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Spoon River College District #534

Canton, Illinois

Annual Financial Report

Fiscal Years Ended June 30, 2025 and 2024



Spoon River College District #534

Years Ended June 30, 2025 and 2024

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Spoon River College District #534

Years Ended June 30, 2025 and 2024

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Financial Section

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 discretely presented component unit of the Spoon River College District #534 (the "College"), as of and for the years ended June 30, 2025 and 2024, 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 discretely presented component unit the Spoon River College District #534 as of June 30, 2025 and 2024, 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.

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, in 2025, the College adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

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 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 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 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 January 22, 2026, 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

Wipfli LLP

Sterling, Illinois

January 22, 2026

Spoon River College District No. 534

Management Discussion and Analysis

Using This Annual Report

This section of Spoon River College District No. 534's (the "College") presents management discussion and analysis of the College's financial activities for the fiscal years ended June 30, 2025 and 2024. 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.

2025 Financial Highlights

- For the year ended June 30, 2025, the College recorded total operating revenues of \$5,061,034 and total operating expenses of \$19,481,828. The difference produced an operating loss of \$14,420,794. Net nonoperating revenue of \$15,693,098 and capital contributions of \$4,060,391 offset this loss and resulted in an overall increase in net position of \$5,332,695.
- The largest sources of nonoperating revenue included local property taxes of \$7,336,473, state appropriations of \$4,251,123, and federal grants of \$3,019,699.
- Operating revenue accounted for 23% of the College's total revenue, while nonoperating revenues account for the other 77% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,253,328 and auxiliary enterprise revenues totaling \$1,807,706.

2024 Financial Highlights

- For the year ended June 30, 2024, the College recorded total operating revenues of \$4,984,527 and total operating expenses of \$19,960,293. The difference produced an operating loss of \$14,975,766. 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 \$4,102,498.
- 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 21% of the College's total revenue, while nonoperating revenues account for the other 79% of the College's total revenue. Operating revenue consisted of tuition and fees net of scholarships totaling \$3,363,803 and auxiliary enterprise revenues totaling \$1,620,724.

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, 2025, 2024, and 2023:

	Net Position As of June 30,				
	2025	Restated 2024	Increase (Decrease) 2025-2024	Restated 2023	Increase (Decrease) 2024-2023
Current assets	\$31,890,255	\$35,792,526	\$(3,902,271)	\$35,204,239	\$588,287
Non-current assets -					
Capital assets, net of depreciation	39,382,360	27,031,020	12,351,340	24,542,354	2,488,666
Total assets	71,272,615	62,823,546	8,449,069	59,746,593	3,076,953
Deferred outflows of resources	968,343	1,296,168	(327,825)	1,721,734	(425,566)
Total assets and deferred outflows of resources	72,240,958	64,119,714	8,121,244	61,468,327	2,651,387
Current liabilities	7,400,236	7,419,782	(19,546)	6,582,044	837,738
Non-current liabilities	28,409,273	24,527,000	3,882,273	26,859,211	(2,332,211)
Total liabilities	35,809,509	31,946,782	3,862,727	33,441,255	(1,494,473)
Deferred inflows of resources	10,363,521	11,437,699	(1,074,178)	12,452,954	(1,015,255)
Total liabilities and deferred inflows of resources	46,173,030	43,384,481	2,788,549	45,894,209	(2,509,728)
Net position					
Net investment in capital assets	18,095,342	15,674,835	2,420,507	12,129,028	3,545,807
Restricted	2,589,721	2,136,029	453,692	734,520	1,401,509
Unrestricted	5,382,865	2,924,369	2,458,496	2,710,570	213,799
Totals	\$26,067,928	\$20,735,233	\$5,332,695	\$15,571,118	\$5,161,115

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

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2025 Compared to 2024

Current assets decreased \$3,902,271 due to reductions in cash and short-term investments as funds were used for ongoing building construction.

Non-current assets increased \$12,351,340 because capital additions significantly exceeded annual depreciation.

Deferred outflows of resources decreased \$327,825 due primarily to decreases in deferred OPEB amounts related to actuarial changes.

Current liabilities decreased \$19,546 as a result of lower accounts payable tied to construction activity.

Non-current liabilities increased \$3,882,273 due to increases in bonds payable and subscription-based obligations.

Deferred inflows of resources decreased \$1,074,178 due to lower deferred property taxes and reduced OPEB-related deferrals.

Total net position at June 30, 2025 increased by \$5,382,865. The restricted net position of \$2,589,721 is restricted for grants and scholarships, debt service, and state statutes.

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 \$837,738 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, 2024 increased by \$5,161,115. The restricted net position of \$2,136,029 is restricted for grants and scholarships.

Spoon River College District No. 534

Management Discussion and Analysis

Operating Results for the Year Ended					
June 30,					
	Restated		Increase (Decrease)		Increase (Decrease)
	2025	2024	2025-2024	Restated 2023	2024-2023
Operating revenue:					
Tuition and fees	\$3,253,328	\$3,363,803	(\$110,475)	\$3,030,952	\$332,851
Auxiliary	1,807,706	1,620,724	186,982	1,354,824	265,900
Total operating revenue	5,061,034	4,984,527	76,507	4,385,776	598,751
Less operating expenses					
	19,481,828	19,960,293	(478,465)	18,480,226	1,480,067
Operating loss	(14,420,794)	(14,975,766)	554,972	(14,094,450)	(881,316)
Non-operating revenue					
Property taxes	7,336,473	7,426,017	(89,544)	6,729,054	696,963
Replacement taxes	1,248,636	1,862,030	(613,394)	3,090,095	(1,228,065)
State grants and contracts	4,251,123	4,547,545	(296,422)	3,882,697	664,848
Federal grants and contracts	3,019,699	3,743,240	(723,541)	3,353,540	389,700
Facilities revenue	5,400	2,550	2,850	0	2,550
Local grants	75,197	96,447	(21,250)	79,652	16,795
Investment income	716,071	1,201,850	(485,779)	785,090	416,760
Other	(2,483)	11,484	(13,967)	10,777	707
Loss on disposal of assets	0	(35,374)	35,374	0	(35,374)
Interest expense	(957,018)	(739,940)	(217,078)	(782,627)	42,687
Total net non-operating revenues	15,693,098	18,115,849	(2,442,751)	17,148,278	967,571
Capital contributions	4,060,391	962,415	3,097,976	130,521	831,894
Change in net position	5,332,695	4,102,498	1,230,197	3,184,349	918,149
Net position, beginning of year					
	20,735,233	16,632,735	4,102,498	12,389,769	4,242,966
Net position, end of year					
	\$26,067,928	\$20,735,233	\$5,332,695	\$15,574,118	\$5,161,115

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2025 were \$25,771,541 and \$20,438,846, respectively. Fiscal year 2024 total revenues and expenses (Operating and Non-Operating) were \$24,802,731 and \$20,700,233, respectively. Fiscal year 2023 total revenues and expenses (Operating and Non-Operating) were \$22,447,202 and \$18,204,236, respectively.

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2025 Compared to 2024

Operating revenue increased \$76,507 driven by higher auxiliary revenues, offset slightly by lower tuition and fees.

Operating expenses decreased \$478,564 primarily reflecting higher spending in public services, auxiliary services, scholarships, and depreciation tied to new assets placed into service.

Net nonoperating revenue decreased \$2,422,751 due to lower replacement taxes, state appropriations, federal grants, and investment income compared to 2024.

Fiscal Year 2024 Compared to 2023

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

Operating expenses increased \$1,480,067 due to increases in instruction, student services, and institutional support expenses.

Net nonoperating revenue increased \$967,571 due to an increase in property taxes and state grants.

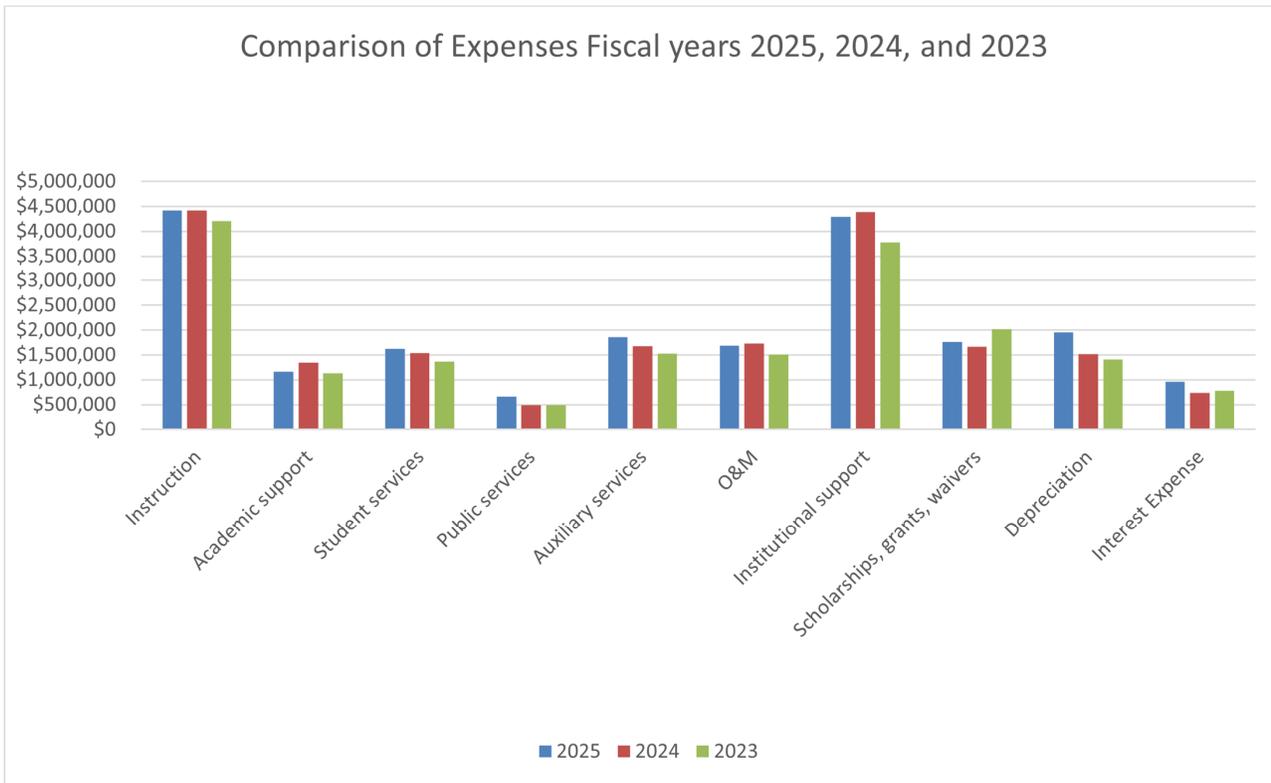
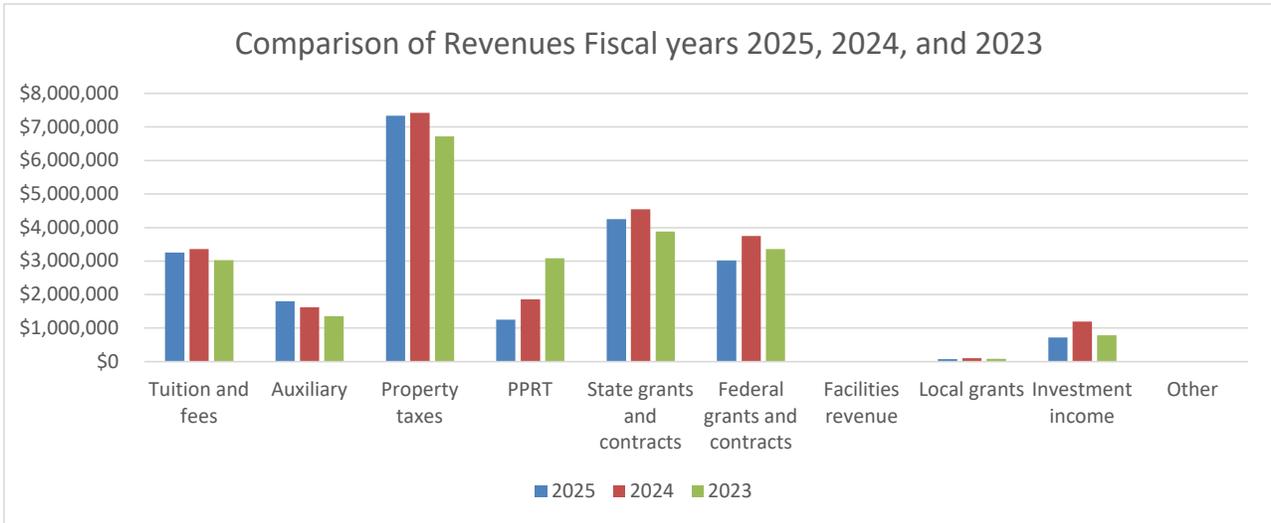
Operating Expenses For the Year Ended June 30,

