432,245
Less accumulated depreciation:					
Land improvements	463,823	181,958	-	-	645,781
Building and improvements	19,236,355	1,087,333	-	-	20,323,688
Equipment	558,889	53,731	(43,051)	-	569,569
Computer technology	540,769	108,119	(126,000)	-	522,888
Total accumulated depreciation	20,799,836	1,431,141	(169,051)	-	22,061,926
Total capital assets, being depreciated, net	23,456,948	1,231,937	(35,374)	180,682	22,370,319
Right of use assets:					
Buses	-	92,866	-	-	92,866
Total right of use assets	-	92,866	-	-	92,866
Accumulated amortization:					
Buses	-	40,376	-	-	40,376
Total accumulated amortization	-	40,376	-	-	40,376
Total right of use assets, being amortized, net	-	52,490	-	-	52,490
Subscription-Based Information Technology Arrangement Assets:					
Software subscriptions	-	120,142	-	-	120,142
Accumulated amortization:					
Software subscriptions	-	40,047	-	-	40,047
Total subscription-based information technology arrangement assets being amortized, net	-	80,095	-	-	80,095
Capital assets, net	\$ 24,542,354	\$ 2,524,040	\$ (35,374)	\$ -	\$ 27,031,020

# Spoon River College District #534

## Notes to Financial Statements

### Note 3: Capital Assets (Continued)

Construction in progress represents costs incurred to renovate the Votech building at the Canton campus, to renovate the CTE/Nursing building at the Canton Campus, to build a greenhouse at the Canton Campus, and to build a swivel engine.

A summary of the changes in capital assets for the College for the year ended June 30, 2023, is as follows:

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 4: Debt

The following is a summary of the College's long-term debt transactions for the year ended June 30, 2024:

	Balance 7/1/2023	Increases	Decreases	Balance 6/30/2024	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 26,135,000	\$ -	\$ 2,090,000	\$ 24,045,000	\$ 2,140,000	\$ 21,905,000
Bond premiums (discounts)	479,121	-	57,332	421,789	52,029	369,760
Total Bonded Debt	26,614,121	-	2,147,332	24,466,789	2,192,029	22,274,760
Lease obligations	-	92,866	35,808	57,058	45,128	11,930
Subscription liability	-	120,142	41,590	78,552	37,326	41,226
Contracts payable	7,267	-	7,267	-	-	-
Compensated absences	289,594	467,942	469,758	287,778	287,778	-
Totals	\$ 26,910,982	\$ 680,950	\$ 2,701,755	\$ 24,890,177	\$ 2,562,261	\$ 22,327,916

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

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 4: Debt (Continued)

Details on the debt as of June 30, 2024, are as follows:

1. In December 2013, the College issued General Obligation Community College Bonds, Series 2013, in the amount of \$4,300,000 with interest rates ranging from 1.15% to 4.20%. The bonds are due serially beginning in 2015 through 2024. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2013. The bond proceeds were 100% used for the purchase of capital assets. The College paid off this bond in fiscal year 2024.
2. In February 2019, the College issued General Obligation Community College Bonds, Series 2019, in the amount of \$5,055,000 with an interest rate of 4.25%-4.50%. The bonds are due serially beginning in 2020 through 2030. The proceeds were used to redeem the Taxable General Obligation Debt Certificates, Series 2018A which were issued to renovate the science lab and improve the college's HVAC system. A portion of the bond proceeds (97.29%) were used for the purchase of capital assets. This bond was fully defeased by the Series 2021C Refunding Bonds issued in April 2021. The funds were placed in escrow with interest to be paid until the bonds can be called on December 1, 2023.
3. In February 2021, the College issued General Obligation Community College Bonds, Series 2021A, in the amount of \$4,100,000 with interest rates ranging from 0% to 2.75%. The bonds are due serially beginning in 2023 through 2032. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2022, 3.8% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ 200,000	\$ 94,087	\$ 294,087
2026	210,000	89,463	299,463
2027	-	86,837	86,837
2028	-	86,838	86,838
2029	-	86,838	86,838
2030 - 2034	3,300,000	173,343	3,473,343
Totals	\$ 3,710,000	\$ 617,406	\$ 4,327,406

# Spoon River College District #534

## Notes to Financial Statements

### Note 4: Debt (Continued)

4. In February 2021, the College issued General Obligation Community College Bonds, Series 2021B, in the amount of \$775,000 with interest rates ranging from 0% to 1.58%. The bonds are due in 2031. The proceeds were used to redeem the General Obligation Debt Certificates, Series 2020 which were issued to fund capital projects. As of June 30, 2022, 3.8% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ -	\$ 12,245	\$ 12,245
2026	-	12,245	12,245
2027	-	12,245	12,245
2028	-	12,245	12,245
2029	-	12,245	12,245
2030 - 2034	775,000	30,613	805,613
Totals	\$ 775,000	\$ 91,838	\$ 866,838

5. In April 2021, the College issued General Obligation Refunding Community College Bonds, Series 2021C, in the amount of \$12,455,000 with interest rates ranging from 0.50% to 2.35%. The bonds are due serially beginning in 2022 through 2030. The proceeds were used to partially defease the General Obligation Community College Bonds, Series 2018 and fully defease the General Obligation Community College Bonds, Series 2019. As a result, the refunded bonds are considered defeased in substance and the liability for those bonds have been removed from the financial statements. The reacquisition price exceeded the carrying amount of the old debt by \$607,220 resulting in a deferred outflow of resources. The advance refunding reduced the total debt service payments by \$450,192 and resulted in an economic gain of \$382,009.

The escrow paid out the remaining principal and interest due on the Series 2018 and Series 2019 bonds on their respective call dates of December 1, 2022 and December 1, 2023. The portion of the 2018 and 2019 bond proceeds used for the purchase of capital assets (88.32%) was carried over to the Series 2021C Refunding bond. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ 1,940,000	\$ 182,596	\$ 2,122,596
2026	1,960,000	159,665	2,119,665
2027	1,985,000	131,051	2,116,051
2028	2,030,000	96,383	2,126,383
2029	2,070,000	55,880	2,125,880
2030 - 2034	1,475,000	17,331	1,492,331
Totals	\$ 11,460,000	\$ 642,906	\$ 12,102,906

# Spoon River College District #534

## Notes to Financial Statements

### Note 4: Debt (Continued)

6. In May 2022, the College issued General Obligation Community College Bonds, Series 2022A, in the amount of \$8,100,000 with interest rates ranging from 4.25% to 4.50%. The bonds are due serially beginning in 2030 through 2035. The proceeds were used for various capital projects, pay capitalized interest on the Bonds, and pay costs associated with the issuance of the bonds. As of June 30, 2022, 0% of the bond proceeds were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ -	\$ 353,488	\$ 353,488
2026	-	353,487	353,487
2027	-	353,488	353,488
2028	-	353,487	353,487
2029	-	353,488	353,488
2030 - 2034	5,590,000	1,432,543	7,022,543
2035	2,510,000	56,475	2,566,475
Totals	\$ 8,100,000	\$ 3,256,456	\$ 11,356,456

7. Lease agreement with Santander Bank N.A. dated August 2023 in the original principal amount of \$92,866, due in monthly installments of \$3,975 from September 2023 through July 2025, including imputed interest at 7.02%, collateralized by buses (lease assets). The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ 45,128	\$ 2,572	\$ 47,700
2026	11,930	70	12,000
Totals	\$ 57,058	\$ 2,642	\$ 59,700

8. The College entered into a software subscription with Instructure for canvas software. The subscription agreement dated November 2023 in the original principal amount of \$120,142, due in annual installments of variable amounts, including imputed interest at 7.02%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2025	\$ 37,326	\$ 5,514	\$ 42,840
2026	41,226	2,894	44,120
Totals	\$ 78,552	\$ 8,408	\$ 86,960



# Spoon River College District #534

## Notes to Financial Statements

### Note 4: Debt (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2024, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	Leases	Subscriptions	Total Principal	Interest	Total Principal and Interest
2025	\$ 2,140,000	\$ 287,778	\$ 45,128	\$ 37,326	\$ 2,510,232	\$ 650,502	\$ 3,160,734
2026	2,170,000	-	11,930	41,226	2,223,156	617,824	2,840,980
2027	1,985,000	-	-	-	1,985,000	583,621	2,568,621
2028	2,030,000	-	-	-	2,030,000	548,953	2,578,953
2029	2,070,000	-	-	-	2,070,000	508,451	2,578,451
2030 - 2034	11,140,000	-	-	-	11,140,000	1,641,584	12,781,584
2035	2,510,000	-	-	-	2,510,000	56,475	2,566,475
Totals	\$ 24,045,000	\$ 287,778	\$ 57,058	\$ 78,552	\$ 24,468,388	\$ 4,607,410	\$ 29,075,798

### Note 5: Defined Benefit Pension Plans

#### General Information about the Pension Plan

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

*Benefits provided.* A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2023 can be found in the Financial Section of SURS ACFR.

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 5: Defined Benefit Pension Plans (Continued)**

#### **General Information about the Pension Plan (Continued)**

*Contributions*. The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from “trust, federal, and other funds” are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2023 and fiscal year 2024, respectively, was 12.83% and 12.53% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

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

##### *Net Pension Liability*

The net pension liability (NPL) was measured as of June 30, 2023 and June 30, 2022. SURS reported a net pension liability (NPL) of \$29,444,538,098 at June 30, 2023 and \$29,078,053,857 at June 30, 2022.

##### *Employer Proportionate Share of Net Pension Liability*

The amount of the proportionate share of the net pension liability to be recognized for the College in fiscal year 2024 is \$0 and for fiscal year 2023 it was \$0. The proportionate share of the State’s net pension liability associated with the College at June 30, 2023 is \$46,429,031 or 0.1577% at June 30, 2022 is \$43,282,683 or 0.1489%. This amount is not recognized in the College's financial statement. The College's proportionate share changed by 0.0088% from 0.1489% since the last measurement date of June 30, 2023. The NPL and total pension liability as of June 30, 2023 was determined based on the June 30, 2022 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022.

