

SPOON RIVER COLLEGE FOUNDATION  
Canton, Illinois  
Financial Statements  
June 30, 2012

SPOON RIVER COLLEGE FOUNDATION

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Spoon River College Foundation

We have audited the accompanying statement of assets, liabilities and net assets – cash basis of Spoon River College Foundation (a not-for-profit corporation) as of June 30, 2012, and the related statement of activities – cash basis for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Spoon River College Foundation at June 30, 2012, and the changes in its net assets for the year then ended on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is stated fairly in all material respects in relation to the financial statements as a whole.

*Gordon, Stockman & Waugh, P.C.*

Peoria, Illinois  
December 11, 2012

## SPOON RIVER COLLEGE FOUNDATION

Statement of Assets, Liabilities and Net Assets - Cash Basis  
June 30, 2012

	<u>Current Funds</u>		<u>Endowment Funds</u>	<u>Total All Funds</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>		
<b>Assets:</b>				
Cash and investments at cost (Note 2)	\$ 46,225	346,195	1,363,483	1,755,903
<b>Total assets</b>	<b>\$ 46,225</b>	<b>346,195</b>	<b>1,363,483</b>	<b>1,755,903</b>
<b>Net Assets:</b>				
Unrestricted	\$ 46,225	-	-	46,225
Temporarily restricted	-	346,195	-	346,195
Permanently restricted	-	-	1,363,483	1,363,483
<b>Total net assets</b>	<b>\$ 46,225</b>	<b>346,195</b>	<b>1,363,483</b>	<b>1,755,903</b>

The accompanying notes to the financial statements are an integral part of this statement.

## SPOON RIVER COLLEGE FOUNDATION

Statement of Activities - Cash Basis  
Year Ended June 30, 2012

	Current Funds		Endowment	Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Public Support and Receipts:</b>				
Contributions received	\$ 6,960	224,070	27,847	258,877
Investment income	590	29,856	-	30,446
Transfer	(409)	(400)	809	-
Net assets released from restriction	214,450	(214,450)	-	-
<b>Total receipts</b>	<b>221,591</b>	<b>39,076</b>	<b>28,656</b>	<b>289,323</b>
<b>Expenses Paid:</b>				
Scholarships	81,067	-	-	81,067
Athletic programs	26,010	-	-	26,010
Canton Campus	5,722	-	-	5,722
Literacy activities	13,020	-	-	13,020
Macomb Campus	25,186	-	-	25,186
Administrative/fundraising	16,252	-	-	16,252
Adult education	4,619	-	-	4,619
Community chorus	4,840	-	-	4,840
Land use - Arboretum	42,955	-	-	42,955
Habitat for Humanity	5,728	-	-	5,728
Other	5,302	-	-	5,302
<b>Total expenses paid</b>	<b>230,701</b>	<b>-</b>	<b>-</b>	<b>230,701</b>
<b>Change in net assets</b>	<b>(9,110)</b>	<b>39,076</b>	<b>28,656</b>	<b>58,622</b>
Net assets, beginning of year, as restated	55,335	307,119	1,334,827	1,697,281
Net assets, end of year	\$ 46,225	346,195	1,363,483	1,755,903

The accompanying notes to the financial statements are an integral part of this statement.

# SPOON RIVER COLLEGE FOUNDATION

## Notes to Financial Statements

June 30, 2012

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### Note 1. Summary of Significant Accounting Policies

**Organization:** The Foundation is organized under the General Not-For-Profit Corporation Act of the State of Illinois to support the general welfare of Spoon River College by the solicitation and receipt of grants, endowments and other funds and the allocation of these funds to the College for educational, service, capital and other institutional needs.

**Basis of Accounting:** The financial statements of Spoon River College Foundation have been prepared on the cash basis. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

**Fund Accounting:** To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities and net assets of the Foundation are reported in three self-balancing fund groups as follows:

Current unrestricted funds represent unrestricted resources available for support of the Foundation.

Current restricted funds represent resources restricted by the donor for a particular purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities – cash basis as net assets released from restrictions.