	2025	Restated 2024	Increase (Decrease) 2025-2024	Restated 2023	Increase (Decrease) 2024-2023
Operating expense:					
Instruction	\$4,419,059	\$4,924,794	(\$505,735)	\$4,653,731	\$271,063
Academic support	1,157,903	1,434,045	(276,142)	1,214,633	219,412
Student services	1,621,250	1,683,078	(61,828)	1,496,581	186,497
Public services	656,947	536,708	120,239	527,461	9,247
Auxiliary services	1,857,062	1,723,376	133,686	1,576,291	194,649
Operations & maintenance of plant	1,683,096	1,768,398	(85,302)	1,534,868	233,530
Institutional support	4,367,150	4,710,899	(343,749)	4,050,520	660,379
Scholarships, grants, waivers	1,765,290	1,667,431	97,859	2,020,399	(352,968)
Depreciation	1,954,071	1,511,564	442,507	1,405,742	105,822
Totals	\$19,481,828	\$19,960,293	(\$478,465)	\$18,480,226	\$1,480,067

Spoon River College District No. 534

Management Discussion and Analysis

The following graphs depict revenues and expenses for the years ended June 30, 2025, 2024, and 2023:



Spoon River College District No. 534

Management Discussion and Analysis

Capital Assets, Net					
June 30,					
	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Capital assets:					
Land and improvements	\$2,240,132	\$2,240,132	\$0	\$1,861,165	\$378,967
Buildings and improvements	43,909,426	41,745,247	2,164,179	41,564,565	180,682
Equipment	1,691,776	863,261	828,515	758,864	104,397
Computer technology	960,783	721,610	239,173	831,228	(109,618)
Construction in progress	13,227,289	3,390,111	9,837,178	326,368	3,063,743
Lease assets	92,866	92,866	0	0	92,866
Subscription assets	1,349,108	120,142	1,228,966	0	120,142
Total	63,471,380	49,173,369	14,298,011	45,342,190	3,830,979
Less accumulated depreciation and amortization	24,089,020	22,142,349	1,946,671	20,799,836	1,342,513
Net capital assets	\$39,382,360	\$27,031,020	\$12,351,340	\$24,542,354	\$2,488,666

Fiscal Year 2025 Compared to 2024

At June 30, 2025, the College had \$63,471,380 in capital assets, with \$24,089,020 in accumulated depreciation, resulting in \$39,382,360 in net capital assets. Capital additions totaled \$14,305,411, largely for building renovations, while disposals totaled \$7,400. See Note 3 – Capital Assets for additional details.

Fiscal Year 2024 Compared to 2023

As of June 30, 2024, 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.

Debt					
June 30,					
	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Bonds payable, net	\$27,745,180	\$24,466,789	\$3,278,391	\$26,614,121	(\$2,147,332)
Contracts payable	0	0	0	7,267	(7,267)
Lease obligations	11,930	57,058	(45,128)	0	57,058
Subscription liability	1,073,704	78,552	995,152	0	78,552
Compensated absences	1,302,577	1,497,809	(195,232)	1,348,211	149,598
Totals	\$30,133,391	\$26,100,208	\$4,033,183	\$27,969,599	(\$1,869,391)

Spoon River College District No. 534

Management Discussion and Analysis

Fiscal Year 2025 Compared to 2024

During fiscal year 2025, the College issued \$5,200,000 of general obligation bonds and \$1,228,966 of subscription liabilities. The College paid \$2,140,000 in bond payments funded through the tax levy, \$45,128 of lease obligations principal, and \$233,814 of subscription liabilities principal. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Fiscal Year 2024 Compared to 2023

During fiscal year 2023, the College issued \$92,866 lease obligations and \$120,142 of subscription liabilities. The College paid \$2,090,000 in bond payments funded through the tax levy, \$7,267 of contracts payable principal, \$35,808 of lease obligations principal, and \$41,590 of subscription liabilities principal. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Factors or Conditions Impacting Future Periods

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

The College's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2026.

Combined property and replacement tax revenue in the Operating Funds decreased roughly 8% for fiscal year 2025, after a 5% decrease in fiscal year 2024. The College experienced a 7% increase in equalized assessed valuation (EAV) from tax year 2023 to 2024. For fiscal year 2026, the College has estimated a 3.0% 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 2026, falling closer to 2021 levels.

Management anticipates increases in tuition revenue in fiscal year 2026 based on slightly higher credit hour enrollment for the 2025-2026 academic year combined with an increase in tuition rates.

The State of Illinois adopted a budget for fiscal year 2026. Expected State appropriations for the District for fiscal year 2026 are over \$112,000 less than the fiscal year 2025 State funding. Overall, Operating funds revenue is expected approximate fiscal year 2025 actual levels.

For fiscal year 2026, the Operating funds budget is forecasted to be balanced. The majority of the Operating funds budget for fiscal year 2026 continues to comprise instruction, academic support, and student services, reflecting the College's commitment to providing quality education and learning opportunities to the people of West Central Illinois.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of the College's financial position. Questions concerning this report or requests for additional information should be directed to Sarah Gray, 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>	2025	Restated 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,753,021	\$ 12,184,624
Investments	16,761,687	14,120,146
Property taxes receivable, net	5,001,906	4,100,503
Government receivables	897,927	2,167,730
Student tuition receivable, net	2,675,139	2,304,450
Other receivables	599,859	595,859
Prepaid items	52,076	110,863
Inventories	148,640	208,351
Total current assets	31,890,255	35,792,526
Noncurrent assets:		
Non-depreciable capital assets	14,365,294	4,528,116
Depreciable capital assets	49,106,086	44,645,253
Accumulated depreciation and amortization	(24,089,020)	(22,142,349)
Total noncurrent assets	39,382,360	27,031,020
Total assets	71,272,615	62,823,546
Deferred outflow of resources		
Deferred pension	31,530	58,358
Deferred OPEB	783,883	976,930
Deferred loss on refunding	152,930	260,880
Total deferred outflow of resources	968,343	1,296,168
Liabilities		
Current liabilities:		
Accounts payable	\$ 701,314	\$ 1,136,069
Accrued salaries	290,476	252,953
Accrued interest	69,002	52,165
Unearned tuition and fees	2,503,432	2,206,303
Accrued compensated absences	1,302,577	1,497,809
Lease obligations, current	11,930	45,128
Subscription liability, current	272,746	37,326
Bonds payable, net, current	2,248,759	2,192,029
Total current liabilities	7,400,236	7,419,782
Noncurrent liabilities:		
Lease obligations	-	11,930
Subscription liability	800,958	41,226
Bonds payable, net	25,496,421	22,274,760
Net OPEB liability	2,111,894	2,199,084
Total noncurrent liabilities	28,409,273	24,527,000
Total liabilities	35,809,509	31,946,782

Spoon River College District #534

Statements of Net Position (Continued)

<i>As of June 30,</i>	2025	Restated 2024
Deferred inflow of resources		
Deferred property taxes	7,278,674	7,271,853
Deferred grant revenue	177,371	162,878
Deferred OPEB	2,907,476	4,002,968
Total deferred inflow of resources	10,363,521	11,437,699
Net position		
Net investment in capital assets	18,095,342	15,674,835
Restricted - expendable:		
State statutes	1,553,481	1,409,419
Debt service	398,176	87,695
Grants and scholarships	638,064	638,915
Unrestricted	5,382,865	2,924,369
Total net position	\$ 26,067,928	\$ 20,735,233

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>	2025	Restated 2024
Operating revenues:		
Student tuition and fees, net	\$ 3,253,328	\$ 3,363,803
Auxiliary enterprises revenue	1,807,706	1,620,724
Total operating revenues	5,061,034	4,984,527
Operating expenses:		
Instruction	4,419,059	4,475,634
Academic support	1,157,903	1,351,436
Student services	1,621,250	1,554,704
Public services	656,947	494,040
Auxiliary services	1,857,062	1,675,812
Operation and maintenance of plant services	1,683,096	1,738,893
Institutional support	4,367,150	4,436,131
Scholarships, student grants, and waivers	1,765,290	1,663,462
Depreciation	1,954,071	1,511,564
Total operating expenses	19,481,828	18,901,676
Operating (loss)	(14,420,794)	(13,917,149)
Non-operating revenues (expenses)		
Property taxes	7,336,473	7,426,017
Personal property replacement tax	1,248,636	1,862,030
State grants	2,033,294	2,245,402
On-behalf payments	2,217,829	2,302,143
Federal grants	3,019,699	3,743,240
Facilities revenue	5,400	2,550
Investment income	716,071	1,201,850
Local grants	75,197	96,447
Other nonoperating revenues	(2,483)	11,484
Loss on disposal of assets	-	(35,374)
Interest expense	(957,018)	(739,940)
Total non-operating revenues (expenses)	15,693,098	18,115,849
Capital grants and contributions	4,060,391	962,415
Change in net position	5,332,695	5,161,115
Net position, beginning of year, as previously reported	20,735,233	16,632,735
Restatement due to change in accounting principle	-	(1,058,617)
Net position, beginning of year, as restated	20,735,233	15,574,118
Net position, end of year	\$ 26,067,928	\$ 20,735,233

See Accompanying Notes to Financial Statements.

Spoon River College District #534

Statements of Cash Flows

<i>Years ended June 30,</i>	2025	Restated 2024
Cash flows from operating activities:		
Tuition and fees	\$ 4,229,376	\$ 3,878,161
Payments to suppliers	(7,079,895)	(5,832,401)
Payments to employees	(7,793,566)	(7,486,992)
Payments to students for scholarships	(2,814,898)	(2,403,919)
Auxiliary enterprise changes	1,807,583	1,620,854
Other revenues	2,917	14,034
Net cash used in operating activities	(11,648,483)	(10,210,263)
Cash flows from non-capital financing activities:		
Proceeds from property taxes	6,441,891	7,885,752
Proceeds from grants	1,348,684	4,346,307
Replacement tax	6,308,561	2,033,940
Net cash provided by non-capital financing activities	14,099,136	14,265,999
Cash flows from capital and related financing activities:		
Purchases of capital assets	(14,305,411)	(4,035,604)
Principal payment on capital debt	(2,418,942)	(2,174,665)
Proceeds from issuance of long-term debt	6,699,386	213,008
Interest paid on bonds payable and other long-term obligations	(992,210)	(1,162,505)
Capital contributions	4,060,391	962,415
Net cash used in capital and related financing activities	(6,956,786)	(6,197,351)
Cash flows from investing activities:		
Interest received	221,562	167,636
Proceeds from maturities of investment securities	32,355,818	51,190,544
Purchases of investments	(34,502,850)	(39,306,411)
Net cash provided by investing activities	(1,925,470)	12,051,769
Net increase (decrease) in cash and cash equivalents	(6,431,603)	9,910,154
Cash and cash equivalents, beginning of year	12,184,624	2,274,470
Cash and cash equivalents, end of year	\$ 5,753,021	\$ 12,184,624

Spoon River College District #534

Statements of Cash Flows (Continued)

<i>Years ended June 30,</i>	2025	Restated 2024
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (14,420,794)	\$ (13,917,149)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,954,071	1,511,564
State on-behalf payments for fringe benefits	2,217,829	2,302,143
Other non-operating revenues	2,917	14,034
Change in assets and liabilities:		
Receivables	(370,812)	(342,212)
Prepaid expenses	58,787	(33,150)
Inventories	59,711	13,321
Deferred outflows of resources	327,825	425,566
Accounts payable	(434,755)	815,675
Accrued liabilities	37,523	(2,398)
Accrued compensated absences	(195,232)	149,598
Unearned tuition and fees	297,129	120,212
OPEB liability	(87,190)	(193,338)
Deferred inflows of resources	(1,095,492)	(1,074,129)
Totals	\$ (11,648,483)	\$ (10,210,263)
Noncash investing, capital, and financial:		
Acquisition of capital assets with state capital contributions	\$ 4,060,391	\$ 962,415
State on-behalf payments	\$ 2,217,829	\$ 2,302,143

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>	2025	2024
Assets		
Current assets:		
Cash	\$ 510,308	\$ 327,129
Investments	6,032,051	5,777,866
Receivables, net	296,186	296,186
Beneficial interest in perpetual trust	971,712	912,798
Capital assets, non-depreciable	40,000	40,000
Total assets	\$ 7,850,257	\$ 7,353,979
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 90,182	\$ 199,031
Total liabilities	90,182	199,031
Net assets		
Without donor restrictions	239,775	266,323
With donor restrictions	7,520,300	6,888,625
Total net assets	7,760,075	7,154,948
Total liabilities and net assets	\$ 7,850,257	\$ 7,353,979

See Accompanying Notes to Financial Statements.