##### *Defined Benefit Pension Expense*

For the years ending June 30, 2023 and June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$1,884,388,521 and \$1,903,314,699, respectively.

# Spoon River College District #534

## Notes to Financial Statements

### Note 5: Defined Benefit Pension Plans (Continued)

#### Pension Liabilities, Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

##### *Employer Proportionate Share of Defined Benefit Pension Expense*

The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2022 and 2021. As a result, the College recognized on-behalf revenue and defined benefit pension expense of \$2,971,360 and \$2,833,084 from this special funding situation during the years ended June 30, 2024 and June 30, 2023.

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

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

##### *SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources*

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2023 (measurement date)</i>		
Difference between expected and actual experience	\$ 62,591,844	\$ 12,277,871
Changes in assumption	70,957,694	420,880,693
Net difference between projected and actual earnings on pension plan investments	187,992,691	-
Totals	\$ 321,542,229	\$ 433,158,564

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 5: Defined Benefit Pension Plans (Continued)

#### Pension Liabilities, Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (428,264,966)
2025	(171,164,633)
2026	465,174,033
2027	22,639,231
Totals	\$ (111,616,335)

#### College's Deferral of Fiscal Year 2024 Contributions

The College paid \$31,197 and \$78,666 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2024 and June 30, 2023 respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2023 and June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2024 and June 30, 2023.

#### Assumptions and Other Inputs

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

# Spoon River College District #534

## Notes to Financial Statements

### Note 5: Defined Benefit Pension Plans (Continued)

#### Assumptions and Other Inputs (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

Asset Class	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
<b>Traditional Growth</b>		
Global Public Equity	36 %	7.97 %
<b>Stabilized Growth</b>		
Core Real Assets	8.0 %	4.68 %
Public Credit Fixed Income	6.5 %	4.52 %
Private Credit	2.5 %	7.36 %
<b>Non-Traditional Growth</b>		
Private Equity	11.0 %	11.32 %
Non-Core Real Assets	4.0 %	8.67 %
<b>Inflation Sensitive</b>		
U.S. TIPS	5.0 %	2.09 %
<b>Principal Protection</b>		
Core Fixed Income	10.0 %	1.13 %
<b>Crisis Risk Offset</b>		
Systematic Trend Following	10.0 %	3.18 %
Alternative Risk Premia	3.0 %	3.27 %
Long Duration	2.0 %	3.02 %
Long Volatility/Tail Risk	2.0 %	(1.14)%
<b>Total</b>	<b>100 %</b>	<b>5.98 %</b>
<b>Inflation</b>		<b>2.60 %</b>
<b>Expected Arithmetic Return</b>		<b>8.58 %</b>

# Spoon River College District #534

## Notes to Financial Statements

### Note 5: Defined Benefit Pension Plans (Continued)

**Discount Rate.** A single discount rate of 6.37% and 6.39% at June 30, 2023 and June 30, 2022, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and 6.50% at June 30, 2023 and June 30, 2022, respectively, and a municipal bond rate of 3.86% and 3.69% at June 30, 2023 and June 30, 2022, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023 and June 30, 2022, respectively). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, and the municipal bond rate was applied to all benefit payments after that date.

**Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate.** Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.37% and 6.39% at June 30, 2023 and June 30, 2022, respectively, as well as what the State's NPL net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

June 30, 2023		
1% Decrease	Current Single Discount	1% Increase
5.37%	Rate Assumption 6.37%	7.37%
\$ 35,695,434,682	\$ 29,444,538,098	\$4,236,489,318
June 30, 2022		
1% Decrease	Current Single Discount	1% Increase
5.49%	Rate Assumption 6.49%	7.49%
\$ 35,261,802,968	29,078,053,857	3,928,731,076

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

# Spoon River College District #534

## Notes to Financial Statements

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### Note 6: Defined Contribution Pension Plan

#### General Information about the Pension Plan

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

*Benefits Provided.* A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2023, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

*Contributions.* All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

*Forfeitures.* Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

#### Pension Expense Related to Defined Contribution Pensions

##### *Defined Contribution Pension Expense*

For the year ended June 30, 2023, the State's contributions to the RSP on behalf of individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,388,573 was funded from previously forfeited contributions. For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 6: Defined Contribution Pension Plan (Continued)**

#### **Pension Expense Related to Defined Contribution Pensions (Continued)**

##### *Employer Proportionate Share of Defined Contribution Pension Expense*

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2023 and 2022. The College's share of pensionable contributions was 0.0864% and 0.1027% for fiscal years 2023 and 2022. As a result, the College recognized revenue and defined contribution pension expense of \$78,046 and \$92,236 from this special funding situation during the years ended June 30, 2024 and June 30, 2023, respectively, of which \$7,205 and \$9,112 constituted forfeitures during the years ended June 30, 2024 and June 30, 2023, respectively.

### **Note 7: Other Post-Employment Benefits**

*Plan Administration* – The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, “CIP”) is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts. CCHISF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp](http://www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp).

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

*Benefits Provided* - CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (ACT) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.



# Spoon River College District #534

## Notes to Financial Statements

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### **Note 7: Other Post-Employment Benefits (Continued)**

*Contributions* - The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1071 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

#### *Net OPEB Liability*

The net OPEB liability was measured as of June 30, 2023 and June 30, 2022. CIP reported a net OPEB liability at June 30, 2023 of \$706,333,410 and at June 30, 2022 of \$684,560,152.

#### *Employer Proportionate Share of Net OPEB Liability*

The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2024 is \$2,199,084 or 0.3113%, and for fiscal year 2023 it was \$2,392,422 or 0.3495%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0382%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2023 and June 30, 2022, was \$2,199,084 or 0.3113% and \$2,392,422 or 0.3495%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2023 and June 30, 2022, was \$4,398,168 and \$4,784,844, respectively. The net OPEB liability and total OPEB liability as of June 30, 2023, was determined based on the June 30, 2022, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2023.

# Spoon River College District #534

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

#### *OPEB Expense*

At June 30, 2023 and June 30, 2022, CIP reported a collective net OPEB expense (income) of \$(258,363,775) and \$(287,349,940), respectively.

#### *Employer Proportionate Share of OPEB Expense*

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2023 and 2022, respectively. As a result, the College recognized on-behalf revenue and expense of \$(747,263) and \$(994,544) for the fiscal years ended June 30, 2024 and June 30, 2023. Additionally, the College recognized OPEB expense (income) of \$(970,159) and \$(887,973) for the fiscal year ended June 30, 2024 and June 30, 2023.

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

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

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
<i>Fiscal year ended June 30, 2023 (measurement date)</i>		
Difference between expected and actual experience	\$ 33,092	\$ 662,049
Changes in assumption	0	2,149,800
Net difference between projected and actual earnings on OPEB plan investments	0	470
Changes in proportion and differences between employer contributions and share of contributions	893,360	1,190,649
Total deferred amounts to be recognized in pension expense in future periods	926,452	4,002,968
OPEB contributions made subsequent to the measurement date	50,478	0
Totals	\$ 976,930	\$ 4,002,968

# Spoon River College District #534

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

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

The College reported \$50,478 and \$30,793 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2025 and June 30, 2024, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

<b>Year Ending June 30</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2025	\$ (512,753)
2026	(512,753)
2027	(512,753)
2028	(512,753)
2029	(512,753)
2030	(512,753)
Total	\$ (3,076,518)

# Spoon River College District #534

## Notes to Financial Statements

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### Note 7: Other Post-Employment Benefits (Continued)

#### Assumptions and Other Inputs

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation for all plan years
Healthcare cost trend rates	Trend rates for fiscal year end 2024 based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trends rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 6.08% in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
Asset Valuation Method	Market value

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

*Discount Rate.* Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.86% as of June 30, 2023 and 3.69% as of June 30, 2022.

The increase in the single discount rate from 3.69% to 3.86% caused the total OPEB liability to decrease by approximately \$10.2 million from 2022 to 2023.

# Spoon River College District #534

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

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

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.86% and 3.69% at June 30, 2023 and June 30, 2022, respectively, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2023 to the Single Discount Rate Assumption				
	1% Decrease (2.86%)	Current Single Discount Rate Assumption (3.86%)	1% Increase (4.86%)	
Net OPEB liability	\$ 2,399,222	\$ 2,199,084	\$ 2,026,746	

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Single Discount Rate Assumption				
	1% Decrease (2.69%)	Current Single Discount Rate Assumption (3.69%)	1% Increase (4.69%)	
Net OPEB liability	\$ 2,618,932	\$ 2,392,422	\$ 2,198,724	

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

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

Sensitivity of Net OPEB Liability as of June 30, 2023 to the Healthcare Cost Trend Rate Assumption				
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)	
Net OPEB liability	\$ 1,975,307	\$ 2,199,084	\$ 2,468,929	

- (a) Current healthcare trend rates Pre-Medicare per capita costs: 9.14% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.
- (b) One percentage point decrease in current healthcare trend rates Pre-Medicare per capita costs: 8.14% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2040.

# Spoon River College District #534

## Notes to Financial Statements

### Note 7: Other Post-Employment Benefits (Continued)

- (c) One percentage point increase in current healthcare trend rates Pre-Medicare per capita costs: 10.14% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 7.08% in 2034 decreasing ratably to an ultimate rate of 5.25% in 2040.

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

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

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

### Note 8: Risk Management

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 9: Construction and Other Significant Commitments

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the College expects such amounts, if any, to be immaterial.

*Construction Commitments.* In fiscal year 2021, the College entered into a contract with Hein Construction Co., Inc. for the renovation of the CTE/Nursing Building at the Canton Campus with estimated total cost of \$15,965,000. The total remaining project costs as of June 30, 2024 was \$15,525,454. The project is expected to be completed in fiscal year 2025.