Endowment funds (permanently restricted net assets) represent funds that are subject to restriction that gift principal be invested in perpetuity and that income only be used.

**Investments:** Investment securities are carried at cost. Gains and losses on disposition are based on the net proceeds and the carrying amount of the securities sold, using the specific identification method.

**Income Taxes:** The Foundation has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the organization's tax positions and concluded that the organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Subsequent Events:** Management has evaluated subsequent events and transactions for potential recognition or disclosure through December 11, 2012, which was the date the financial statements were available to be issued. No items requiring disclosure were present.

**SPOON RIVER COLLEGE FOUNDATION**

**Notes to Financial Statements  
June 30, 2012**

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**Note 2. Investments**

Assets of the fund groups are pooled for investment purposes. Cash and investments as of June 30, 2012, are composed of the following:

	<u>Cost</u>	<u>Market Value</u>
Cash	\$ 450,703	450,703
Certificates of deposit	109,322	109,322
Mutual funds	23,988	24,207
Common stocks	752,357	811,671
Preferred stocks	33,260	39,561
Fixed income securities	386,273	394,294
	<u>\$ 1,755,903</u>	<u>1,829,758</u>

Investment income is comprised of the following:

Interest and dividends	\$ 37,829
Realized gains	3,852
Fees charged	<u>(11,235)</u>
	<u>\$ 30,446</u>

**Note 3. Temporarily Restricted Net Assets**

Temporarily restricted net assets represent contributions and interest earned which are purpose restricted for scholarships or other institutional purposes. Net assets released from donor restrictions in the current year were in satisfaction of purpose restrictions.

**Note 4. Endowment**

In 2008, The Financial Accounting Standards Board, (FASB) issued Staff Position No. FAS 117-1, *Endowments of Not-For-Profit Organizations: Net Assets Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutions Fund Act, and Enhanced Disclosures for All Endowment Funds* (now referred to as FASB ASC958-205 subsections). This FASB Staff Position (FSB) provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds

## **SPOON RIVER COLLEGE FOUNDATION**

### **Notes to Financial Statements June 30, 2012**

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#### **Note 4. Endowment (Continued)**

Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission (ULC; formerly known as the National Conference of Commissioners on Uniform State laws) that serves as a guideline for states to use in enacting legislation. The FSB also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

As of June 30, 2012, the Foundation's endowment consists of 42 individual funds established for a variety of purposes. The endowment is comprised of donor-restricted funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **Interpretation of Relevant Law**

The Foundation's board of directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor restrictions to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Investment income is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation on investments
- Other resources of the Foundation
- The investment policies of the Foundation

During the year ended June 30, 2012, investment income of \$29,856 was recorded as temporarily restricted and \$38,637 was appropriated for expenditure.



SPOON RIVER COLLEGE FOUNDATION  
Schedule of Changes in Net Assets  
Year Ended June 30, 2012