Spoon River College District #534

Component Unit - Spoon River College Foundation

Statements of Activities

<i>Years ended June 30,</i>	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributions	\$ 88,905	\$ 334,022	\$ 422,927	\$ 96,841	\$ 828,105	\$ 924,946
Contributed nonfinancial assets	159,481	-	159,481	97,400	-	97,400
Interest and dividends	-	160,444	160,444	-	134,132	134,132
Net unrealized gain (loss) on investments	-	265,935	265,935	-	253,764	253,764
Net realized gain (loss) on investments	-	577	577	-	66,394	66,394
Unrealized gain (loss) on beneficial interest in trusts	-	58,913	58,913	-	61,808	61,808
Net asset released from restrictions	297,550	(297,550)	-	318,587	(318,587)	-
Total support and revenue	545,936	522,341	1,068,277	512,828	1,025,616	1,538,444
Expenses:						
Program services						
Grants, awards and scholarships	165,318	-	-	183,899	-	183,899
Institutional support	129,559	-	-	130,340	-	130,340
Total program services	294,877	-	-	314,239	-	314,239
Supporting services:						
Management and general:						
In-kind - salaries, benefits, and rent	159,481	-	-	97,400	-	97,400
Professional fees	19,677	-	-	-	-	-
Other	24,094	-	-	50,125	-	50,125
Total management and general	203,252	-	203,252	147,525	-	147,525
Fundraising:						
Professional fees	66,342	-	-	64,046	-	64,046
Materials and supplies	8,013	-	-	-	-	-
Total fund raising	74,355	-	74,355	64,046	-	64,046
Total expenses	572,484	-	572,484	525,810	-	525,810
Changes in net assets	(26,548)	522,341	495,793	(12,982)	1,025,616	1,012,634
Net assets, beginning of year, as previously reported	266,323	6,888,625	7,154,948	279,305	5,863,009	6,142,314
Restatement due to error	-	109,334	109,334	-	-	-
Net assets, beginning of year, as restated	266,323	6,997,959	7,264,282	-	-	-
Net assets, end of year	\$ 239,775	\$ 7,520,300	\$ 7,760,075	\$ 266,323	\$ 6,888,625	\$ 7,154,948

See Accompanying Notes to Financial Statements.

Spoon River College District #534

Notes to Financial Statements

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, 2025, the Foundation distributed \$165,318 to students attending the College and gave \$130,559 in direct support to the College. In addition, the College provided the Foundation with \$159,481 of in-kind services.

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The following is a summary of the more significant policies:

Cash and Cash Equivalents

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

Investments

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

Spoon River College District #534

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables as of June 30, 2025 and 2024 were \$1,604,853 and \$1,486,853, 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 2024 and 2023 are to be recognized as revenue in fiscal years 2025 and 2024, 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 2024 levy which was passed by the Board on December 18, 2024.

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

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:

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

Unearned Tuition and Fee Revenue

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

Long-Term Debt

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

Compensated Absences

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

Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, Compensated Absences, including an accrual for accumulated sick leave and vacation in the year-ended compensated absence liability.

Spoon River College District #534

Notes to Financial Statements

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

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 2025 and 2024, the state made contributions of \$2,217,829 and \$2,302,143, 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 fiduciary net position of the State Universities Retirement System (SURS) and additions/deductions to/from SURS fiduciary 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. This situation exists when a non-employer entity (the 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 (the 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

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 straight-line 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

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.

Recently Adopted Accounting Pronouncement

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of this guidance resulted in a restatement of the beginning net position for the year ended June 30, 2024. See Note 14 for the details of the restatement.

Spoon River College District #534

Notes to Financial Statements

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>	2025	2024
Cash on hand	\$ 28,623	\$ 21,891
Deposits with financial institutions	5,724,398	12,162,733
Totals	\$ 5,753,021	\$ 12,184,624

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.

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>	2025	2024
Illinois School District Liquid Asset Fund	\$ 8,873,290	\$ 4,996,763
Local Government Investment Pool	3,761,918	3,172,734
Goldman Sachs Financial Square Prime Obligations Fund	4,126,479	5,950,649
Totals	\$ 16,761,687	\$ 14,120,146

As of June 30, 2025, 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	\$ 8,873,290	\$ 8,873,290	\$ -	\$ -	-
Local Government Investment Pool	3,761,918	3,761,918	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	4,126,479	4,126,479	-	-	-
Totals	\$ 16,761,687	\$ 16,761,687	\$ -	\$ -	-

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 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	-	-	-
Totals	\$ 14,120,146	\$ 14,120,146	\$ -	\$ -	-

As of June 30, 2025, the College had the following investments with stated ratings:

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$ 8,873,290	\$ 8,873,290	\$ -	\$ -	-
Local Government Investment Pool	3,761,918	3,761,918	-	-	-
Goldman Sachs Financial Square Prime Obligations Fund	4,126,479	4,126,479	-	-	-
Total investments	\$ 16,761,687	\$ 16,761,687	\$ -	\$ -	-

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

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Illinois School District Liquid Asset Fund	\$ 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	\$ -	\$ -	-

Spoon River College District #534

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

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, 2025, 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 \$4,808,320 and the bank balance was \$4,808,320. Of the bank balance, \$606,735 was covered by federal depository insurance; \$4,201,585 was covered by pledged securities in the College's name and \$0 was uncollateralized.

Concentration Risk

Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College's investment policy limits 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, 2025, is as follows:

	Balance 7/1/2024	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2025
Capital assets, not being depreciated:					
Land	\$ 1,138,005	\$ -	\$ -	\$ -	\$ 1,138,005
Construction in progress	3,390,111	11,938,506	-	(2,101,328)	13,227,289
Total capital assets, not being depreciated	4,528,116	11,938,506	-	(2,101,328)	14,365,294
Capital assets, being depreciated:					
Land improvements	1,102,127	-	-	-	1,102,127
Building and improvements	41,745,247	232,401	-	1,931,778	43,909,426
Equipment	863,261	666,365	(7,400)	169,550	1,691,776
Computer technology	721,610	239,173	-	-	960,783
Lease assets	92,866	-	-	-	92,866
Subscription assets	120,142	1,228,966	-	-	1,349,108
Total capital assets, being depreciated	44,645,253	2,366,905	(7,400)	2,101,328	49,106,086
Less accumulated depreciation:					
Land improvements	645,781	181,790	-	-	827,571
Building and improvements	20,323,688	1,172,438	-	-	21,496,126
Equipment	569,569	141,373	(7,400)	-	703,542
Computer technology	522,888	124,177	-	-	647,065
Lease assets	40,376	48,452	-	-	88,828
Subscription assets	40,047	285,841	-	-	325,888
Total accumulated depreciation	22,142,349	1,954,071	(7,400)	-	24,089,020
Total capital assets, being depreciated, net	22,502,904	412,834	-	2,101,328	25,017,066
Capital assets, net	\$ 27,031,020	\$12,351,340	\$ -	\$ -	\$ 39,382,360

Spoon River College District #534

Notes to Financial Statements

Note 3: Capital Assets (Continued)

Construction in progress represents costs incurred to renovate the CTE/Nursing building at the Canton Campus, to build a parking lot at the Canton Campus, to upgrade doors and alarms at the Canton Campus, and to build athletic fields.

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
Buildings 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
Lease assets	-	92,866	-	-	92,866
Subscription assets	-	120,142	-	-	120,142
Total capital assets, being depreciated	44,256,784	412,212	(204,425)	180,682	44,645,253
Less accumulated depreciation:					
Land improvements	463,823	181,958	-	-	645,781
Buildings 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
Lease assets	-	40,376	-	-	40,376
Subscription assets	-	40,047	-	-	40,047
Total accumulated depreciation	20,799,836	1,511,564	(169,051)	-	22,142,349
Total capital assets, being depreciated, net	23,456,948	(1,099,352)	(35,374)	180,682	22,502,904
Capital assets, net	\$ 24,542,354	\$ 2,524,040	\$ (35,374)	\$ -	\$ 27,031,020

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, 2025:

	Restated Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 24,045,000	\$ 5,200,000	\$ 2,140,000	\$ 27,105,000	\$ 2,170,000	\$ 24,935,000
Bond premiums (discounts)	421,789	270,420	52,029	640,180	78,759	561,421
Total Bonded Debt	24,466,789	5,470,420	2,192,029	27,745,180	2,248,759	25,496,421
Lease obligations	57,058	-	45,128	11,930	11,930	-
Subscription liability	78,552	1,228,966	233,814	1,073,704	272,746	800,958
Compensated absences	1,497,809	-	195,232	1,302,577	1,302,577	-
Totals	\$ 26,100,208	\$ 6,699,386	\$ 2,666,203	\$ 30,133,391	\$ 3,836,012	\$ 26,297,379

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

	Restated Balance 7/1/2023	Restated Increases	Decreases	Restated 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	1,348,211	149,598	-	1,497,809	1,497,809	-
Totals	\$ 27,969,599	\$ 362,606	\$ 2,231,997	\$ 26,100,208	\$ 3,772,292	\$ 22,327,916

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

Details on the debt as of June 30, 2025, are as follows:

- 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, 2025, 30.42% 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
2026	\$ 210,000	\$ 89,463	\$ 299,463
2027	-	86,837	86,837
2028	-	86,838	86,838
2029	-	86,838	86,838
2030	185,000	84,525	269,525
2031 - 2035	3,115,000	88,818	3,203,818
Totals	\$ 3,510,000	\$ 523,319	\$ 4,033,319

- 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, 2025, 30.42% 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
2026	\$ -	\$ 12,245	\$ 12,245
2027	-	12,245	12,245
2028	-	12,245	12,245
2029	-	12,245	12,245
2030	-	12,245	12,245
2031 - 2035	775,000	6,122	781,122
Totals	\$ 775,000	\$ 67,347	\$ 842,347

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

3. 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 (89.42%) 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
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	1,475,000	17,331	1,492,331
Totals	\$ 9,520,000	\$ 460,310	\$ 9,980,310

4. 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, 2025, 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
2026	\$ -	\$ 353,487	\$ 353,487
2027	-	353,488	353,488
2028	-	353,487	353,487
2029	-	353,488	353,488
2030	450,000	343,925	793,925
2031 - 2035	7,650,000	1,145,093	8,795,093
Totals	\$ 8,100,000	\$ 2,902,968	\$ 11,002,968

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

5. In June 2025, the College issued General Obligation Community College Bonds, Series 2025D, in the amount of \$3,655,000 with interest rates of 5.0%. The bonds 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, 2025, 36.83% 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
2026	\$ -	\$ 171,582	\$ 171,582
2027	-	182,750	182,750
2028	-	182,750	182,750
2029	-	182,750	182,750
2030	-	182,750	182,750
2031 - 2035	1,185,000	856,125	2,041,125
2036 - 2040	2,470,000	61,750	2,531,750
Totals	\$ 3,655,000	\$ 1,820,457	\$ 5,475,457

6. In June 2025, the College issued General Obligation Community College Bonds, Series 2025D, in the amount of \$1,545,000 with interest rates of 4.39%. The bonds 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, 2025, 36.83% 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
2026	\$ -	\$ 63,681	\$ 63,681
2027	25,000	67,277	92,277
2028	70,000	65,192	135,192
2029	135,000	60,692	195,692
2030	210,000	53,119	263,119
2031 - 2034	1,105,000	79,788	1,184,788
Totals	\$ 1,545,000	\$ 389,749	\$ 1,934,749