### Note 10: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2024:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Spoon River College Foundation	Canton, IL	Fall scholarships receivable		\$199,031
Spoon River College Foundation	Canton, IL	Accounts payable		(\$10,245)
Spoon River College Foundation	Canton, IL	Scholarships	\$183,899	
Spoon River College Foundation	Canton, IL	Contributed nonfinancial assets	(\$90,400)	
Spoon River College Foundation	Canton, IL	Institutional support	\$130,340	

The College has the following related party transactions for fiscal year ended June 30, 2023:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Spoon River College Foundation	Canton, IL	Fall scholarships receivable		\$77,670
Spoon River College Foundation	Canton, IL	Accounts payable		(\$11,415)
Spoon River College Foundation	Canton, IL	Scholarships	\$139,713	
Spoon River College Foundation	Canton, IL	Contributed nonfinancial assets	(\$87,267)	
Spoon River College Foundation	Canton, IL	Institutional support	\$84,919	

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 11: Impact of Pending Accounting Principles**

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The College has not determined the effect of this Statement.

GASB Statement No. 102, Certain Risk Disclosures, improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The College has not determined the effect of this Statement.

GASB Statement No. 103, Financial Reporting Model Improvements, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

### **Note 12: Subsequent Event**

Subsequent events were evaluated through October 16, 2024, which is the date the financial statements were available to be issued. There were no subsequent events noted.



# Spoon River College District #534

## Notes to Financial Statements

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### Note 13: Component Unit

#### Basis of Accounting

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

#### **Net Assets**

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

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

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

#### **Contributions and Revenues**

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

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

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

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

# Spoon River College District #534

## Notes to Financial Statements

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### **Note 13: Component Unit (Continued)**

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. A 10% allowance is recorded for employee pledges receivable. For all other pledges receivable, management individually reviews all delinquent accounts receivable balances.

### **Income Taxes**

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

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

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

Forms 990 filed by the Foundation are subject to examination by the Internal Revenue Services (IRS) up to three years from the extended due date of each return.

# Spoon River College District #534

## Notes to Financial Statements

### Note 13: Component Unit (Continued)

#### Investments and Investment Earnings

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

All investments are carried by the Foundation at fair value. The investments at June 30, 2024 consist of the following:

	2024 Fair Value	2023 Fair Value
Certificates of deposit (non-brokered)	\$ 1,604,936	\$ 306,302
Money markets	446,244	1,406,601
Mutual funds	1,347,162	988,940
Equities	2,291,749	1,886,320
Real Assets	37,828	288,898
Certificates of deposit (brokered)	49,947	69,824
Total investments measured at fair value	\$ 5,777,866	\$ 4,946,885

The following schedule summarizes the investment return and its classification in the statement of activities - modified cash basis for the year ended June 30, 2024:

	2024 With Donor Restrictions	2023 With Donor Restrictions
Interest and dividends	\$ 160,821	\$ 94,123
Realized gains (losses)	66,394	47,421
Unrealized gains (losses)	253,764	112,983
Investment fees	(26,689)	(24,634)
Total	\$ 454,290	\$ 229,893

#### Fair Value Measurement

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

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

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

# Spoon River College District #534

## Notes to Financial Statements

### Note 13: Component Unit (Continued)

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

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

The following table presents the Foundation's fair value hierarchy for the assets measured at fair value on a recurring basis as of as of June 30, 2024:

	2024 Fair Value Measurements at Reporting Date Using				
	Total	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value on a recurring basis:					
Mutual funds	\$ 1,347,162	\$ 1,347,162	\$ -	\$ -	
Equities	2,291,749	2,291,749	-	-	
Real assets	37,828	37,828	-	-	
Certificates of deposit (brokered)	49,947	-	49,947	-	
Total investments measured at fair value	3,726,686	3,676,739	49,947	-	
Beneficial interest in perpetual trusts	912,798	-	-	912,798	
Total fair value measurements	\$ 4,639,484	\$ 3,676,739	\$ 49,947	\$ 912,798	

	2023 Fair Value Measurements at Reporting Date Using			
	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Mutual funds	\$ 988,940	\$ 988,940	\$ -	\$ -
Equities	1,886,320	1,886,320	-	-
Bonds and notes	288,898	-	288,898	-
Real assets	69,824	69,824	-	-
Total investments measured at fair value	3,233,982	2,945,084	288,898	-
Beneficial interest in perpetual trusts	850,991	-	-	850,991
Total fair value measurements	\$ 4,084,973	\$ 2,945,084	\$ 288,898	\$ 850,991

# Spoon River College District #534

## Notes to Financial Statements

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### Note 13: Component Unit (Continued)

Reconciliation of assets measured using Level 3 inputs as of June 30, 2024:

Balance, beginning of year	\$	850,991
Gains (losses)		68,432
Purchases		9,439
Distribution and fees		(16,064)
<hr/>		
Balance, end of year	\$	912,798

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

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

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.

**Real Assets:** Investments in real assets are valued using quotes for pricing vendors based on pricing models that incorporate available trade, bid, and other market information.

**Brokered Certificates of Deposit:** Investments in brokered certificates of deposit securities are classified as Level 2 as they are determined using similar benchmark quoted securities.

**Beneficial Interests in Perpetual Trusts:** As described in Note 13, 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, 2024. 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 District #534

## Notes to Financial Statements

### Note 13: Component Unit (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, 2024.

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$ 912,798	Market approach	Fair value of assets contributed to trust	N/A

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, 2023.

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

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2024 follows:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a nonrecurring basis:</b>				
Contributed nonfinancial assets services	\$ 90,400	\$ -	\$ -	\$ 90,400
Contributed nonfinancial office space	7,000	-	-	7,000
Total	\$ 97,400	\$ -	\$ -	\$ 97,400

The following presents quantitative information about nonrecurring Level 3 fair value measurements at June 30, 2024:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Contributed services	\$ 90,400	Market approach	Fair value of assets contributed to Foundation	N/A
Contributed office space	7,000	Market approach	Fair value of office space contributed to Foundation	N/A
Total	\$ 97,400			

# Spoon River College District #534

## Notes to Financial Statements

### Note 13: Component Unit (Continued)

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

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

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

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

## **Required Supplementary Information**

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# Spoon River College District #534

## Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$ 46,429,031	\$ 43,282,683	\$ 41,991,921	\$ 45,070,073	\$ 44,228,910	\$ 42,946,498	\$ 40,871,694	\$ 38,063,665	\$ 35,750,486	\$ 34,007,812
Employer covered payroll	\$ 5,802,329	\$ 6,030,912	\$ 5,564,654	\$ 5,488,178	\$ 5,585,858	\$ 5,598,932	\$ 5,681,188	\$ 5,311,468	\$ 5,489,800	\$ 5,705,637
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	800.18 %	717.68 %	754.62 %	821.22 %	791.80 %	767.05 %	719.42 %	716.63 %	651.22 %	596.04 %
SURS plan net position as a percentage of total pension liability	44.06 %	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %	44.39 %

# Spoon River College District #534

## Schedule of Pension Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Federal, trust, grant and other contribution	\$ 31,197	\$ 78,666	\$ 27,161	\$ 28,373	\$ 28,369	\$ 25,652	\$ 15,502	\$ 8,405	\$ 8,314	\$ 10,381
Contribution in relation to required contribution	31,197	78,666	27,161	28,373	28,369	25,652	15,502	8,405	8,314	10,381
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0				
Employer covered payroll	\$ 6,730,290	\$ 6,159,290	\$ 6,591,655	\$ 6,386,586	\$ 5,955,310	\$ 5,901,485	\$ 5,876,188	\$ 5,553,295	\$ 5,311,468	\$ 5,489,800
Contribution as a percentage of covered payroll	0.46 %	1.28 %	0.41 %	0.44 %	0.48 %	0.43 %	0.26 %	0.15 %	0.16 %	0.19 %

# Spoon River College District #534

## Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2018)

Measurement Date June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion percentage of the collective net OPEB liability	0.31 %	0.35 %	0.33 %	0.27 %	0.35 %	0.36 %	0.35 %	0.30 %		
Proportion amount of the collective net OPEB liability	\$ 2,199,084	\$ 2,392,422	\$ 5,688,009	\$ 4,989,187	\$ 652,840	\$ 6,751,154	\$ 6,304,942	\$ 5,467,052		
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$ 2,199,084	\$ 2,392,422	\$ 5,688,009	\$ 4,989,177	\$ 6,592,840	\$ 6,751,154	\$ 6,221,902	\$ 5,696,203		
Total collective net OPEB liability associated with the College	\$ 4,398,168	\$ 4,784,844	\$ 11,376,018	\$ 9,978,364	\$ 7,245,680	\$ 13,502,308	\$ 12,526,844	\$ 11,163,255		
District's covered payroll	\$ 6,159,290	\$ 6,591,655	\$ 6,386,586	\$ 5,955,310	\$ 5,901,485	\$ 5,876,188	\$ 5,553,295	\$ 5,311,468		
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	71.41 %	72.59 %	178.12 %	167.55 %	122.78 %	229.78 %				
College insurance plan net position as a percentage of total OPEB liability	(17.87)%	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(0.35)%	(2.87)%	(2.15)%		

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

# Spoon River College District #534

## Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 50,478	\$ 30,794	\$ 32,958	\$ 30,473	\$ 25,173	\$ 31,337	\$ 31,272	\$ 29,995	\$ 27,225	
Contribution in relation to the required statutorily	50,478	30,794	32,958	30,473	25,173	31,337	31,272	29,995	27,225	
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
District's covered payroll	\$ 6,730,290	\$ 6,159,290	\$ 6,591,655	\$ 6,386,586	\$ 5,955,310	\$ 5,901,485	\$ 5,876,188	\$ 5,553,295	\$ 5,311,468	
Contribution as a percentage of covered payroll	0.75 %	0.50 %	0.50 %	0.48 %	0.42 %	0.53 %	0.53 %	0.54 %	0.51 %	

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

# Spoon River College District #534

## Notes to Required Supplementary Information

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### Note 1: Changes of Benefit Terms

Public Act 103-0080, effective June 9, 2023, created a disability benefit for police officers injured in the line of duty on or after January 1, 2022. This benefit was first reflected in the Total Pension Liability as of June 30, 2023.