	Balance Beginning of Period	Increases		Decreases		Transfers	Balance End of Period
		Gifts	Investment Income	Scholarships	Expenses		
<u>Unrestricted</u>							
Unrestricted	\$ 55,334.97	6,960.38	590.47	-	16,251.83	(408.74)	46,225.25
Total unrestricted	55,334.97	6,960.38	590.47	-	16,251.83	(408.74)	46,225.25
<u>Temporarily Restricted</u>							
General Scholarships	13,608.07	12,956.17	-	20,626.24	-	1,024.11	6,962.11
General Endowed Scholarships	6,345.99	2,240.00	-	2,025.00	-	121.72	6,682.71
Danny Ball Scholarship	909.50	-	-	1,000.00	-	431.43	340.93
Canton Rotary Katric Klingman Scholarship	2,245.38	-	-	1,800.00	-	296.42	741.80
Dorothy Cox Memorial Scholarship	1,079.53	-	-	600.00	-	1,144.61	1,624.14
Carl F. Jackson Scholarship	841.35	-	-	450.00	-	316.97	708.32
Dean & Mildred Crawford Memorial Scholarship	1,523.94	-	-	1,350.00	-	293.49	467.43
Harold Dare Memorial Scholarship	154.81	250.00	-	500.00	-	1,091.87	996.68
Harley Davis Memorial Scholarship	-	426.00	-	-	-	570.00	996.00
Gale E. DeRenzy Memorial Scholarship	-	290.00	-	-	-	500.00	790.00
Early Childhood Education Scholarship	2,024.00	-	-	2,000.00	-	(24.00)	-
Donald & Helen English Memorial Scholarship	374.57	-	-	450.00	-	498.93	423.50
Berniece Kruschinsky Scholarship	993.09	-	-	450.00	-	542.95	1,086.04
Carl Kruschinsky Scholarship	893.09	-	-	450.00	-	542.95	986.04
Francis & Dorothea McPheeters Scholarship	2,792.41	-	-	2,125.00	-	1,438.10	2,105.51
MidAmerica National Bank Scholarship	(3,225.81)	-	-	1,000.00	-	5,282.80	1,056.99
Mildred & Emory Brott Memorial Scholarship	1,295.09	-	-	1,000.00	-	3,756.66	4,051.75
Edward J. Bugos Memorial Scholarship	-	293.47	-	-	-	-	293.47
Gustav & Elizabeth Miller Scholarship	11,693.28	5,000.00	-	3,500.00	-	2,938.12	16,131.40
Molly Kay O'Brien Scholarship	9,571.58	4,161.00	-	-	-	306.29	14,038.87
Sherman Reed Memorial Scholarship	18,528.06	9,086.17	-	8,700.00	-	-	18,914.23
Mr. & Mrs. Glen Rogers Scholarship	8,954.92	-	-	5,400.00	-	6,087.22	9,642.14
PMT Scholarship	6,423.93	854.88	-	1,000.00	-	381.54	6,660.35
W. I. Taylor Memorial Scholarship	3,220.02	2,714.00	-	500.00	-	293.49	5,727.51
Louise Wood Trust Scholarship	1,337.88	-	423.82	675.00	-	293.49	1,380.19
Sherrie L. Wood Nursing Scholarship	-	-	-	750.00	-	1,318.63	568.63
Canton Works Club Scholarship	250.00	3,000.00	-	250.00	-	-	3,000.00
Avis A. Oliver Memorial Scholarship	957.02	-	-	900.00	-	293.49	350.51
F. R. & M. O. Herink Memorial Scholarship	500.00	1,000.00	-	500.00	-	-	1,000.00
Mildred Hunter Scholarship	-	5,004.09	-	-	-	-	5,004.09
Rosie Brown Memorial Nursing Scholarship	1,269.00	360.00	-	-	-	-	1,629.00
Robert Smolich Memorial Scholarship	227.65	-	-	225.00	-	606.54	609.19
B. H. & Jim Taylor Scholarship	1,750.11	-	-	-	-	(1,750.11)	-
B. H. & Jim Taylor Scholarship	-	-	-	-	-	1,227.92	1,227.92
Virgil Ball/Fulton Co. Youth Scholarship	250.00	-	-	-	-	-	250.00
Wesley United Meth. - Fellheimer Scholarship	164.00	15,000.00	-	13,555.00	-	-	1,609.00
IHA Scholarship	250.00	-	-	800.00	-	-	(550.00)
J. Marshall & Helen Quick Scholarship	3,333.27	-	-	2,000.00	-	5,136.05	6,469.32
Katherine Jaeger Scholarship	200.00	400.00	-	200.00	-	-	400.00
Sports Information Intern Scholarship	-	275.00	-	-	-	-	275.00
L. D. & Virginia L. Barnard Scholarship	-	-	-	450.00	-	679.36	229.36
Foundation Board and BOT's Scholarship	2,792.22	2,550.00	-	1,125.00	-	293.49	4,510.71
Alumni Association	266.11	200.00	-	-	59.50	-	406.61
Athletic Program Fund	2,216.47	443.25	-	-	3,456.09	965.00	168.63
Athletic Program Support	9,870.00	-	-	-	5,395.59	(230.00)	4,244.41
Baseball Program	75.00	6,263.00	-	-	8,118.00	1,730.00	(50.00)
Softball Program	40.40	9,314.93	-	-	6,145.63	1,500.00	4,709.70