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
2026	\$ 11,930	\$ 70	\$ 12,000
Totals	\$ 11,930	\$ 70	\$ 12,000

Spoon River College District #534

Notes to Financial Statements

Note 4: Debt (Continued)

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
2026	\$ 41,226	\$ 2,894	\$ 44,120
Totals	\$ 41,226	\$ 2,894	\$ 44,120

9. The College entered into a software subscription with Jenzabar for Jenzabar One software. The subscription agreement dated July 2024 in the original principal amount of \$1,129,673, 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
2026	\$ 214,938	\$ 67,012	\$ 281,950
2027	230,026	51,924	281,950
2028	246,174	35,776	281,950
2029	263,454	18,496	281,950
Totals	\$ 954,592	\$ 173,208	\$ 1,127,800

10. The College entered into a software subscription with QuickLaunch for QuickLaunch Master software. The subscription agreement dated November 2024 in the original principal amount of \$99,293, 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
2026	\$ 16,582	\$ 5,468	\$ 22,050
2027	18,408	4,303	22,711
2028	20,382	3,011	23,393
2029	22,514	1,580	24,094
Totals	\$ 77,886	\$ 14,362	\$ 92,248

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
2026	\$ 2,170,000	\$ 1,302,577	\$ 11,930	\$ 272,746	\$ 3,757,253	\$ 925,567	\$ 4,682,820
2027	2,010,000	-	-	248,434	2,258,434	889,875	3,148,309
2028	2,100,000	-	-	266,556	2,366,556	835,682	3,202,238
2029	2,205,000	-	-	285,968	2,490,968	771,968	3,262,936
2030	2,320,000	-	-	-	2,320,000	693,895	3,013,895
2031 - 2035	13,830,000	-	-	-	13,830,000	2,175,946	16,005,946
2036	2,470,000	-	-	-	2,470,000	61,750	2,531,750
Totals	\$ 27,105,000	\$ 1,302,577	\$ 11,930	\$ 1,073,704	\$ 29,493,211	\$ 6,354,683	\$ 35,847,894

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 colleges, 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 Report (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.

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 began participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. 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, 2024, can be found in the Financial Section of SURS ACFR.

Spoon River College District #534

Notes to Financial Statements

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 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% 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, 2024 and June 30, 2023. SURS reported a net pension liability (NPL) of \$30,230,907,727 at June 30, 2024 and \$29,444,538,098 at June 30, 2023.

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 2025 is \$0 and for fiscal year 2024 it was \$0. The proportionate share of the State's net pension liability associated with the College at June 30, 2024 is \$43,774,354 or 0.1448% at June 30, 2023 is \$46,429,031 or 0.1577%. This amount is not recognized in the College's financial statement. The College's proportionate share changed by (0.0129)% from 0.1577% since the last measurement date of June 30, 2024. The NPL and total pension liability as of June 30, 2024 was determined based on the June 30, 2023 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 2023.

Defined Benefit Pension Expense

For the years ending June 30, 2024 and June 30, 2023, SURS defined benefit plan reported a collective net pension expense of \$1,996,285,670 and \$1,884,388,521, 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 2023 and 2022. As a result, the College recognized on-behalf revenue and defined benefit pension expense of \$2,890,622 and \$2,971,360 from this special funding situation during the years ended June 30, 2025 and June 30, 2024.

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

<i>Fiscal year ended June 30, 2024 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 305,114,071	\$ -
Changes in assumption	483,809,428	-
Net difference between projected and actual earnings on pension plan investments	-	27,577,324
Totals	\$ 788,923,499	\$ 27,577,324

<i>Fiscal year ended June 30, 2023 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
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

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
2026	\$ 126,531,380
2027	756,545,086
2028	(49,545,529)
2029	(72,184,762)
Totals	\$ 761,346,175

College's Deferral of Fiscal Year 2025 Contributions

The College paid \$31,530 and \$31,197 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2025 and June 30, 2024 respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2024 and June 30, 2023, and are recognized as deferred outflows of resources as of June 30, 2025 and June 30, 2024.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period June 30, 2020 through June 30, 2023. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15% to 15.00%, 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, 2024, these best estimates are summarized in the following table:

Asset Class	Strategic Policy Allocation	Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36 %	7.13 %
Stabilized Growth		
Core Real Assets	8.0 %	5.06 %
Public Credit Fixed Income	6.5 %	4.10 %
Private Credit	2.5 %	7.36 %
Non-Traditional Growth		
Private Equity	11.0 %	10.92 %
Non-Core Real Assets	4.0 %	9.09 %
Inflation Sensitive		
U.S. TIPS	5.0 %	2.12 %
Principal Protection		
Core Fixed Income	10.0 %	1.34 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	2.90 %
Alternative Risk Premia	3.0 %	2.62 %
Long Duration	2.0 %	2.84 %
Long Volatility/Tail Risk	2.0 %	(1.22)%
Totals	100 %	5.63 %
Inflation		2.80 %
Expected Arithmetic Return		8.43 %

Spoon River College District #534

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.35% and 6.37% at June 30, 2024 and June 30, 2023, 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, 2024 and June 30, 2023, respectively, and a municipal bond rate of 3.97% and 3.86% at June 30, 2024 and June 30, 2023, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024 and June 30, 2023, 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 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.35% and 6.37% at June 30, 2024 and June 30, 2023, 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, 2024		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.35%	6.35%	7.35%
\$ 36,700,168,358	\$ 30,230,907,727	\$4,839,790,537

June 30, 2023		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.37%	6.37%	7.37%
\$ 35,695,434,682	29,444,538,098	24,236,489,318

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.

Spoon River College District #534

Notes to Financial Statements

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. 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, 2024, 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.

Spoon River College District #534

Notes to Financial Statements

Note 6: Defined Contribution Pension Plan (Continued)

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2024, the State's contributions to the RSP on behalf of individual employers totaled \$96,741,887. Of this amount, \$89,857,115 was funded via an appropriation from the State and \$6,884,772 was funded from previously forfeited contributions. 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.

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 2024 and 2023. The College's share of pensionable contributions was 0.0695% and 0.0864% for fiscal years 2024 and 2023. As a result, the College recognized revenue and defined contribution pension expense of \$67,190 and \$78,046 from this special funding situation during the years ended June 30, 2025 and June 30, 2024, respectively, of which \$4,782 and \$7,205 constituted forfeitures during the years ended June 30, 2025 and June 30, 2024, 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.

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

Benefit Provisions - A summary of other post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services.

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

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

Contributions - Beginning July 1, 2023, and through June 30, 2024, 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 0.75% 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 0.75% of the salary paid to its full-time employees who participate in the plan. Beginning July 1, 2024 and through June 30, 2026, the contribution rate shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed a 0.1 percentage point increase in the amount of salary actually required to be contributed for the previous fiscal year. Beginning July 1, 2026, the active member and employer contribution rates shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be contributed for the previous fiscal year. 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, 2024 and June 30, 2023. CIP reported a net OPEB liability at June 30, 2024 of \$665,190,300 and at June 30, 2023 of \$706,333,410.

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 2025 is \$2,111,894 or 0.3170%, and for fiscal year 2024 it was \$2,199,084 or 0.3113%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0057%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2024 and June 30, 2023, was \$2,111,894 or 0.3170% and \$2,199,084 or 0.3113%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2024 and June 30, 2023, was \$4,223,778 and \$4,398,168, respectively. The net OPEB liability and total OPEB liability as of June 30, 2024, was determined based on the June 30, 2023, 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 2024.

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

OPEB Expense

At June 30, 2024 and June 30, 2023, CIP reported a collective net OPEB expense (income) of \$(252,150,464) and \$(258,363,775), 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 2024 and 2023, respectively. As a result, the College recognized on-behalf revenue and expense of \$(739,983) and \$(747,263) for the fiscal years ended June 30, 2025 and June 30, 2024. Additionally, the College recognized OPEB expense (income) of \$(989,636) and \$(970,159) for the fiscal year ended June 30, 2025 and June 30, 2024.

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:

<i>Fiscal year ended June 30, 2024 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 26,774	\$ 636,304
Changes in assumption	15,617	1,534,419
Net difference between projected and actual earnings on OPEB plan investments	0	1,047
Changes in proportion and differences between employer contributions and share of contributions	682,158	735,706
Total deferred amounts to be recognized in pension expense in future periods	724,549	2,907,476
OPEB contributions made subsequent to the measurement date	59,334	0
Totals	\$ 783,883	\$ 2,907,476

Spoon River College District #534

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

<i>Fiscal year ended June 30, 2023 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
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

The College reported \$59,334 and \$50,478 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, 2026 and June 30, 2025, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2026	\$ (363,821)
2027	(363,821)
2028	(363,821)
2029	(363,821)
2030	(363,821)
2031	(363,822)
Total	\$ (2,182,927)

Spoon River College District #534

Notes to Financial Statements

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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and 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 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trends rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
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, 2023 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 3.97% as of June 30, 2024 and 3.86% as of June 30, 2023. The increase in the single discount rate from 3.86% to 3.97% caused the total OPEB liability to decrease by approximately \$6.3 million from 2023 to 2024.

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 3.97% and 3.86% at June 30, 2024 and June 30, 2023, 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, 2024 to the Single Discount Rate Assumption			
	1% Decrease (2.97%)	Current Single Discount Rate Assumption (3.97%)	1% Increase (4.97%)
Net OPEB liability	\$ 2,307,275	\$ 2,111,894	\$ 1,944,623

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 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, 2024 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$ 1,897,526	\$ 2,111,894	\$ 2,371,585

- (a) Current healthcare trend rates Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.
- (b) One percentage point decrease in current healthcare trend rates Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate rate of 3.25% in 2041.

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: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate rate of 5.25% in 2041.

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, 18.24% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2040.
- (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.

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, 2025, was \$3,959,378. The project is expected to be completed in fiscal year 2026.

In fiscal year 2025, the College entered into a contract with S&S Builders Hardware Co. for the upgrades of doors, access control, and fire alarms with estimated total cost of \$550,100. The total remaining project costs as of June 30, 2025, was \$526,186. The project is expected to be completed in fiscal year 2026.

Note 10: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2025:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Spoon River College Foundation	Canton, IL	Fall scholarships receivable		\$91,182
Spoon River College Foundation	Canton, IL	Accounts payable		(\$9,848)
Spoon River College Foundation	Canton, IL	Scholarships	\$165,318	
Spoon River College Foundation	Canton, IL	Contributed nonfinancial assets	(\$159,481)	
Spoon River College Foundation	Canton, IL	Institutional support	\$129,559	

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	

Spoon River College District #534

Notes to Financial Statements

Note 11: Impact of Pending Accounting Principles

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.

GASB Statement No. 104, *Disclosures in Certain Capital Assets*, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. 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 January 22, 2026, which is the date the financial statements were available to be issued. There were no subsequent events noted.

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.

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

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.

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.

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

Pledges Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted promises to give to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. The Foundation recorded a discount of \$14,059 as of June 30, 2025 and \$14,059 as of June 30, 2024.

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.

Investments and Investment Earnings

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

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

All investments are carried by the Foundation at fair value. The investments at June 30, 2025, consist of the following:

	2025 Fair Value	2024 Fair Value
Certificates of deposit (non-brokered)	\$ 1,565,062	\$ 1,604,936
Money market	498,214	446,244
Mutual funds	709,265	1,347,162
Equities	2,714,660	2,291,749
Fixed income	544,850	0
Real assets	0	37,828
Certificates of deposit (brokered)	0	49,947
Total investments measured at fair value	\$ 6,032,051	\$ 5,777,866

The following schedule summarizes the investment return and its classification in the statement of activities modified cash basis for the year ended June 30, 2025:

	2025 With Donor Restrictions	2024 With Donor Restrictions
Interest and dividends	\$ 190,066	\$ 160,821
Realized gains (losses)	577	66,394
Unrealized gains (losses)	265,935	253,764
Investment fees	(29,622)	(26,689)
Totals	\$ 426,956	\$ 454,290

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.