### Note 2: Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2023, actuarial valuation.

- Salary increases. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the underlying wage inflation rate of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.50 percent. This reflects decreasing the assumed real rate of return of 4.25 percent and maintaining the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.50 percent.
- Normal retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early retirement rates. Establish separate rates for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Turnover rates. Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality rates. Maintain the RP-2014 to the Pub 2010 mortality tables to reflect the latter's high applicability to public pensions. Update the projection scale from MP-2017 to the MP-2020 scale.
- Disability rates. Establish separate rates for members in academic positions and non-academic positions and maintain separate rates for males and females.
- Plan election. Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement (RSP).

### Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2024.

# Spoon River College District #534

## Notes to Required Supplementary Information (Continued)

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

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

- Per capita claim costs for plan year end June 30, 2023, were updated based on projected claim sand enrollment experience through June 30, 2023, and updated premium rates through plan year end 2024;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2022, projected plan cost for plan year end June 30, 2023, premium changes through plan year end 2023, and expectation of future trend increases after June 30, 2023;
- The discount rate was changed from 3.86 percent at June 30, 2022, to 3.86 percent at June 30, 2023.

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

## **Supplemental Financial Information**

# **Spoon River College District #534**

## **Supplemental Financial Information Section**

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### **Uniform Financial Statements**

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

The Uniform Financial Statements include the following:

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

### **Certification of Per Capita Cost**

- No. 6 - Certification of Per Capita Cost



# Spoon River College District #534

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2024</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance (deficit), beginning of year	\$ 10,093,445	\$ 1,007,476	\$ 11,320,023	\$ 92,352
<b>Revenues:</b>				
Local tax revenue	3,605,583	1,231,595	184,499	3,132,758
ICCB Grants	871,219	375,748	-	-
All other State revenue	-	-	-	-
Federal revenue	-	-	-	-
Student tuition and fees	4,099,449	-	-	-
On-Behalf CIP	-	-	-	-
On-Behalf SURS	-	-	-	-
All other revenue	659,182	3,747	1,470,567	3,198
Total revenues	9,235,433	1,611,090	1,655,066	3,135,956
<b>Expenditures:</b>				
Instruction	3,579,916	-	-	-
Academic support	754,264	-	-	-
Student services	984,755	-	-	-
Public service/continuing education	301,726	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	1,474,097	2,180,741	-
Institutional support	3,346,719	-	-	3,140,613
Scholarships, grants, waivers	406,175	-	-	-
Total expenditures	9,373,555	1,474,097	2,180,741	3,140,613
Debt proceeds	213,008	-	-	-
Transfers in	-	-	-	-
Transfers out	(22,690)	-	-	-
	190,318	-	-	-
Fund balance (deficit), end of year	\$ 10,145,641	\$ 1,144,469	\$ 10,794,348	\$ 87,695

# Spoon River College District #534

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2024</i>	<b>Auxiliary Enterprises Fund</b>	<b>Restricted Purposes Fund</b>	<b>Health Insurance Fund</b>	<b>Audit Fund</b>
Fund balance (deficit), beginning of year	\$ -	\$ 642,168	\$ -	\$ 66,934
<b>Revenues:</b>				
Local tax revenue	-	-	-	53,336
ICCB Grants	-	655,870	-	-
All other State revenue	-	342,565	-	-
Federal revenue	-	3,743,240	-	-
Student tuition and fees	-	-	-	-
On-Behalf CIP	-	(747,263)	-	-
On-Behalf SURS	-	3,049,406	-	-
All other revenue	3,506,108	55,427	-	55
Total revenues	3,506,108	7,099,245	-	53,391
<b>Expenditures:</b>				
Instruction	-	1,329,589	-	-
Academic support	-	660,599	-	-
Student services	-	666,425	-	-
Public service/continuing education	-	225,054	-	-
Auxiliary services	3,447,965	101,884	-	-
Operations and maintenance	-	1,498,311	-	-
Institutional support	39,750	622,892	-	63,500
Scholarships, grants, waivers	41,083	1,997,744	-	-
Total expenditures	3,528,798	7,102,498	-	63,500
Debt proceeds	-	-	-	-
Transfers in	22,690	-	-	-
Transfers out	-	-	-	-
	22,690	-	-	-
Fund balance (deficit), end of year	\$ -	\$ 638,915	\$ -	\$ 56,825

# Spoon River College District #534

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2024</i>	<b>Liability, Protection Settlement Fund</b>	<b>Total</b>
Fund balance (deficit), beginning of year	\$ 1,401,191	\$ 24,623,589
<b>Revenues:</b>		
Local tax revenue	1,080,276	9,288,047
ICCB Grants	-	1,902,837
All other State revenue	-	342,565
Federal revenue	-	3,743,240
Student tuition and fees	-	4,099,449
On-Behalf CIP	-	(747,263)
On-Behalf SURS	-	3,049,406
All other revenue	35,146	5,733,430
Total revenues	1,115,422	27,411,711
<b>Expenditures:</b>		
Instruction	-	4,909,505
Academic support	-	1,414,863
Student services	-	1,651,180
Public service/continuing education	-	526,780
Auxiliary services	-	3,549,849
Operations and maintenance	-	5,153,149
Institutional support	1,164,019	8,377,493
Scholarships, grants, waivers	-	2,445,002
Total expenditures	1,164,019	28,027,821
Debt proceeds	-	213,008
Transfers in	-	22,690
Transfers out	-	(22,690)
	-	213,008
Fund balance (deficit), end of year	\$ 1,352,594	\$ 24,220,487

# Spoon River College District #534

## Uniform Financial Statement #2

### Summary of Capital Assets and Long-Term Debt

<i>Year Ended June 30, 2024</i>	<b>Balance</b> <b>July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassification</b>	<b>Balance</b> <b>June 30, 2024</b>
Capital assets:					
Land	\$ 759,038	\$ 378,967	\$ -	\$ -	\$ 1,138,005
Construction in process	326,368	3,244,425	-	(180,682)	3,390,111
Land improvements	1,102,127	-	-	-	1,102,127
Buildings and additions	41,564,565	-	-	180,682	41,745,247
Equipment	758,864	182,822	(78,425)	-	863,261
Computer technology	831,228	16,382	(126,000)	-	721,610
Lease assets	-	92,866	-	-	92,866
Subscription assets	-	120,142	-	-	120,142
<b>Total capital assets</b>	<b>45,342,190</b>	<b>4,035,604</b>	<b>(204,425)</b>	<b>-</b>	<b>49,173,369</b>
Accumulated depreciation and amortization	20,799,836	1,511,564	(169,051)	-	22,142,349
<b>Total net capital assets</b>	<b>\$ 24,542,354</b>	<b>\$ 2,524,040</b>	<b>\$ (35,374)</b>	<b>\$ -</b>	<b>\$ 27,031,020</b>
Long-term debt:					
Bonds payable	\$ 26,135,000	\$ -	\$ (2,090,000)	\$ -	\$ 24,045,000
Net OPEB liability	2,392,422	-	(193,338)	-	2,199,084
Leases obligations	-	92,866	(35,808)	-	57,058
Subscription liability	-	120,142	(41,590)	-	78,552
Other fixed liabilities	289,594	467,942	(469,758)	-	287,778
Contracts payable	7,267	-	(7,267)	-	-
Bond premium	479,121	-	(57,332)	-	421,789
<b>Total long-term debt</b>	<b>\$ 29,303,404</b>	<b>\$ 680,950</b>	<b>\$ (2,895,093)</b>	<b>\$ -</b>	<b>\$ 27,089,261</b>

# Spoon River College District #534

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures

<i>Year Ended June 30, 2024</i>	Education Fund	Operations and Maintenance Fund	Total
<b>Revenues:</b>			
Local government:			
Local taxes	\$ 2,449,076	\$ 526,072	\$ 2,975,148
Corporate personal property replacement taxes	1,156,507	705,523	1,862,030
Total local government	3,605,583	1,231,595	4,837,178
State government:			
ICCB base operating grant	715,732	375,748	1,091,480
ICCB equalization grant	50,000	-	50,000
ICCB small college grant	80,560	-	80,560
ICCB career & technical education	24,927	-	24,927
Total state government	871,219	375,748	1,246,967
Student tuition and fees:			
Tuition	3,964,547	-	3,964,547
Other student tuition and fees	134,902	-	134,902
Total tuition and fees	4,099,449	-	4,099,449
Other sources:			
Investment revenue	648,357	538	648,895
Facilities revenue	-	2,550	2,550
Other revenues	10,825	659	11,484
Total other sources	659,182	3,747	662,929
Total revenue	9,235,433	1,611,090	10,846,523
Less nonoperating items*			
Tuition chargeback	0	0	0
Adjusted revenue	\$ 9,235,433	\$ 1,611,090	\$ 10,846,523

# Spoon River College District #534

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures (Continued)

<i>Year Ended June 30, 2024</i>	Education Fund	Operations and Maintenance Fund	Total
<b>Operating expenditures:</b>			
By program:			
Instruction	\$ 3,579,916	\$ -	\$ 3,579,916
Academic support	754,264	-	754,264
Student services	984,755	-	984,755
Public services	301,726	-	301,726
Operation and maintenance	-	1,474,097	1,474,097
Institutional support	3,346,719	-	3,346,719
Scholarships, student grants, and waivers	406,175	-	406,175
Total expenditures	9,373,555	1,474,097	10,847,652
Less nonoperating items*			
Net transfers	0	0	0
Adjusted expenditures	\$ 9,373,555	\$ 1,474,097	\$ 10,847,652
By object:			
Salaries	5,724,308	250,213	5,974,521
Employee benefits	1,446,207	108,506	1,554,713
Contractual services	99,595	427,311	526,906
General materials and supplies	828,085	85,904	913,989
Library materials**	56,158	-	56,158
Conference and meeting expenses	151,780	19,220	171,000
Fixed charges	8,730	9,474	18,204
Utilities	-	470,370	470,370
Capital outlay	608,357	100,218	708,575
Principal retirement	41,590	-	41,590
Student grants and scholarships**	406,175	-	406,175
Other	464,903	2,881	467,784
Total expenditures	9,373,555	1,474,097	10,847,652
Less nonoperating items:			
Net transfers	0	0	0
Adjusted expenditures	\$ 9,373,555	\$ 1,474,097	\$ 10,847,652

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

\*\* Non-add line.