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

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

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

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

The following table presents the Foundation’s fair value hierarchy for the assets measured at fair value on a recurring basis as of as of June 30, 2025:

	Total	2025 Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Mutual funds	\$709,265	\$709,265	\$ -	\$ -
Equities	2,714,660	2,714,660		
Real assets	544,850	544,850		
Money market funds	498,214	498,214		
Certificates of deposit	1,565,062		1,565,062	
Total investments measured at fair value	6,032,051	4,466,989	1,565,062	
Beneficial interest in perpetual trust	971,712			971,712
Total fair value measurements	\$7,003,763	\$4,466,989	\$1,565,062	\$971,712

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

	Total	2024 Fair Value Measurements at Reporting Date Using		
		(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		-
Money market funds	446,244	446,244		-
Certificates of deposit	1,654,883		1,654,883	-
Total investments measured at fair value	5,777,866	4,122,983	1,654,883	-
Beneficial interest in perpetual trust	912,798			912,798
Total fair value measurements	\$6,690,664	\$4,122,983	\$1,654,883	\$912,798

Reconciliation of assets measured using Level 3 inputs as of June 30, 2025:

Balance, beginning of year	\$912,798
Gains (losses)	64,462
Purchases	10,878
Distribution and fees	(16,426)
Balance, end of year	\$971,712

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)
Balance, end of year	\$912,798

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.

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

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.

Fixed Income: Valued using quotes from pricing vendors based on recent trading activity and other observable market data.

Money Market Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of Deposit: Investments in 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.

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

The following table 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, 2025.

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$971,712	Market approach	Fair value of assets contributed to trust	N/A

Spoon River College District #534

Notes to Financial Statements

Note 13: Component Unit (Continued)

The following table 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

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2025, 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	\$152,481	\$ -	\$ -	\$152,481
Contributed nonfinancial office space	7,000	-	-	7,000
Totals	\$159,481	\$ -	\$ -	\$159,481

The following presents quantitative information about nonrecurring Level 3 fair value measurements at June 30, 2025:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Contributed services	\$152,481	Market approach	Fair value of assets contributed to Foundation	N/A
Contributed office space	7,000	Market approach	Fair value of office contributed to Foundation	N/A
Totals	\$159,481			

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, 2024, follows:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Contributed services	\$90,400	\$ -	\$ -	\$90,400
Contributed office space	7,000	-	-	\$7,000
Totals	\$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

Prior Period Adjustment

The financial statements as of and for the year ended June 30, 2024, have been restated to correct an error that was detected during the audit for the year ended June 30, 2025.

It was identified that the Foundation did not properly record a full pledge receivable contribution, which resulted in an adjustment of \$109,334 for the year ended June 30, 2024. To correct this error, the donor restricted net assets were increased and the accounts payable due to the College was decreased by this amount, which resulted in a change in the beginning balance of net assets by the \$109,334 for the 2025 financial statements.

Spoon River College District #534

Notes to Financial Statements

Note 14: Accounting Changes and Error Corrections

The College adopted GASB Statement No. 101, Compensated Absences (GASB 101) as of July 1, 2023. The objective of this Statement is to better meet the needs of the financial statement users by improving the accounting and financial reporting for compensated absences by governments. The College retroactively implemented GASB 101.

Net Position as previously reported at July 1, 2023	\$16,632,735
Change in accounting principles:	
Compensated absence accrued for sick leave as of July 1, 2023	<u>(1,058,617)</u>
Total prior period adjustment	<u>(1,058,617)</u>
Net position as restated, July 1, 2023	<u>\$15,574,118</u>

Required Supplementary Information

Spoon River College District #534

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	\$ 43,774,354	\$ 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
Employer covered payroll	\$ 6,387,408	\$ 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
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	685.32 %	800.18 %	717.68 %	754.62 %	821.22 %	791.80 %	767.05 %	719.42 %	716.63 %	651.22 %
SURS plan net position as a percentage of total pension liability	44.60 %	44.06 %	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %

Spoon River College District #534

Schedule of Pension Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal, trust, grant and other contribution	\$ 31,530	\$ 31,197	\$ 78,666	\$ 27,161	\$ 28,373	\$ 28,369	\$ 25,652	\$ 15,502	\$ 8,405	\$ 8,314
Contribution in relation to required contribution	31,530	31,197	78,666	27,161	28,373	28,369	25,652	15,502	8,405	8,314
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
Employer covered payroll	\$ 6,976,367	\$ 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	0.45 %	0.46 %	1.28 %	0.41 %	0.44 %	0.48 %	0.43 %	0.26 %	0.15 %	0.16 %

Spoon River College District #534
Schedule of Share of Net OPEB Liability
 Last Ten Fiscal Years
 (schedule to be built prospectively from 2016)

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net OPEB liability	0.32 %	0.31 %	0.35 %	0.33 %	0.27 %	0.35 %	0.36 %	0.35 %	0.30 %	
Proportion amount of the collective net OPEB liability	\$ 2,111,894	\$ 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	\$ 2,111,894	\$ 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	\$ 4,223,788	\$ 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	\$ 6,730,290	\$ 6,159,290	\$ 6,591,655	\$ 6,386,586	\$ 5,955,310	\$ 5,901,485	\$ 5,876,188	\$ 5,553,295	\$ 5,311,468	
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	62.76 %	71.41 %	72.59 %	178.12 %	167.55 %	122.78 %	229.78 %			
College insurance plan net position as a percentage of total OPEB liability	(18.45)%	(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 2017. 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

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 59,334	\$ 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	59,334	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	\$ 0	\$ 0
District's covered payroll	\$ 6,976,367	\$ 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	0.85 %	0.75 %	0.50 %	0.50 %	0.48 %	0.42 %	0.53 %	0.53 %	0.54 %	0.51 %

Spoon River College District #534

Notes to Required Supplementary Information

Note 1: Changes of Benefit Terms

Public Act 103-0548, effective August 11, 2023, made changes to the calculation of service and eliminated the part-time adjustment for participants on or after September 1, 2024. This change was first reflected in the Total Pension Liability as of June 30, 2024.

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, 2020, to June 30, 2023 was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below:

- Salary increases. The overall assumed rates of salary increase from 3.15 percent to 15.00 percent based on years of service, with an underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return of 4.10 percent and assumed price inflation to 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts is 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, non-academic positions, and public safety positions. Rates are generally highest for public safety positions and lowest for academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and non-academic positions. Rates are generally higher for non-academic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase, with separate rates for academic and non-academic positions.
- Mortality rates. Use of Pub 2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2021 scale, with separate rates for academic, non-academic, and public safety members.
- Disability rates. Separate rates are assumed for members in academic positions, non-academic positions and public safety positions, as well as for males and females. Public safety disability incidence is assumed to be 50 percent line-of-duty related and 50 percent ordinary.
- Plan election. For new non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For new academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for RSP.
- Cost of living adjustment. Annual annuity increases are assumed to be 3.00 percent for Tier I members and 1.20 percent for Tier 2 members.

Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2025.

Spoon River College District #534

Notes to Required Supplementary Information (Continued)

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, 2022:

- Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year end 2025;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for plan year end June 30, 2024, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2024;
- Participation rates were reduced; and
- The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024.

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

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, 2025</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund
Fund balance (deficit), beginning of year	\$ 10,145,641	\$ 1,144,469	\$ 10,794,348	\$ 87,695
Revenues:				
Local tax revenue	3,249,533	1,015,131	195,574	2,853,937
ICCB Grants	808,227	373,888	-	-
All other State revenue	-	-	-	-
Federal revenue	-	-	-	-
Student tuition and fees	4,224,402	-	-	-
On-Behalf CIP	-	-	-	-
On-Behalf SURS	-	-	-	-
All other revenue	522,347	5,929	4,210,218	2,778
Total revenues	8,804,509	1,394,948	4,405,792	2,856,715
Expenditures:				
Instruction	3,667,405	-	-	-
Academic support	888,532	-	-	-
Student services	1,117,070	-	-	-
Public service/continuing education	328,614	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	1,501,566	12,494,988	-
Institutional support	4,643,454	-	-	3,016,174
Scholarships, grants, waivers	512,788	-	-	-
Total expenditures	11,157,863	1,501,566	12,494,988	3,016,174
Debt proceeds	4,229,446	-	2,000,000	199,520
Premium/discount on issuance of bonds	-	-	-	270,420
Transfers in	-	-	-	-
Transfers out	(64,626)	-	-	-
	4,164,820	-	2,000,000	469,940
Fund balance (deficit), end of year	\$ 11,957,107	\$ 1,037,851	\$ 4,705,152	\$ 398,176

Spoon River College District #534

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2025</i>	Auxiliary Enterprises Fund	Restricted Purposes Fund	Health Insurance Fund	Audit Fund
Fund balance (deficit), beginning of year	\$ -	\$ 638,915	\$ -	\$ 56,825
Revenues:				
Local tax revenue	-	-	-	54,711
ICCB Grants	-	611,279	-	-
All other State revenue	-	239,900	-	-
Federal revenue	-	3,019,699	-	-
Student tuition and fees	-	-	-	-
On-Behalf CIP	-	(739,983)	-	-
On-Behalf SURS	-	2,957,812	-	-
All other revenue	3,871,181	76,250	-	53
Total revenues	3,871,181	6,164,957	-	54,764
Expenditures:				
Instruction	-	1,253,722	-	-
Academic support	-	358,385	-	-
Student services	-	652,217	-	-
Public service/continuing education	-	374,389	-	-
Auxiliary services	3,888,107	103,405	-	-
Operations and maintenance	-	481,640	-	-
Institutional support	47,700	613,423	-	62,000
Scholarships, grants, waivers	-	2,328,627	-	-
Total expenditures	3,935,807	6,165,808	-	62,000
Debt proceeds	-	-	-	-
Premium/discount on issuance of bonds	-	-	-	-
Transfers in	64,626	-	-	-
Transfers out	-	-	-	-
	64,626	-	-	-
Fund balance (deficit), end of year	\$ -	\$ 638,064	\$ -	\$ 49,589

Spoon River College District #534

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2025</i>	Liability, Protection Settlement Fund	Total
Fund balance (deficit), beginning of year	\$ 1,352,594	\$ 24,220,487
Revenues:		
Local tax revenue	1,216,223	8,585,109
ICCB Grants	-	1,793,394
All other State revenue	-	239,900
Federal revenue	-	3,019,699
Student tuition and fees	-	4,224,402
On-Behalf CIP	-	(739,983)
On-Behalf SURS	-	2,957,812
All other revenue	32,078	8,720,834
Total revenues	1,248,301	28,801,167
Expenditures:		
Instruction	-	4,921,127
Academic support	-	1,246,917
Student services	-	1,769,287
Public service/continuing education	-	703,003
Auxiliary services	-	3,991,512
Operations and maintenance	-	14,478,194
Institutional support	1,097,003	9,479,754
Scholarships, grants, waivers	-	2,841,415
Total expenditures	1,097,003	39,431,209
Debt proceeds	-	6,428,966
Premium/discount on issuance of bonds	-	270,420
Transfers in	-	64,626
Transfers out	-	(64,626)
	-	6,699,386
Fund balance (deficit), end of year	\$ 1,503,892	\$ 20,289,831

Spoon River College District #534
Uniform Financial Statement #2
Summary of Capital Assets and Long-Term Debt

<i>Year Ended June 30, 2025</i>	Balance					Balance	
	July 1, 2024	Additions	Deletions	Reclassification	June 30, 2025		
Capital assets:							
Land	\$ 1,138,005	\$ -	\$ -	-	-	\$ 1,138,005	
Construction in process	3,390,111	11,938,506	-	(2,101,328)	-	13,227,289	
Land improvements	1,102,127	-	-	-	-	1,102,127	
Buildings and additions	41,745,247	232,401	-	1,931,778	-	43,909,426	
Equipment	863,261	666,365	(7,400)	169,550	-	1,691,776	
Computer technology	721,610	239,173	-	-	-	960,783	
Lease assets	92,866	-	-	-	-	92,866	
Subscription assets	120,142	1,228,966	-	-	-	1,349,108	
Total capital assets	49,173,369	14,305,411	(7,400)	-	-	63,471,380	
Accumulated depreciation and amortization							
	22,142,349	1,954,071	(7,400)	-	-	24,089,020	
Total net capital assets	\$ 27,031,020	\$ 12,351,340	\$ -	-	-	\$ 39,382,360	
Long-term debt:							
Bonds payable	\$ 24,045,000	\$ 5,200,000	\$ (2,140,000)	-	-	\$ 27,105,000	
Net OPEB liability	2,199,084	-	(87,190)	-	-	2,111,894	
Leases obligations	57,058	-	(45,128)	-	-	11,930	
Subscription liability	78,552	1,228,966	(233,814)	-	-	1,073,704	
Accrued compensated absences	1,497,809	-	(195,232)	-	-	1,302,577	
Bond premium	421,789	270,420	(52,029)	-	-	640,180	
Total long-term debt	\$ 28,299,292	\$ 6,699,386	\$ (2,753,393)	-	-	\$ 32,245,285	

Spoon River College District #534
Uniform Financial Statement #3
Operating Funds Revenues and Expenditures

<i>Year Ended June 30, 2025</i>	Education Fund	Operations and Maintenance Fund	Total
Revenues:			
Local government:			
Local taxes	\$ 2,474,005	\$ 542,023	\$ 3,016,028
Corporate personal property replacement taxes	775,528	473,108	1,248,636
Total local government	3,249,533	1,015,131	4,264,664
State government:			
ICCB base operating grant	700,428	373,888	1,074,316
ICCB small college grant	82,872	-	82,872
ICCB career & technical education	24,927	-	24,927
Total state government	808,227	373,888	1,182,115
Student tuition and fees:			
Tuition	4,126,343	-	4,126,343
Other student tuition and fees	98,059	-	98,059
Total tuition and fees	4,224,402	-	4,224,402
Other sources:			
Investment revenue	525,831	528	526,359
Facilities revenue	-	5,400	5,400
Other revenues	(3,484)	1	(3,483)
Total other sources	522,347	5,929	528,276
Total revenue	8,804,509	1,394,948	10,199,457
Less nonoperating items*			
Tuition chargeback	0	0	0
Adjusted revenue	\$ 8,804,509	\$ 1,394,948	\$ 10,199,457

Spoon River College District #534

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

<i>Year Ended June 30, 2025</i>	Education Fund	Operations and Maintenance Fund	Total
Operating expenditures:			
By program:			
Instruction	\$ 3,667,405	\$ -	\$ 3,667,405
Academic support	888,532	-	888,532
Student services	1,117,070	-	1,117,070
Public services	328,614	-	328,614
Operation and maintenance	-	1,501,566	1,501,566
Institutional support	4,643,454	-	4,643,454
Scholarships, student grants, and waivers	512,788	-	512,788
Total expenditures	11,157,863	1,501,566	12,659,429
Less nonoperating items*			
Net transfers	0	0	0
Adjusted expenditures	\$ 11,157,863	\$ 1,501,566	\$ 12,659,429
By object:			
Salaries	6,083,819	280,427	6,364,246
Employee benefits	1,681,315	125,535	1,806,850
Contractual services	107,364	451,274	558,638
General materials and supplies	813,824	89,303	903,127
Library materials**	52,644	-	52,644
Conference and meeting expenses	121,655	21,347	143,002
Fixed charges	9,000	1,849	10,849
Utilities	-	447,588	447,588
Capital outlay	1,284,888	85,760	1,370,648
Principal retirement	233,814	-	233,814
Interest, service charges, and issuance costs	5,514	-	5,514
Student grants and scholarships**	512,788	-	512,788
Other	816,670	(1,517)	815,153
Total expenditures	11,157,863	1,501,566	12,659,429
Less nonoperating items:			
Net transfers	0	0	0
Adjusted expenditures	\$ 11,157,863	\$ 1,501,566	\$ 12,659,429

* 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, 2025

Revenue by source:

State government:

ICCB - Adult Education	\$	216,684
ICCB - PATH Workforce Grant		189,650
ICCB - Mental Health Early Action on Campus		63,304
CTE/Program improvement grant		141,641
On-behalf CIP		(739,983)
On-behalf SURS		2,957,812
Other		239,900

Total state government		3,069,008
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Federal government:

Department of Education		2,795,936
Department of Commerce		223,763

Total federal government		3,019,699
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Other sources:

Nongovernmental grants and gifts		67,197
Dollar General Literacy		8,000
Interest		53
Other Revenues		1,000

Total other sources		76,250
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Total restricted purposes fund revenues	\$	6,164,957
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Expenditures by program:

Instruction		1,253,722
Academic support		358,385
Student services		652,217
Public services		374,389
Auxiliary services		103,405
Operation and maintenance		481,640
Institutional support		613,423
Scholarships, student grants, and waivers		2,328,627

Total restricted purposes fund expenditures by program	\$	6,165,808
--	----	-----------

Expenditures by object:

Salaries		594,488
Employee benefits (including SURS and CIP on-behalf)		2,342,080
Contractual services		137,554
General materials and supplies		253,661
Travel, conference and meeting expense		26,308
Capital outlay		362,988
Other		2,448,729

Total restricted purposes fund expenditures by object	\$	6,165,808
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Spoon River College District #534

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2025

Instruction:

Instructional programs \$ 4,921,127

Total instruction 4,921,127

Academic support:

Library center 337,425

Instructional materials center 301,556

Academic administration and planning 439,202

Other academic support 168,734

Total academic support 1,246,917

Student services:

Admissions and records 603,276

Counseling and career guidance 202,177

Financial aid administration 359,682

Other student services 604,152

Total student services 1,769,287

Public service/continuing education:

Administration 458,418

Other Public Services 244,585

Total public service/continuing education 703,003

Auxiliary 4,039,212

Spoon River College District #534
Uniform Financial Statement #5
Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2025

Operations and maintenance of plant:	
Maintenance	996,814
Plant utilities	504,752
Other operations and maintenance	481,640
<hr/>	
Total operations and maintenance of plant	1,983,206
<hr/>	
Institutional support:	
Executive management	286,462
Fiscal operations	428,608
Community Relations	63
Administrative support services	1,932,563
Board of trustees	23,798
General institution	453,093
Administrative data processing	2,677,870
Other institutional support	613,423
<hr/>	
Total institutional support	6,415,880
<hr/>	
Scholarships, Grants, Waivers	2,841,415
<hr/>	
Total current funds expenditures	\$ 23,920,047
<hr/>	

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

Spoon River College District #534

Fiscal Year 2026 Certification of Per Capita Cost

For Fiscal Year Ended June 30, 2025

All fiscal year 2025 noncapital audited operating expenditures from the following funds:

1.	Education Fund	10,406,712	
2.	Operations and Maintenance Fund	1,392,410	
4.	Bond and Interest Fund	939,190	
6.	Restricted Purposes Fund	5,640,605	
7.	Audit Fund	62,000	
8.	Liability, Protection, and Settlement Fund	<u>1,097,003</u>	
10.	Total noncapital expenditures (sum of lines 1-9)		<u>\$ 19,537,920</u>
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 1,148,006</u>	
12.	Total costs included (line 10 plus line 11)		<u>\$ 20,685,926</u>
13.	Total certified semester credit hours for FY 2025	<u>21,705</u>	
14.	Per capita cost (line 12 divided by line 13)		<u>\$ 953.05</u>

Approved:



Chief Financial Officer

1/22/2026

Date



President

1/22/2026

Date

Other Financial Information

Spoon River College District #534

Balance Sheet - All Fund Types

<i>As of June 30, 2025</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond & Interest Fund
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 279,585	\$ -	\$ 4,982,616	\$ -
Investments	14,779,117	-	939,770	236,300
Property taxes receivable, net	1,563,409	415,680	208,573	1,930,536
Government receivables	424,590	-	-	-
Student tuition receivable, net	2,675,139	-	-	-
Other receivables	168,230	462	-	-
Advances to other funds	-	1,252,979	-	1,043,379
Prepaid items	52,076	-	-	-
Inventories	-	-	-	-
Capital assets, net	-	-	-	-
Total assets	19,942,146	1,669,121	6,130,959	3,210,215
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Deferred loss on refunding	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 19,942,146	\$ 1,669,121	\$ 6,130,959	\$ 3,210,215
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position				
Liabilities:				
Accounts payable	\$ 701,314	\$ -	\$ -	-
Accrued liabilities	236,597	7,471	-	-
Advances from other funds	1,653,823	-	1,148,089	-
Unearned tuition and fees	2,835,836	-	-	-
Accrued compensated absences	290,632	16,907	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	5,718,202	24,378	1,148,089	-
Deferred inflows of resources				
Deferred property taxes	2,266,837	606,892	277,718	2,812,039
Deferred grant revenue	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	2,266,837	606,892	277,718	2,812,039
Fund balance/net position (deficit):				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	-	-	398,176
Unrestricted	11,957,107	1,037,851	4,705,152	-
Total fund balance/net position	11,957,107	1,037,851	4,705,152	398,176
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 19,942,146	\$ 1,669,121	\$ 6,130,959	\$ 3,210,215

Spoon River College District #534

Balance Sheet - All Fund Types

<i>As of June 30, 2025</i>	Auxiliary Fund	Restricted Purpose Fund	Audit Fund	Liability Fund
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 1,003	\$ 489,817	\$ -	\$ -
Investments	108,161	-	-	698,339
Property taxes receivable, net	-	-	41,387	842,321
Government receivables	-	473,337	-	-
Student tuition receivable, net	-	-	-	-
Other receivables	11,355	419,812	-	-
Advances to other funds	-	-	68,903	1,230,826
Prepaid items	-	-	-	-
Inventories	148,640	-	-	-
Capital assets, net	-	-	-	-
Total assets	269,159	1,382,966	110,290	2,771,486
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Deferred loss on refunding	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 269,159	\$ 1,382,966	\$ 110,290	\$ 2,771,486
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	9,874	23,762	-	13,107
Advances from other funds	250,406	543,769	-	-
Unearned tuition and fees	-	-	-	-
Accrued compensated absences	8,879	-	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	269,159	567,531	-	13,107
Deferred inflows of resources				
Deferred property taxes	-	-	60,701	1,254,487
Deferred grant revenue	-	177,371	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	-	177,371	60,701	1,254,487
Fund balance/net position (deficit):				
Invested in capital assets, net of related debt	-	-	-	-
Restricted	-	638,064	49,589	1,503,892
Unrestricted	-	-	-	-
Total fund balance/net position	-	638,064	49,589	1,503,892
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 269,159	\$ 1,382,966	\$ 110,290	\$ 2,771,486

Spoon River College District #534

Balance Sheet - All Fund Types

As of June 30, 2025	GASB			
	Totals	General Fixed Assets	General Long- Term Debt	Other Adjustments
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 5,753,021	\$ -	\$ -	-
Investments	16,761,687	-	-	-
Property taxes receivable, net	5,001,906	-	-	-
Government receivables	897,927	-	-	-
Student tuition receivable, net	2,675,139	-	-	-
Other receivables	599,859	-	-	-
Advances to other funds	3,596,087	-	-	(3,596,087)
Prepaid items	52,076	-	-	-
Inventories	148,640	-	-	-
Capital assets, net	-	39,382,360	-	-
Total assets	35,486,342	39,382,360	\$ -	\$ (3,596,087)
Deferred outflow of resources:				
Deferred pension	-	-	-	31,530
Deferred OPEB	-	-	783,883	-
Deferred loss on refunding	-	-	152,930	-
Total deferred outflow of resources	-	-	936,813	31,530
Total assets and deferred outflow of resources	\$ 35,486,342	\$ 39,382,360	\$ 936,813	\$ (3,564,557)
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position				
Liabilities:				
Accounts payable	\$ 701,314	\$ -	\$ -	-
Accrued liabilities	290,811	-	68,667	-
Advances from other funds	3,596,087	-	-	(3,596,087)
Unearned tuition and fees	2,835,836	-	-	(332,404)
Accrued compensated absences	316,418	-	-	986,159
Net OPEB liability	-	-	2,111,894	-
Lease obligations	-	-	11,930	-
Subscription liability	-	-	1,073,704	-
Bonds payable, net	-	-	27,745,180	-
Total liabilities	7,740,466	-	31,011,375	(2,942,332)
Deferred inflows of resources				
Deferred property taxes	7,278,674	-	-	-
Deferred grant revenue	177,371	-	-	-
Deferred OPEB	-	-	2,907,476	-
Total deferred inflows of resources	7,456,045	-	2,907,476	-
Fund balance/net position (deficit):				
Invested in capital assets, net of related debt	-	39,382,360	(21,287,018)	-
Restricted	2,589,721	-	-	-
Unrestricted	17,700,110	-	(11,695,020)	(622,225)
Total fund balance/net position	\$ 20,289,831	39,382,360	(32,982,038)	(622,225)
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 35,486,342	\$ 39,382,360	\$ 936,813	\$ (3,564,557)