# Spoon River College District #534

## Uniform Financial Statement #4

### Restricted Purposes Fund Revenues and Expenditures

*Year Ended June 30, 2024*

**Revenue by source:**

State government:

ICCB - Adult Education	\$ 186,111
ICCB - PATH Workforce Grant	242,082
ICCB - Mental Health Early Action on Campus	198,987
CTE/Program improvement grant	28,690
On-behalf CIP	(747,263)
On-behalf SURS	3,049,406
Other	342,565

Total state government	3,300,578
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Federal government:

Department of Education	3,743,240
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Total federal government	3,743,240
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Other sources:

Nongovernmental grants and gifts	96,447
Interest	63

Total other sources	96,510
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Total restricted purposes fund revenues	\$ 7,140,328
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**Expenditures by program:**

Instruction	1,329,589
Academic support	660,599
Student services	666,425
Public services	225,054
Auxiliary services	101,884
Operation and maintenance	1,498,311
Institutional support	622,892
Scholarships, student grants, and waivers	1,997,744

Total restricted purposes fund expenditures by program	\$ 7,102,498
--	--------------

**Expenditures by object:**

Salaries	643,913
Employee benefits (including SURS and CIP on-behalf)	2,473,143
Contractual services	110,920
General materials and supplies	280,061
Travel, conference and meeting expense	28,229
Capital outlay	1,382,115
Other	2,184,117

Total restricted purposes fund expenditures by object	\$ 7,102,498
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\*\* Non-add line.

# Spoon River College District #534

## Uniform Financial Statement #5

### Current Funds\* - Expenditures by Activity

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*Year Ended June 30, 2024*

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Instruction:

Instructional programs	\$ 4,907,650
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Total instruction	4,907,650
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Academic support:

Library center	289,727
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Instructional materials center	347,024
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Academic administration and planning	359,596
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Other academic support	427,559
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Total academic support	1,423,906
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Student services:

Admissions and records	532,495
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Counseling and career guidance	244,295
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Financial aid administration	302,669
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Other student services	559,851
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Total student services	1,639,310
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Public service/continuing education:

Administration	316,844
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Other Public Services	214,618
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Total public service/continuing education	531,462
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Auxiliary	3,549,849
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**Spoon River College District #534**  
**Uniform Financial Statement #5**  
**Current Funds\* - Expenditures by Activity (Continued)**

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*Year Ended June 30, 2024*

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Operations and maintenance of plant:	
Maintenance	955,774
Plant utilities	518,323
Other operations and maintenance	1,498,311
<hr/>	
Total operations and maintenance of plant	2,972,408
<hr/>	
Institutional support:	
Executive management	343,933
Fiscal operations	401,083
Community Relations	98
Administrative support services	1,928,409
Board of trustees	24,157
General institution	112,059
Administrative data processing	1,804,249
Other institutional support	622,892
<hr/>	
Total institutional support	5,236,880
<hr/>	
Scholarships, Grants, Waivers	2,445,002
<hr/>	
Total current funds expenditures	\$ 22,706,467

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\* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

**Spoon River College District #534**  
**Fiscal Year 2025 Certification of Per Capita Cost**  
**For Fiscal Year Ended June 30, 2024**

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All fiscal year 2024 noncapital audited operating expenditures from the following funds:

1. Education Fund	8,843,750
2. Operations and Maintenance Fund	846,477
4. Bond and Interest Fund	1,006,268
6. Restricted Purposes Fund	5,812,459
7. Audit Fund	63,500
8. Liability, Protection, and Settlement Fund	<u>1,164,019</u>
10. Total noncapital expenditures (sum of lines 1-9)	<u>\$ 17,736,473</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 939,439</u>
12. Total costs included (line 10 plus line 11)	<u>\$ 18,675,912</u>
13. Total certified semester credit hours for FY 2024	<u>21,383</u>
14. Per capita cost (line 12 divided by line 13)	<u>\$ 873</u>

Approved:



Chief Financial Officer

10/16/24

Date



President

10/16/24

Date

**Other Financial Information**

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# Spoon River College District #534

## Balance Sheet - All Fund Types

<i>As of June 30, 2024</i>	Education Fund	Operations and Maintenance Fund	Ops and Maint Restricted Fund	Bond & Interest Fund
<b>Assets and Deferred Outflows of Resources</b>				
Cash and cash equivalents	\$ 393,966	\$ -	\$ 11,786,747	\$ -
Investments	12,060,894	-	1,286,473	-
Property taxes receivable, net	1,361,938	305,573	155,129	1,605,951
Government receivables	457,416	-	-	-
Student tuition receivable, net	2,304,450	-	-	-
Other receivables	157,341	462	-	-
Advances to other funds	-	1,402,580	-	1,322,383
Prepaid items	110,863	-	-	-
Inventories	-	-	-	-
Capital assets, net	-	-	-	-
<b>Total assets</b>	<b>16,846,868</b>	<b>1,708,615</b>	<b>13,228,349</b>	<b>2,928,334</b>
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Deferred loss on refunding	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 16,846,868</b>	<b>\$ 1,708,615</b>	<b>\$ 13,228,349</b>	<b>\$ 2,928,334</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>				
Liabilities:				
Accounts payable	\$ 1,136,069	\$ -	\$ -	\$ -
Accrued liabilities	220,256	5,246	-	-
Advances from other funds	196,170	-	2,194,044	-
Unearned tuition and fees	2,460,173	-	-	-
Accrued compensated absences	260,418	18,424	-	-
Contracts payable	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
<b>Total liabilities</b>	<b>4,273,086</b>	<b>23,670</b>	<b>2,194,044</b>	<b>-</b>
Deferred inflows of resources				
Deferred property taxes	2,428,141	540,476	239,957	2,840,639
Deferred grant revenue	-	-	-	-
Deferred OPEB	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>2,428,141</b>	<b>540,476</b>	<b>239,957</b>	<b>2,840,639</b>
Fund balance/net position (deficit):				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	87,695
Unrestricted	10,145,641	1,144,469	10,794,348	-
<b>Total fund balance/net position</b>	<b>10,145,641</b>	<b>1,144,469</b>	<b>10,794,348</b>	<b>87,695</b>
<b>Total liabilities, deferred inflows or resources and fund balance/net position</b>	<b>\$ 16,846,868</b>	<b>\$ 1,708,615</b>	<b>\$ 13,228,349</b>	<b>\$ 2,928,334</b>

# Spoon River College District #534

## Balance Sheet - All Fund Types

<i>As of June 30, 2024</i>	<b>Auxiliary Fund</b>	<b>Restricted Purpose Fund</b>	<b>Audit Fund</b>	<b>Liability Fund</b>
<b>Assets and Deferred Outflows of Resources</b>				
Cash and cash equivalents	\$ 2,034	\$ 1,877	\$ -	\$ -
Investments	105,334	-	-	667,445
Property taxes receivable, net	-	-	31,093	640,819
Government receivables	-	1,710,314	-	-
Student tuition receivable, net	-	-	-	-
Other receivables	11,232	426,824	-	-
Advances to other funds	-	-	80,579	1,222,468
Prepaid items	-	-	-	-
Inventories	208,351	-	-	-
Capital assets, net	-	-	-	-
<b>Total assets</b>	<b>326,951</b>	<b>2,139,015</b>	<b>111,672</b>	<b>2,530,732</b>
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Deferred loss on refunding	-	-	-	-
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 326,951</b>	<b>\$ 2,139,015</b>	<b>\$ 111,672</b>	<b>\$ 2,530,732</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	5,559	11,882	-	10,345
Advances from other funds	312,456	1,325,340	-	-
Unearned tuition and fees	-	-	-	-
Accrued compensated absences	8,936	-	-	-
Contracts payable	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
<b>Total liabilities</b>	<b>326,951</b>	<b>1,337,222</b>	<b>-</b>	<b>10,345</b>
Deferred inflows of resources				
Deferred property taxes	-	-	54,847	1,167,793
Deferred grant revenue	-	162,878	-	-
Deferred OPEB	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>162,878</b>	<b>54,847</b>	<b>1,167,793</b>
Fund balance/net position (deficit):				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	638,915	-	-
Unrestricted	-	-	56,825	1,352,594
<b>Total fund balance/net position</b>	<b>-</b>	<b>638,915</b>	<b>56,825</b>	<b>1,352,594</b>
<b>Total liabilities, deferred inflows or resources and fund balance/net position</b>	<b>\$ 326,951</b>	<b>\$ 2,139,015</b>	<b>\$ 111,672</b>	<b>\$ 2,530,732</b>

# Spoon River College District #534

## Balance Sheet - All Fund Types

		GASB			
		General Fixed	General Long-	Other	
As of June 30, 2024	Totals	Assets	Term Debt	Adjustments	
<b>Assets and Deferred Outflows of Resources</b>					
Cash and cash equivalents	\$ 12,184,624	\$ -	\$ -	\$ -	
Investments	14,120,146	-	-	-	
Property taxes receivable, net	4,100,503	-	-	-	
Government receivables	2,167,730	-	-	-	
Student tuition receivable, net	2,304,450	-	-	-	
Other receivables	595,859	-	-	-	
Advances to other funds	4,028,010	-	-	(4,028,010)	
Prepaid items	110,863	-	-	-	
Inventories	208,351	-	-	-	
Capital assets, net	-	27,031,020	-	-	
Total assets	39,820,536	27,031,020	\$ -	\$ (4,028,010)	
Deferred outflow of resources:					
Deferred pension	-	-	-	58,358	
Deferred OPEB	-	-	976,930	-	
Deferred loss on refunding	-	-	260,880	-	
Total deferred outflow of resources	-	-	1,237,810	58,358	
Total assets and deferred outflow of resources	\$ 39,820,536	\$ 27,031,020	\$ 1,237,810	\$ (3,969,652)	
<b>Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>					
Liabilities:					
Accounts payable	\$ 1,136,069	\$ -	\$ -	\$ -	
Accrued liabilities	253,288	-	51,830	-	
Advances from other funds	4,028,010	-	-	(4,028,010)	
Unearned tuition and fees	2,460,173	-	-	(253,870)	
Accrued compensated absences	287,778	-	-	-	
Contracts payable	-	-	2,199,084	-	
Lease obligations	-	-	57,058	-	
Subscription liability	-	-	78,552	-	
Bonds payable, net	-	-	24,466,789	-	
Total liabilities	8,165,318	-	26,853,313	(4,281,880)	
Deferred inflows of resources					
Deferred property taxes	7,271,853	-	-	-	
Deferred grant revenue	162,878	-	-	-	
Deferred OPEB	-	-	4,002,968	-	
Total deferred inflows of resources	7,434,731	-	4,002,968	-	
Fund balance/net position (deficit):					
Invested in capital assets, net of related debt	-	27,031,020	(11,356,185)	-	
Restricted	726,610	-	-	-	
Unrestricted	23,493,877	-	(18,262,286)	312,228	
Total fund balance/net position	\$ 24,220,487	27,031,020	(29,618,471)	312,228	
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 39,820,536	\$ 27,031,020	\$ 1,237,810	\$ (3,969,652)	

# Spoon River College District #534

## Balance Sheet - All Fund Types

As of June 30, 2024

Adjusted Total

### Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 12,184,624
Investments	14,120,146
Property taxes receivable, net	4,100,503
Government receivables	2,167,730
Student tuition receivable, net	2,304,450
Other receivables	595,859
Advances to other funds	-
Prepaid items	110,863
Inventories	208,351
Capital assets, net	27,031,020

Total assets	62,823,546
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### Deferred outflow of resources:

Deferred pension	58,358
Deferred OPEB	976,930
Deferred loss on refunding	260,880

Total deferred outflow of resources	1,296,168
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Total assets and deferred outflow  
of resources

\$ 64,119,714

### Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

#### Liabilities:

Accounts payable	\$ 1,136,069
Accrued liabilities	305,118
Advances from other funds	-
Unearned tuition and fees	2,206,303
Accrued compensated absences	287,778
Contracts payable	2,199,084
Lease obligations	57,058
Subscription liability	78,552
Bonds payable, net	24,466,789

Total liabilities	30,736,751
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### Deferred inflows of resources

Deferred property taxes	7,271,853
Deferred grant revenue	162,878
Deferred OPEB	4,002,968

Total deferred inflows of resources	11,437,699
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### Fund balance/net position (deficit):

Invested in capital assets, net of related debt	15,674,835
Restricted	726,610
Unrestricted	5,543,819

Total fund balance/net position	\$ 21,945,264
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Total liabilities, deferred inflows or  
resources and fund balance/net position

\$ 64,119,714

# Spoon River College District #534

## Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2024</i>	Education Fund	Operations and Maintenance Fund	Ops and Maint Restricted Fund	Bond & Interest Fund
<b>Revenues:</b>				
Local government	\$ 3,605,583	\$ 1,231,595	\$ 184,499	\$ 3,132,758
State sources	871,219	375,748	-	-
State on-behalf payments	-	-	-	-
Federal government	-	-	-	-
Student tuition and fees	4,099,449	-	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	2,550	-	-
Investment revenue	648,357	538	508,152	3,198
Nongovernmental grants and gifts	-	-	-	-
Capital contributions	-	-	962,415	-
Other revenue	10,825	659	-	-
<b>Total revenues</b>	<b>9,235,433</b>	<b>1,611,090</b>	<b>1,655,066</b>	<b>3,135,956</b>
<b>Expenditures/expenses:</b>				
Current:				
Instruction	3,579,916	-	-	-
Academic support	754,264	-	-	-
Student services	984,755	-	-	-
Public services	301,726	-	-	-
Auxiliary services	-	-	-	-
Operation and maintenance of plant services	-	1,474,097	2,180,741	-
Institutional support	3,305,129	-	-	-
Scholarships, student grants, and waivers	406,175	-	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	41,590	-	-	2,090,000
Interest, service charges, and issuance costs	-	-	-	1,050,613
<b>Total expenditures/expenses</b>	<b>9,373,555</b>	<b>1,474,097</b>	<b>2,180,741</b>	<b>3,140,613</b>
<b>Net income (loss)</b>	<b>(138,122)</b>	<b>136,993</b>	<b>(525,675)</b>	<b>(4,657)</b>
<b>Other financing sources (uses)</b>				
Debt proceeds	213,008	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	(22,690)	-	-	-
<b>Total other financing sources (uses)</b>	<b>190,318</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance/net position</b>	<b>52,196</b>	<b>136,993</b>	<b>(525,675)</b>	<b>(4,657)</b>
<b>Fund balance/net position (deficit), beginning of year</b>	<b>10,093,445</b>	<b>1,007,476</b>	<b>11,320,023</b>	<b>92,352</b>
<b>Fund balance/net position (deficit), end of year</b>	<b>\$ 10,145,641</b>	<b>\$ 1,144,469</b>	<b>\$ 10,794,348</b>	<b>\$ 87,695</b>



# Spoon River College District #534

## Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2024</i>	<b>Auxiliary Fund</b>	<b>Restricted Purpose Fund</b>	<b>Audit Fund</b>	<b>Liability Fund</b>
<b>Revenues:</b>				
Local government	\$ -	\$ -	\$ 53,336	\$ 1,080,276
State sources	-	998,435	-	-
State on-behalf payments	-	2,302,143	-	-
Federal government	-	3,743,240	-	-
Student tuition and fees	-	-	-	-
Sales and service fees	1,267,058	-	-	-
Facilities revenue	-	-	-	-
Investment revenue	6,341	63	55	35,146
Nongovernmental grants and gifts	41,083	55,364	-	-
Capital contributions	-	-	-	-
Other revenue	2,191,626	-	-	-
<b>Total revenues</b>	<b>3,506,108</b>	<b>7,099,245</b>	<b>53,391</b>	<b>1,115,422</b>
<b>Expenditures/expenses:</b>				
Current:				
Instruction	-	1,329,589	-	-
Academic support	-	660,599	-	-
Student services	-	666,425	-	-
Public services	-	225,054	-	-
Auxiliary services	3,447,965	101,884	-	-
Operation and maintenance of plant services	-	1,498,311	-	-
Institutional support	-	622,892	63,500	1,164,019
Scholarships, student grants, and waivers	41,083	1,997,744	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	35,808	-	-	-
Interest, service charges, and issuance costs	3,942	-	-	-
<b>Total expenditures/expenses</b>	<b>3,528,798</b>	<b>7,102,498</b>	<b>63,500</b>	<b>1,164,019</b>
<b>Net income (loss)</b>	<b>(22,690)</b>	<b>(3,253)</b>	<b>(10,109)</b>	<b>(48,597)</b>
<b>Other financing sources (uses)</b>				
Debt proceeds	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Operating transfers in	22,690	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>22,690</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance/net position</b>	<b>-</b>	<b>(3,253)</b>	<b>(10,109)</b>	<b>(48,597)</b>
<b>Fund balance/net position (deficit), beginning of year</b>	<b>-</b>	<b>642,168</b>	<b>66,934</b>	<b>1,401,191</b>
<b>Fund balance/net position (deficit), end of year</b>	<b>\$ -</b>	<b>\$ 638,915</b>	<b>\$ 56,825</b>	<b>\$ 1,352,594</b>

# Spoon River College District #534

## Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

Year Ended June 30, 2024	Totals	GASB		
		General Fixed Assets	General Long-Term Debt	Other Adjustments
Revenues:				
Local government	\$ 9,288,047	\$ -	\$ -	\$ -
State sources	2,245,402	-	-	-
State on-behalf payments	2,302,143	-	-	-
Federal government	3,743,240	-	-	-
Student tuition and fees	4,099,449	-	-	(735,646)
Sales and service fees	1,267,058	-	-	353,666
Facilities revenue	2,550	-	-	-
Investment revenue	1,201,850	-	-	-
Nongovernmental grants and gifts	96,447	-	-	-
Capital contributions	962,415	-	-	-
Other revenue	2,203,110	-	-	(2,191,626)
Total revenues	27,411,711	-	-	(2,573,606)
Expenditures/expenses:				
Current:				
Instruction	4,909,505	(92,866)	(396,052)	-
Academic support	1,414,863	-	(70,241)	-
Student services	1,651,180	-	(116,808)	-
Public services	526,780	-	(36,355)	-
Auxiliary services	3,549,849	-	(42,064)	(1,837,960)
Operation and maintenance of plant services	5,153,149	(3,386,164)	(39,049)	-
Institutional support	5,155,540	(515,491)	(276,857)	20,308
Scholarships, student grants, and waivers	2,445,002	(41,083)	-	(736,488)
Depreciation expense	-	1,511,564	-	-
Debt service:				
Principal retirement	2,167,398	-	(2,167,398)	-
Interest, service charges, and issuance costs	1,054,555	-	(314,615)	-
Total expenditures/expenses	28,027,821	(2,524,040)	(3,459,439)	(2,554,140)
Net income (loss)	(616,110)	2,524,040	3,459,439	(19,466)
Other financing sources (uses)				
Debt proceeds	213,008	-	(213,008)	-
Gain (loss) on disposal of assets	-	(35,374)	-	-
Operating transfers in	22,690	-	-	(22,690)
Operating transfers out	(22,690)	-	-	22,690
Total other financing sources (uses)	213,008	(35,374)	(213,008)	-
Net change in fund balance/net position	(403,102)	2,488,666	3,246,431	(19,466)
Fund balance/net position (deficit), beginning of year	24,623,589	24,542,354	(32,864,902)	331,694
Fund balance/net position (deficit), end of year	\$ 24,220,487	\$ 27,031,020	\$ (29,618,471)	\$ 312,228