Spoon River College District #534

Balance Sheet - All Fund Types

As of June 30, 2025

Adjusted Total

Assets and Deferred Outflows of Resources

Cash and cash equivalents	\$ 5,753,021
Investments	16,761,687
Property taxes receivable, net	5,001,906
Government receivables	897,927
Student tuition receivable, net	2,675,139
Other receivables	599,859
Advances to other funds	-
Prepaid items	52,076
Inventories	148,640
Capital assets, net	39,382,360

Total assets	71,272,615
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Deferred outflow of resources:

Deferred pension	31,530
Deferred OPEB	783,883
Deferred loss on refunding	152,930

Total deferred outflow of resources	968,343
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Total assets and deferred outflow of resources	\$ 72,240,958
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Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

Liabilities:

Accounts payable	\$ 701,314
Accrued liabilities	359,478
Advances from other funds	-
Unearned tuition and fees	2,503,432
Accrued compensated absences	1,302,577
Net OPEB liability	2,111,894
Lease obligations	11,930
Subscription liability	1,073,704
Bonds payable, net	27,745,180

Total liabilities	35,809,509
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Deferred inflows of resources

Deferred property taxes	7,278,674
Deferred grant revenue	177,371
Deferred OPEB	2,907,476

Total deferred inflows of resources	10,363,521
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Fund balance/net position (deficit):

Invested in capital assets, net of related debt	18,095,342
Restricted	2,589,721
Unrestricted	5,382,865

Total fund balance/net position	\$ 26,067,928
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Total liabilities, deferred inflows or resources and fund balance/net position	\$ 72,240,958
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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, 2025</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond & Interest Fund
Revenues:				
Local government	\$ 3,249,533	\$ 1,015,131	\$ 195,574	\$ 2,853,937
State sources	808,227	373,888	-	-
State on-behalf payments	-	-	-	-
Federal government	-	-	-	-
Student tuition and fees	4,224,402	-	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	5,400	-	-
Investment revenue	525,831	528	149,827	2,778
Nongovernmental grants and gifts	-	-	-	-
Capital contributions	-	-	4,060,391	-
Other revenue	(3,484)	1	-	-
Total revenues	8,804,509	1,394,948	4,405,792	2,856,715
Expenditures/expenses:				
Current:				
Instruction	3,667,405	-	-	-
Academic support	888,532	-	-	-
Student services	1,117,070	-	-	-
Public services	328,614	-	-	-
Auxiliary services	-	-	-	-
Operation and maintenance of plant services	-	1,501,566	12,494,988	-
Institutional support	4,404,126	-	-	-
Scholarships, student grants, and waivers	512,788	-	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	233,814	-	-	2,140,000
Interest, service charges, and issuance costs	5,514	-	-	876,174
Total expenditures/expenses	11,157,863	1,501,566	12,494,988	3,016,174
Net income (loss)	(2,353,354)	(106,618)	(8,089,196)	(159,459)
Other financing sources (uses)				
Debt proceeds	4,229,446	-	2,000,000	199,520
Premium/discount on issuance of bonds	-	-	-	270,420
Operating transfers in	-	-	-	-
Operating transfers out	(64,626)	-	-	-
Total other financing sources (uses)	4,164,820	-	2,000,000	469,940
Net change in fund balance/net position	1,811,466	(106,618)	(6,089,196)	310,481
Fund balance/net position (deficit), beginning of year	10,145,641	1,144,469	10,794,348	87,695
Fund balance/net position (deficit), end of year	\$ 11,957,107	\$ 1,037,851	\$ 4,705,152	\$ 398,176

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, 2025</i>	Auxiliary Fund	Restricted Purpose Fund	Audit Fund	Liability Fund
Revenues:				
Local government	\$ -	\$ -	\$ 54,711	\$ 1,216,223
State sources	-	851,179	-	-
State on-behalf payments	-	2,217,829	-	-
Federal government	-	3,019,699	-	-
Student tuition and fees	-	-	-	-
Sales and service fees	1,403,242	-	-	-
Facilities revenue	-	-	-	-
Investment revenue	4,923	53	53	32,078
Nongovernmental grants and gifts	-	75,197	-	-
Capital contributions	-	-	-	-
Other revenue	2,463,016	1,000	-	-
Total revenues	3,871,181	6,164,957	54,764	1,248,301
Expenditures/expenses:				
Current:				
Instruction	-	1,253,722	-	-
Academic support	-	358,385	-	-
Student services	-	652,217	-	-
Public services	-	374,389	-	-
Auxiliary services	3,888,107	103,405	-	-
Operation and maintenance of plant services	-	481,640	-	-
Institutional support	-	613,423	62,000	1,097,003
Scholarships, student grants, and waivers	-	2,328,627	-	-
Depreciation expense	-	-	-	-
Debt service:				
Principal retirement	45,128	-	-	-
Interest, service charges, and issuance costs	2,572	-	-	-
Total expenditures/expenses	3,935,807	6,165,808	62,000	1,097,003
Net income (loss)	(64,626)	(851)	(7,236)	151,298
Other financing sources (uses)				
Debt proceeds	-	-	-	-
Premium/discount on issuance of bonds	-	-	-	-
Operating transfers in	64,626	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	64,626	-	-	-
Net change in fund balance/net position	-	(851)	(7,236)	151,298
Fund balance/net position (deficit), beginning of year	-	638,915	56,825	1,352,594
Fund balance/net position (deficit), end of year	\$ -	\$ 638,064	\$ 49,589	\$ 1,503,892

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, 2025	GASB			
	Totals	General Fixed Assets	General Long-Term Debt	Other Adjustments
Revenues:				
Local government	\$ 8,585,109	\$ -	\$ -	-
State sources	2,033,294	-	-	-
State on-behalf payments	2,217,829	-	-	-
Federal government	3,019,699	-	-	-
Student tuition and fees	4,224,402	-	-	(971,074)
Sales and service fees	1,403,242	-	-	404,464
Facilities revenue	5,400	-	-	-
Investment revenue	716,071	-	-	-
Nongovernmental grants and gifts	75,197	-	-	-
Capital contributions	4,060,391	-	-	-
Other revenue	2,460,533	-	-	(2,463,016)
Total revenues	28,801,167	-	-	(3,029,626)
Expenditures/expenses:				
Current:				
Instruction	4,921,127	-	(390,025)	(112,043)
Academic support	1,246,917	-	(74,618)	(14,396)
Student services	1,769,287	-	(121,956)	(26,081)
Public services	703,003	-	(41,383)	(4,673)
Auxiliary services	3,991,512	(22,598)	(45,284)	(2,066,568)
Operation and maintenance of plant services	14,478,194	(12,754,835)	(36,241)	(4,022)
Institutional support	6,176,552	(1,501,461)	(280,128)	(27,813)
Scholarships, student grants, and waivers	2,841,415	(26,517)	-	(1,049,608)
Depreciation expense	-	1,954,071	-	-
Debt service:				
Principal retirement	2,418,942	-	(2,418,942)	-
Interest, service charges, and issuance costs	884,260	-	72,758	-
Total expenditures/expenses	39,431,209	(12,351,340)	(3,335,819)	(3,305,204)
Net income (loss)	(10,630,042)	12,351,340	3,335,819	275,578
Other financing sources (uses)				
Debt proceeds	6,428,966	-	(6,428,966)	-
Premium/discount on issuance of bonds	270,420	-	(270,420)	-
Operating transfers in	64,626	-	-	(64,626)
Operating transfers out	(64,626)	-	-	64,626
Total other financing sources (uses)	6,699,386	-	(6,699,386)	-
Net change in fund balance/net position	(3,930,656)	12,351,340	(3,363,567)	275,578
Fund balance/net position (deficit), beginning of year	24,220,487	27,031,020	(29,618,471)	(897,803)
Fund balance/net position (deficit), end of year	\$ 20,289,831	\$ 39,382,360	\$ (32,982,038)	\$ (622,225)

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, 2025</i>	Adjusted Total
Revenues:	
Local government	\$ 8,585,109
State sources	2,033,294
State on-behalf payments	2,217,829
Federal government	3,019,699
Student tuition and fees	3,253,328
Sales and service fees	1,807,706
Facilities revenue	5,400
Investment revenue	716,071
Nongovernmental grants and gifts	75,197
Capital contributions	4,060,391
Other revenue	(2,483)
Total revenues	25,771,541
Expenditures/expenses:	
Current:	
Instruction	4,419,059
Academic support	1,157,903
Student services	1,621,250
Public services	656,947
Auxiliary services	1,857,062
Operation and maintenance of plant services	1,683,096
Institutional support	4,367,150
Scholarships, student grants, and waivers	1,765,290
Depreciation expense	1,954,071
Debt service:	
Principal retirement	-
Interest, service charges, and issuance costs	957,018
Total expenditures/expenses	20,438,846
Net income (loss)	5,332,695
Other financing sources (uses)	
Debt proceeds	-
Premium/discount on issuance of bonds	-
Operating transfers in	-
Operating transfers out	-
Total other financing sources (uses)	-
Net change in fund balance/net position	5,332,695
Fund balance/net position (deficit), beginning of year	20,735,233
Fund balance/net position (deficit), end of year	\$ 26,067,928

Spoon River College District #534
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund

<i>Year Ended June 30, 2025</i>	General	Bookstore	Food Services	Print Shop
Operating revenues:				
Sales and service fees	\$ -	\$ 614,191	\$ 95,857	\$ 37,486
Investment revenue	4,923	-	-	-
Other revenue	-	-	-	-
Total revenues	4,923	614,191	95,857	37,486
Operating expenses:				
Salaries	-	31,270	50,225	750
Employee benefits	-	36,468	-	-
Contractual services	-	-	2,099	44,622
General materials and supplies	-	493,345	111,534	9,885
Travel, conference and meeting expense	-	220	300	-
Fixed Charges	-	21,116	-	-
Other	-	21,394	-	-
Total expenditures	-	603,813	164,158	55,257
Net income (loss) before transfers	4,923	10,378	(68,301)	(17,771)
Net transfers	64,626	-	-	-
Net income (loss)	\$ 69,549	\$ 10,378	\$ (68,301)	\$ (17,771)

Spoon River College District #534
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund

<i>Year Ended June 30, 2025</i>	Postage	Nursing Exams	Student Activities	Athletics
Operating revenues:				
Sales and service fees	\$ 18,236	\$ 2,100	\$ -	\$ 602,649
Investment revenue	-	-	-	-
Other revenue	-	-	-	-
Total revenues	18,236	2,100	-	602,649
Operating expenses:				
Salaries	-	-	13,400	267,267
Employee benefits	-	-	-	35,267
Contractual services	-	-	14,191	48,407
General materials and supplies	19,103	1,455	13,476	83,921
Travel, conference and meeting expense	-	-	2,428	70,269
Fixed Charges	-	-	-	1,278
Other	-	-	49,070	-
Total expenditures	19,103	1,455	92,565	506,409
Net income (loss) before transfers	(867)	645	(92,565)	96,240
Net transfers	-	-	-	-
Net income (loss)	\$ (867)	\$ 645	\$ (92,565)	\$ 96,240

Spoon River College District #534
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund

<i>Year Ended June 30, 2025</i>	Diesel Tractor Auto Technology	Health Insurance	Total
Operating revenues:			
Sales and service fees	\$ 32,723	\$ -	\$ 1,403,242
Investment revenue	-	-	4,923
Other revenue	-	2,463,016	2,463,016
Total revenues	32,723	2,463,016	3,871,181
Operating expenses:			
Salaries	-	-	362,912
Employee benefits	-	2,464,707	2,536,442
Contractual services	-	-	109,319
General materials and supplies	28,340	-	761,059
Travel, conference and meeting expense	-	-	73,217
Fixed Charges	-	-	22,394
Other	-	-	70,464
Total expenditures	28,340	2,464,707	3,935,807
Net income (loss) before transfers	4,383	(1,691)	(64,626)
Net transfers	-	-	64,626
Net income (loss)	\$ 4,383	\$ (1,691)	\$ -