# Spoon River College District #534

## Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Net Position (Deficit) - All Fund Types

<i>Year Ended June 30, 2024</i>	<b>Adjusted Total</b>
<b>Revenues:</b>	
Local government	\$ 9,288,047
State sources	2,245,402
State on-behalf payments	2,302,143
Federal government	3,743,240
Student tuition and fees	3,363,803
Sales and service fees	1,620,724
Facilities revenue	2,550
Investment revenue	1,201,850
Nongovernmental grants and gifts	96,447
Capital contributions	962,415
Other revenue	11,484
<b>Total revenues</b>	<b>24,838,105</b>
<b>Expenditures/expenses:</b>	
Current:	
Instruction	4,420,587
Academic support	1,344,622
Student services	1,534,372
Public services	490,425
Auxiliary services	1,669,825
Operation and maintenance of plant services	1,727,936
Institutional support	4,383,500
Scholarships, student grants, and waivers	1,667,431
Depreciation expense	1,511,564
Debt service:	
Principal retirement	-
Interest, service charges, and issuance costs	739,940
<b>Total expenditures/expenses</b>	<b>19,490,202</b>
<b>Net income (loss)</b>	<b>5,347,903</b>
<b>Other financing sources (uses)</b>	
Debt proceeds	-
Gain (loss) on disposal of assets	(35,374)
Operating transfers in	-
Operating transfers out	-
<b>Total other financing sources (uses)</b>	<b>(35,374)</b>
<b>Net change in fund balance/net position</b>	<b>5,312,529</b>
<b>Fund balance/net position (deficit), beginning of year</b>	<b>16,632,735</b>
<b>Fund balance/net position (deficit), end of year</b>	<b>\$ 21,945,264</b>

# Spoon River College District #534

## Schedule of Operating Revenues and Expenses, by Program Auxiliary Enterprise Fund

<i>Year Ended June 30, 2024</i>	<b>General</b>	<b>Bookstore</b>	<b>Food Services</b>	<b>Print Shop</b>
<b>Operating revenues:</b>				
Sales and service fees	\$ -	\$ 534,953	\$ 100,822	\$ 36,629
Investment revenue	6,341	-	-	-
Nongovernmental grants and gifts	41,083	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>47,424</b>	<b>534,953</b>	<b>100,822</b>	<b>36,629</b>
<b>Operating expenses:</b>				
Salaries	-	31,819	58,285	1,500
Employee benefits	-	31,602	-	-
Contractual services	-	-	1,885	25,864
General materials and supplies	-	409,406	95,000	11,129
Travel, conference and meeting expense	-	-	114	-
Fixed Charges	-	20,916	-	-
Capital outlay	41,083	-	-	-
Other	-	13,609	-	-
<b>Total expenditures</b>	<b>41,083</b>	<b>507,352</b>	<b>155,284</b>	<b>38,493</b>
Net income (loss) before transfers	6,341	27,601	(54,462)	(1,864)
Net transfers	22,690	-	-	-
<b>Net income (loss)</b>	<b>\$ 29,031</b>	<b>\$ 27,601</b>	<b>\$ (54,462)</b>	<b>\$ (1,864)</b>

# Spoon River College District #534

## Schedule of Operating Revenues and Expenses, by Program Auxiliary Enterprise Fund

<i>Year Ended June 30, 2024</i>	<b>Postage</b>	<b>Nursing Exams</b>	<b>Student Activities</b>	<b>Athletics</b>
<b>Operating revenues:</b>				
Sales and service fees	\$ 13,620	\$ 3,215	\$ -	\$ 527,320
Investment revenue	-	-	-	-
Nongovernmental grants and gifts	-	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>13,620</b>	<b>3,215</b>	<b>-</b>	<b>527,320</b>
<b>Operating expenses:</b>				
Salaries	-	-	22,488	217,068
Employee benefits	-	-	-	30,402
Contractual services	-	-	13,723	49,777
General materials and supplies	13,106	1,539	7,912	70,343
Travel, conference and meeting expense	-	-	2,297	76,494
Fixed Charges	-	-	-	1,217
Capital outlay	-	-	-	-
Other	-	-	-	40,972
<b>Total expenditures</b>	<b>13,106</b>	<b>1,539</b>	<b>46,420</b>	<b>486,273</b>
Net income (loss) before transfers	514	1,676	(46,420)	41,047
Net transfers	-	-	-	-
<b>Net income (loss)</b>	<b>\$ 514</b>	<b>\$ 1,676</b>	<b>\$ (46,420)</b>	<b>\$ 41,047</b>

# Spoon River College District #534

## Schedule of Operating Revenues and Expenses, by Program Auxiliary Enterprise Fund

<i>Year Ended June 30, 2024</i>	Diesel Tractor Auto Technology	Health Insurance	Total
<b>Operating revenues:</b>			
Sales and service fees	\$ 50,499	\$ -	\$ 1,267,058
Investment revenue	-	-	6,341
Nongovernmental grants and gifts	-	-	41,083
Other revenue	-	2,191,626	2,191,626
<b>Total revenues</b>	<b>50,499</b>	<b>2,191,626</b>	<b>3,506,108</b>
<b>Operating expenses:</b>			
Salaries	-	-	331,160
Employee benefits	-	2,191,626	2,253,630
Contractual services	-	-	91,249
General materials and supplies	47,622	-	656,057
Travel, conference and meeting expense	-	-	78,905
Fixed Charges	-	-	22,133
Capital outlay	-	-	41,083
Other	-	-	54,581
<b>Total expenditures</b>	<b>47,622</b>	<b>2,191,626</b>	<b>3,528,798</b>
Net income (loss) before transfers	2,877	-	(22,690)
Net transfers	-	-	22,690
<b>Net income (loss)</b>	<b>\$ 2,877</b>	<b>\$ -</b>	<b>\$ -</b>

# Spoon River College District #534

## Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years	2023	2022	2021	2020	2019
Assessed valuations	\$ 1,150,240,670	\$ 1,062,290,431	\$ 1,017,312,830	\$ 995,706,722	\$ 974,413,076
Tax Rate (per \$100 assessed valuation):					
Educational Accounts	0.2125	0.2310	0.2407	0.2421	0.2401
Bond and Interest Fund	0.2486	0.2943	0.2387	0.2494	0.2432
Operations and Maintenance					
Accounts	0.0473	0.0495	0.0500	0.0500	0.0500
Audit Fund	0.0048	0.0050	0.0050	0.0050	0.0050
Fire Prevention/Safety/Energy	0.0210	0.0225	0.0232	0.0237	0.0224
Liability, Protection, Settlement, and Social Security	0.1022	0.0966	0.0952	0.0948	0.0884
Total tax rate	0.6364	0.6989	0.6528	0.6650	0.6491
Tax Extensions:					
Educational Accounts	\$ 2,422,766	\$ 2,417,074	\$ 2,444,370	\$ 2,406,176	\$ 2,344,091
Bond and Interest Fund	2,782,844	3,085,527	2,424,059	2,483,289	2,374,356
Operations and Maintenance					
Accounts	529,479	518,972	507,763	497,853	488,149
Audit Fund	53,732	52,421	50,776	49,785	48,815
Fire Prevention/Safety/Energy	235,075	235,897	235,602	235,982	218,691
Liability, Protection, Settlement, and Social Security	1,144,033	1,012,783	966,780	943,929	863,047
Total tax extensions	\$ 7,167,929	\$ 7,322,674	\$ 6,629,350	\$ 6,617,014	\$ 6,337,149
Tax Collections to June 30:					
Educational Accounts	\$ 1,066,202	\$ 2,449,076	\$ 2,445,552	\$ 2,344,614	\$ 2,341,407
Bond and Interest Fund	1,234,689	3,132,758	2,518,253	2,419,810	2,386,314
Operations and Maintenance					
Fund	234,903	526,072	508,725	485,535	487,172
Audit Fund	23,755	53,336	50,821	48,553	48,716
Fire Prevention/Safety/Energy	84,828	184,499	173,590	162,589	156,650
Liability, Protection, Settlement, and Social Security	526,974	1,080,276	1,030,000	991,666	928,483
Total tax collections	\$ 3,171,351	\$ 7,426,017	\$ 6,726,941	\$ 6,452,767	\$ 6,348,742
Percent of extensions collected	44.24 %	101.41 %	101.47 %	97.52 %	100.18 %

**ICCB State Grant Financial and Compliance Section**



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

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

### ***Opinion***

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Spoon River College District #534's as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Spoon River College District #534 as of June 30, 2024, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's (ICCB) *Fiscal Management Manual*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State Adult Education and Family Literacy Grants of Spoon River College District #534, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly, the financial position of Spoon River College District #534 as of June 30, 2024 and 2023, and the changes in its financial position and, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Wipfli LLP

Sterling, Illinois  
October 16, 2024

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

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

### ***Compliance***

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State Adult Education and Family Literacy Grants Program of Spoon River College District #534 (the "College"), which comprise of the balance sheet as of June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report there on dated October 16, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants. Our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*, insofar as they relate to State Adult Education and Family Literacy Grants.

The report is intended solely for the information and use of the Board of Trustees and management of Spoon River College District #534, and the Illinois Community College Board and is not intended to be and should not be used by anyone other than those specified parties.

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

Wipfli LLP

Sterling, Illinois  
October 16, 2024

# Spoon River College District #534

## Balance Sheet - State Adult Education and Family Literacy Funds

<i>As of June 30, 2024</i>	State Basic		State Performance		Total
<b>Assets</b>					
Advanced to other funds	\$	1,318	\$	972	\$ 2,290
Total assets		1,318		972	2,290
<b>Liabilities and Fund Balance</b>					
Liabilities:					
Accrued liabilities		1,318		972	2,290
Total liabilities		1,318		972	2,290
Fund balances		-		-	-
Total liabilities and fund balances	\$	1,318	\$	972	\$ 2,290

See Notes to ICCB Grant Programs Financial Statements.

# Spoon River College District #534

## Statement of Revenues, Expenditures and Changes in Fund Balance State Adult Education and Literacy Funds

<i>Year Ended June 30, 2024</i>	<b>State Basic</b>	<b>State Performance</b>	<b>Total</b>
Revenues:			
State sources	\$ 104,437	\$ 68,855	\$ 173,292
Total revenues	104,437	68,855	173,292
Expenditures:			
Personal wages	75,281	49,566	124,847
Fringe benefits	23,400	17,100	40,500
Travel	-	799	799
Supplies	5,756	1,390	7,146
Total expenditures	104,437	68,855	173,292
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

See Notes to ICCB Grant Programs Financial Statements.

## Spoon River College District #534

### ICCB Compliance Statement for the Adult Education and Family Literacy Grant Expenditure Amounts and Percentages for ICCB Grant Funds Only State Adult Education and Family Literacy Funds

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*Years Ended June 30, 2024 and 2023*

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<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instructional generated (45% minimum required)	\$ 70,297	67.31 %

# **Spoon River College District #534**

## **Notes to ICCB Grant Programs Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies**

#### **General**

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

#### **Basis of Accounting**

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

#### **Capital Assets**

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

### **Note 2: Payment of Prior Year's Encumbrances**

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

# Spoon River College District #534

## Background Information on State Grants

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### **Restricted Adult Education Grants/State**

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

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



**Schedule of Credit Hour Data**

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

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

We have examined management of Spoon River College District #534 (the "College")'s assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed during the period July 1, 2023 through June 30, 2024. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is fairly stated, in all material respects.

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

Wipfli LLP

Sterling, Illinois  
October 16, 2024

# Spoon River College District No. 534


Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed  
For the year ended June 30, 2024

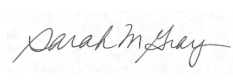
Credit Hour Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate	1,531.0	-	6,637.0	-	6,738.0	-	14,906.0	-
Business Occupational	23.0	-	267.0	-	84.0	-	374.0	-
Technical Occupation	226.0	-	909.0	-	1,230.5	-	2,365.5	-
Health Occupational	232.5	-	959.5	-	1,043.0	-	2,235.0	-
Remedial Development	12.0	-	310.0	-	109.0	-	431.0	-
Adult Education	-	1.0	-	579.0	-	391.0	-	971.0
	2,024.5	1.0	9,082.5	579.0	9,204.5	391.0	20,311.5	971.0
In-District (All Terms)		Dual Credit (All Terms)		Dual Enrollment (All Terms)				
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours		
Reimbursable Credit Hours:	15,778.5	802.0	3,266.0	-	111.0	-		

Credit Hours on Chargeback or Contractual Agreement: 0.0

District equalized assessed valuation \$1,150,240,670

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

Signature:   
President

Signature:   
CFO

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

# Spoon River College District No. 534

## Reconciliation of Total Semester Credit Hours

For the year ended June 30, 2024

Total Reimbursable Semester Credit Hours						
Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	14,906.0	14,906.0	-	-	-	-
Business Occupational	374.0	374.0	-	-	-	-
Technical Occupation	2,365.5	2,365.5	-	-	-	-
Health Occupational	2,235.0	2,235.0	-	-	-	-
Remedial Development	431.0	431.0	-	-	-	-
Adult Education	-	-	-	971.0	971.0	-
Total:	20,311.5	20,311.5	-	971.0	971.0	-
Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
In-District Credit Hours:	15,778.5	15,778.5	-	802.0	802.0	-
Dual Credit Hours:	3,266.0	3,266.0	-	-	-	-
Dual Enrollment Hours:	111.0	111.0	-	-	-	-
Total Correctional Semester Credit Hours						
Credit Hour Categories	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	-	-	-	-	-	-
Business Occupational	-	-	-	-	-	-
Technical Occupation	-	-	-	-	-	-
Health Occupational	-	-	-	-	-	-
Remedial Development	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-
Total:	-	-	-	-	-	-

# Spoon River College District #534

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

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### Note 1: Residency Verification Process

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

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

Students must provide one of the following to verify residency:

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

## **Annual Federal Financial Compliance Section**

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Spoon River College District #534 (the "College"), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 16, 2024. The financial statements of Spoon River College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Spoon River College Foundation.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

### **Report on Compliance and Other Matters**

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

*Standards.*

**Purpose of This Report**

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

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid, with the letters "W", "i", "p", "f", "l", and "i" being particularly prominent and connected.

Wipfli LLP

Sterling, Illinois

October 16, 2024



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

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

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Spoon River College District #534's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2024. Spoon River College District #534's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spoon River College District #534 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of Spoon River College District #534 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Spoon River College District #534's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Spoon River College District #534's federal program.

#### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Spoon River College District #534's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Spoon River College District #534's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Spoon River College District #534's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Spoon River College District #534's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Spoon River College District #534's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

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

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid, with the letters "W", "i", "p", "f", "l", and "i" being particularly prominent and connected.

Wipfli LLP

Sterling, Illinois  
October 16, 2024

# Spoon River College District No. 534

## Schedule of Expenditures of Federal Awards For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Commerce:</b>				
Pass-through Illinois Community College Board:				
COVID-19 Economic Adjustment Assistance	11.307	06-79-06269	\$ 1,036,392	\$ - (m)
<b>U.S. Department of Education:</b>				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	53401	92,717	-
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1289	63,245	- (m)
Federal Work Study Program	84.033	P033AXX1289	14,312	- (m)
Federal Pell Grant Program	84.063	P063AXX1340	1,942,399	- (m)
Federal Direct Loan Program	84.268	P268KXX1340	531,713	- (m)
Total student financial assistance cluster			2,551,669	-
Direct award:				
TRIO - Student Support Services	84.042	P042AXX0515	252,889	-
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE53422	86,314	-
<b>Total U.S. Department of Education</b>			<b>\$ 2,983,589</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services:</b>				
Child Care and Development Fund Cluster				
Pass-through Illinois Student Assistance Commission:				
Early Childhood Access Consortium for Equity	93.575	ECACE	\$ 19,509	\$ -
Pass-through Illinois Community College Board:				
Early Childhood Grant	93.575	ECE 53401-22	237,920	0
Total child care and development fund cluster			257,429	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 257,429</b>	<b>\$ -</b>
<b>Total federal awards expended</b>			<b>\$ 4,277,410</b>	<b>\$ -</b>

(m) Denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

# Spoon River College District #534

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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### Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Spoon River College District #534 under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Spoon River College District #534, it is not intended to and does not present the financial position, changes in net position or cash flows of Spoon River College District #534.

### Note 2: Basis of Accounting

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

### Note 3: Indirect Cost Rate

Spoon River College District #534 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The College has a federally negotiated rate with the U.S. Department of Health and Human Services of 30% of direct salaries and wages including all fringe benefits.

### Note 4: Loan Program

For the year ended June 30, 2024, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$531,713.

### Note 5: Non-Cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2024.

### Note 6: Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2024.

# Spoon River College District #534

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

### Section I - Summary of Auditor's Results

#### Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### Federal Awards

Internal control over major programs:

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

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

Unmodified

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

☒ Yes ☐ No

#### Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
11.307	COVID-19 Economic Adjustment Assistance

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

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

# Spoon River College District #534

## Schedule of Findings and Questioned Costs (Continued)

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### Section II - Audit Findings in Relation to Financial Statements

No findings related to the the financial statements.

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

**2024-001**      **Special Tests and Provisions - Enrollment Reporting**  
***Federal Program Information:***

Funding agency:	US Department of Education
Title:	Student Financial Assistance Cluster
AL number:	84.007, 84.033, 84.063, 84.268
Award year:	2024

***Criteria or Specific Requirement:*** The status in NSLDS must accurately reflect the student's status as the institution.

***Condition:*** The examination disclosed 1 student, out of 6 out of school student files tested, in which NSLDS was not updated correctly. The institution reported the student as withdrawn with an effective date of 5/12/23 but according to the institution's records the student graduated on 12/15/23.

***Questioned Costs:*** \$0

***Effect:*** The inaccurate status may effect the student's future Title IV funding.

***Cause:*** An oversight was made by the institution.

***Repeat:*** No

***Auditor's Recommendation:*** The institution should implement better oversight to see that student statuses are accurately reflected in NSLDS.

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



*Taking You Where You Want To Go*

**Jo Branson**  
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### **Corrective Action Plan for Current Year Findings**

#### **Finding 2024-001: Incorrect NSLDS Reporting**

##### **Corrective Action Plan:**

We recognize that the incorrect enrollment status was reported to the National Student Clearinghouse for reporting to NSLDS for a graduate. We have reviewed and confirmed the process to assign the correct enrollment status for students who have graduated. In addition, we have submitted files to the Clearinghouse for our graduated students to ensure that their correct status is reported to NSLDS.

To ensure accuracy moving forward, our Registrar will review a random sampling of our enrollment reporting through the National Student Clearinghouse throughout the semester and after degrees have been confirmed for each semester.

Person(s) Responsible: Jo Branson and Nikki Rittenhouse

Timing for Implementation: In process now

Jo Branson – Assistant Dean, Student Services

Nikki Rittenhouse – Coordinator, Financial Aid



# Spoon River College District #534

## Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

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The following summarizes the prior audit findings and corrective action taken:

### **Prior Year Findings:**

#### **June 30, 2023**

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

None

II. Findings and Questioned Costs for Federal Awards

#### **Finding 2023-001**

In regard to the common origination and disbursement (COD) reporting, the examination disclosed 2 instances, out of 40 student files tested, in which their disbursements dates on COD do not match the student ledger. This finding was resolved in 2024.

#### **Finding 2023-002**

In regard to the return of title IV calculations, the examination disclosed 2 instances, out of the 13 drop student files tested, in which the Title IV funds were returned more than 45 days after the date of determination. This finding was resolved in 2024.

#### **Finding 2023-003**

In regard to student eligibility, the examination disclosed 1 instance, out of the 40 student files tested, in which there is conflicting information. The student's ISIR states 2 family members in college but the supporting documentation in the student file states there are no additional family members in college. This finding was resolved in 2024.