Spoon River College District #534

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years	2024	2023	2022	2021	2020
Assessed valuations	\$ 1,228,084,550	\$ 1,150,240,670	\$ 1,062,290,431	\$ 1,017,312,830	\$ 995,706,722
Tax Rate (per \$100 assessed valuation):					
Educational Accounts	0.1821	0.2125	0.2310	0.2407	0.2421
Bond and Interest Fund	0.2282	0.2486	0.2943	0.2387	0.2494
Operations and Maintenance					
Accounts	0.0495	0.0473	0.0495	0.0500	0.0500
Audit Fund	0.0050	0.0048	0.0050	0.0050	0.0050
Fire Prevention/Safety/Energy	0.0226	0.0210	0.0225	0.0232	0.0237
Liability, Protection, Settlement, and Social Security	0.1020	0.1022	0.0966	0.0952	0.0948
Total tax rate	0.5894	0.6364	0.6989	0.6528	0.6650
Tax Extensions:					
Educational Accounts	\$ 2,317,146	\$ 2,422,766	\$ 2,417,074	\$ 2,444,370	\$ 2,406,176
Bond and Interest Fund	2,785,918	2,782,844	3,085,527	2,424,059	2,483,289
Operations and Maintenance					
Accounts	604,307	529,479	518,972	507,763	497,853
Audit Fund	61,041	53,732	52,421	50,776	49,785
Fire Prevention/Safety/Energy	275,906	235,075	235,897	235,602	235,982
Liability, Protection, Settlement, and Social Security	1,245,239	1,144,033	1,012,783	966,780	943,929
Total tax extensions	\$ 7,289,557	\$ 7,167,929	\$ 7,322,674	\$ 6,629,350	\$ 6,617,014
Tax Collections to June 30:					
Educational Accounts	\$ 703,428	\$ 2,473,359	\$ 2,449,076	\$ 2,445,552	\$ 2,344,614
Bond and Interest Fund	881,503	2,853,937	3,132,758	2,518,253	2,419,810
Operations and Maintenance					
Fund	191,212	542,023	526,072	508,725	485,535
Audit Fund	19,314	54,711	53,336	50,821	48,553
Fire Prevention/Safety/Energy	69,145	195,574	184,499	173,590	162,589
Liability, Protection, Settlement, and Social Security	412,166	1,216,223	1,080,276	1,030,000	991,666
Total tax collections	\$ 2,276,768	\$ 7,335,827	\$ 7,426,017	\$ 6,726,941	\$ 6,452,767
Percent of extensions collected	31.23 %	102.34 %	101.41 %	101.47 %	97.52 %

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, 2025, 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, 2025, and the changes in its financial position 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, 2025 and 2024, and the changes in its financial position or, 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.

The logo for Wipfli LLP, featuring the name "Wipfli LLP" in a stylized, handwritten-style font.

Wipfli LLP

Sterling, Illinois
January 22, 2026

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Independent Accountant'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

We have examined management of Spoon River College District #534 assertion that Spoon River College District #534 complied with 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 included in the accompanying 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, 2025, 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. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about College's compliance with the specified requirements 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 of the procedures selected depend on our judgment, including an assertion 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 College complied with 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 included in the accompanying 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, 2025, 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 is fairly stated, in all material respects.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Sterling, Illinois
January 22, 2026

Spoon River College District #534

Balance Sheet - State Adult Education and Family Literacy Funds

<i>As of June 30, 2025</i>	State Basic	State Performance	Total
Assets			
Taxes receivable	\$ 1,303	\$ 1,173	\$ 2,476
Total assets	1,303	1,173	2,476
Liabilities and Fund Balance			
Liabilities:			
Accrued liabilities	1,303	1,173	2,476
Total liabilities	1,303	1,173	2,476
Fund balances	-	-	-
Total liabilities and fund balances	\$ 1,303	\$ 1,173	\$ 2,476

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, 2025</i>	State Basic	State Performance	Total
Revenues:			
State sources	\$ 96,588	\$ 65,615	\$ 162,203
Total revenues	96,588	65,615	162,203
Expenditures:			
Personal wages	73,895	48,382	122,277
Fringe benefits	16,813	13,500	30,313
Travel	1,146	920	2,066
Supplies	4,734	2,813	7,547
Total expenditures	96,588	65,615	162,203
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

Years Ended June 30, 2025 and 2024

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instructional generated (45% minimum required)	\$ 92,144	95.40 %

Spoon River College District #534

Notes to ICCB Grant Programs Financial Statements

Note 1: Summary of Significant Accounting Policies

General

The accompanying statements include only those transactions resulting from the State Adult Education & 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

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

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, 2024 through June 30, 2025. 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
January 22, 2026

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, 2025

Total Reimbursable Semester Credit Hours by Term

<u>Credit Hour Categories</u>	Summer Term		Fall Term		Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours						
Baccalaureate	1,554.0	-	6,678.0	-	6,966.0	-	15,198.0	-
Business Occupational	83.0	-	471.0	-	306.0	-	860.0	-
Technical Occupation	145.0	-	815.0	-	979.5	-	1,939.5	-
Health Occupational	298.5	-	1,085.5	-	1,114.0	-	2,498.0	-
Remedial Development	-	-	252.0	-	103.0	-	355.0	-
Adult Education	-	1.0	-	414.0	-	439.0	-	854.0
	2,080.5	1.0	9,301.5	414.0	9,468.5	439.0	20,850.5	854.0

	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:	16,193.5	731.0	3,148.0	-	336.0	-

Credit Hours on Chargeback or Contractual Agreement: 0.0

District equalized assessed valuation \$1,228,084,550

Correctional Semester Credit Hours by Term

<u>Credit Hour Categories</u>	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, 2025

Total Reimbursable Semester Credit Hours						
<u>Credit Hour Categories</u>	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	15,198.0	15,198.0	-	-	-	-
Business Occupational	860.0	860.0	-	-	-	-
Technical Occupation	1,939.5	1,939.5	-	-	-	-
Health Occupational	2,498.0	2,498.0	-	-	-	-
Remedial Development	355.0	355.0	-	-	-	-
Adult Education	-	-	-	854.0	854.0	-
Total:	20,850.5	20,850.5	-	854.0	854.0	-
<u>Credit Hour Categories</u>	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:	16,193.5	16,193.5	-	731.0	731.0	-
Dual Credit Hours:	3,148.0	3,148.0	-	-	-	-
Dual Enrollment Hours:	336.0	336.0	-	-	-	-
Total Correctional Semester Credit Hours						
<u>Credit Hour Categories</u>	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

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 discretely presented component unit Spoon River College District #534 (the "College"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 22, 2026. 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 an opinion 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.

The logo for Wipfli LLP is written in a cursive, handwritten-style font. The letters are black and the overall appearance is professional and elegant.

Wipfli LLP

Sterling, Illinois
January 22, 2026

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

Qualified Opinion on the Major Federal Program

We have audited Spoon River College District #534's (the "College") 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, 2025. 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.

Qualified Opinion on Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Spoon River College District #534 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the *Student Financial Assistance Cluster* for the year ended June 30, 2025.

Basis for Qualified 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.

Matters Giving Rise to Qualified Opinion on the Student Financial Assistance Cluster

As described in the accompanying schedule of findings and questioned costs, the College did not comply with requirement regarding the Student Financial Assistance Cluster as described in finding number 2025-001 for Special Tests and Provisions.

Compliance with such requirement is necessary, in our opinion, for the College to comply with the requirement applicable to that program.

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 College'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 College'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 College'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 College'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 College'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 College'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.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance 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.

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

Wipfli LLP

Wipfli LLP

Sterling, Illinois
January 22, 2026

Spoon River College District No. 534

Schedule of Expenditures of Federal Awards For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Commerce:				
Direct award:				
COVID-19 Economic Adjustment Assistance	11.307	N/A	\$ 223,764	\$ -
U.S. Department of Education:				
Pass-through Illinois Community College Board:				
Adult Education:				
Federal Adult Basic	84.002	5340125	73,036	-
Direct awards:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational				
Opportunity Grants	84.007	N/A	53,127	- (m)
Federal Work Study Program	84.033	N/A	18,005	- (m)
Federal Pell Grant Program	84.063	N/A	2,274,517	- (m)
Federal Direct Loan Program	84.268	N/A	413,512	- (m)
Total student financial assistance cluster			2,759,161	-
Direct award:				
TRIO - Student Support Services	84.042	N/A	293,546	-
Passed through the Illinois Community College Board:				
Perkins Postsecondary Grants	84.048	CTE534-25	82,042	-
Total U.S. Department of Education			\$ 3,207,785	\$ -
Total federal awards expended			\$ 3,431,549	\$ -

(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, 2025

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, 2025. 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 modified 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, 2025, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$413,512.

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, 2025.

Note 6: Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2025.

Spoon River College District #534

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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:

Qualified

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 Assistance Cluster

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)

Section II - Audit Findings in Relation to Financial Statements

No findings related to the financial statements.

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

2025-001 **Special Tests and Provisions - NSLDS 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:	2025

Criteria or Specific Requirement: NSLDS must accurately reflect the student's Program Begin Date for the CIP Code program they are enrolled in and the student's status effective date must accurately reflect their last day of attendance when they withdraw.

Condition: The examination disclosed 11 student, out of 25 out of school student files tested, in which NSLDS was not updated correctly. Eight of the eleven students' Program Begin Date reported to NSLDS is the same date as the student's most recent effective status date, although the student has been enrolled in the program with the same CIP code with prior statuses such as Full time or Three-Quarter Time. The remaining three students were withdrawn students whose last day of attendance was not reported accurately.

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: Yes - Years as Repeat Finding: One

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.



Financial Aid Office
23235 N. County Highway 22
Canton, IL 61520
Phone: (309) 649-7030
Fax: (309) 649-6393
E-mail: financialaid@src.edu

Corrective Action Plan (CAP)

Entity Name: Spoon River College

Federal Program: Student Financial Assistance Cluster (Title IV Programs)

Finding Reference Number: 2025-001 Incorrect NSLDS Reporting

Type of Finding: Noncompliance and Significant Deficiency in Internal Control over Compliance

Condition:

The examination disclosed 11 out of 25 student status change files tested, in which NSLDS was not updated correctly. Eight of the eleven students' Program Begin Date reported to NSLDS is the same date as the student's most recent effective status date, although the student has been enrolled in the program with the same CIP code with prior statuses such as Full time or Three-Quarter Time. The remaining three students were withdrawn students whose last day of attendance was not reported accurately.

The auditor identified noncompliance and a significant deficiency in internal control over compliance related to the administration of Title IV federal financial aid.

Cause:

After thorough review, it was discovered that programmatic data manipulation occurred as a result of attempts to circumvent or bypass National Student Clearinghouse enrollment system error messages, by the Information Technology department. This practice developed due to incomplete resolution of underlying system integration issues and insufficient supervisory review of the corrective steps being taken, in the past. Although no evidence of intentional misrepresentation was found, the manipulation of system data reduced the reliability of automated submissions from the Information Technology department.

Furthermore, it was discovered that a Jenzabar system defect causing withdrawal dates to be incorrectly reported to the National Student Clearinghouse has occurred. Further review has discovered a default date was entered in the NSLDS system by National Student Clearinghouse, in place of the correct withdrawal date listed in the Jenzabar system.

Corrective Action Plan:

Action Step	Responsible Persons	Timeline for Completion	Status/Follow-Up
Identify and document all programmatic data manipulations performed to address error messages and assess impact on compliance reporting.	Kylee Bump, Director of Financial Aid; Brandy Chasteen, Registrar; Raj Siddaraju, CIO	November 2025	Complete
Work with National Student Clearinghouse to resolve underlying system integration and understand error message issues.	Kylee Bump, Director of Financial Aid; Brandy Chasteen, Registrar; Raj Siddaraju, CIO	December 2025	Complete

Action Step	Responsible Persons	Timeline for Completion	Status/Follow-Up
Implement formal data correction policy requiring supervisory approval for any system data adjustments.	Sarah Gray, CFO & Raj Siddaraju, CIO	January 2026	Completed
Conduct staff training on proper error resolution procedures and reinforce internal control expectations.	Sarah Gray, CFO & Raj Siddaraju, CIO	January 2026	Completed
Perform quarterly internal reviews of data integrity and system-generated compliance reports.	Kylee Bump, Director of Financial Aid; Brandy Chasteen, Registrar; Raj Siddaraju, CIO	In Place	Ongoing

Spoon River College District #534

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2025

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

Prior Year Findings:

June 30, 2024

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 2024-001

In regard to the Student Financial Assistance Cluster special test and provisions NSLDS reporting, the examination disclosed 1 instance, out of 6 student files tested, in which their NSLDS was not updated correctly. This finding was repeated in 2025.