SPOON RIVER COLLEGE FOUNDATION  
Schedule of Changes in Net Assets  
Year Ended June 30, 2012

	Balance Beginning of Period	Increases		Decreases			Balance End of Period
		Gifts	Investment Income	Scholarships	Expenses	Transfers	
Golf Program - Men's	2,248.22	-	-	-	2,668.88	535.00	114.34
Golf Program - Women's	1,277.50	-	-	-	225.50	500.00	1,552.00
Canton Area Economic Development	8,714.75	-	-	-	1,000.00	-	7,714.75
Canton Campus	58,161.81	18,473.77	-	-	5,722.03	(5,000.00)	65,913.55
College for Kids	(408.74)	-	-	-	-	408.74	-
Funk Kitchen	510.33	-	-	-	-	-	510.33
Havana Center	1,343.26	10.00	-	-	1,352.80	-	0.46
Macomb Center	33,600.82	21,518.13	-	-	25,186.42	-	29,932.53
Rushville Center	(2,319.61)	1,000.00	-	-	49.28	2,400.00	1,031.11
Adult Ed and Family Literacy/GED	6,948.81	75.00	-	-	450.00	-	6,573.81
Ag Fundraising	217.25	-	-	-	-	-	217.25
Community Chorus	3,414.80	7,795.00	-	-	4,839.57	(1,879.00)	4,491.23
Friends of SRC Theatre	641.04	100.00	-	-	-	-	741.04
Nursing Fundraising	1,264.27	945.00	-	-	1,164.46	-	1,044.81
Habitat for Humanity	5,403.56	2,324.00	-	-	5,727.56	-	2,000.00
Historic Preservation Grant	424.31	330.00	-	-	754.31	-	-
Retirees Leading Institute	5,101.40	5,173.00	-	-	4,169.17	-	6,105.23
SRC - Learning Resource Center	748.55	-	-	-	-	-	748.55
Student Activities	56.31	-	-	-	-	-	56.31
The Big Read	1,585.92	14,931.04	-	-	13,020.17	-	3,496.79
Tools & Equipment - Ditec	4,454.47	3,849.60	-	-	922.42	-	7,381.65
Undistributed Interest	38,637.44	-	25,579.30	-	-	(38,637.47)	25,579.27
Realized gains (losses)	(16,149.35)	-	3,852.43	-	-	-	(12,296.92)
Land Use	6,869.26	-	-	-	-	-	6,869.26
Land Lab	18,665.85	47,813.62	-	-	42,954.64	-	23,524.83
PEEPS	(1,504.67)	1,655.67	-	-	-	-	151.00
Relay for Life	165.00	-	-	-	-	-	165.00
Smart Classrooms	2,521.68	440.00	-	-	-	(2,400.00)	561.68
Gene & Marie Long Trust	-	15,554.00	-	-	-	-	15,554.00
Vivian W. Ashton Memorial Scholarship	1,072.02	-	-	500.00	-	293.49	865.51
Dr. Fred Benson Scholarship	1,072.02	-	-	250.00	-	293.49	1,115.51
Canton Elks Lodge #626 Scholarship	1,136.83	-	-	1,000.00	-	557.63	694.46
Tom Greenwell Memorial Scholarship	862.02	-	-	450.00	-	293.49	705.51
Kiwanis Club of Canton Scholarship	1,165.83	-	-	1,000.00	-	557.63	723.46
Red Dog Cystic Fibrosis Scholarship	572.02	-	-	250.00	-	293.49	615.51
Severinsen Memorial Scholarship	(750.00)	-	-	-	-	1,190.23	440.23
Spoon River Partnership for Economic Development	1,072.02	-	-	1,260.62	-	293.49	104.89
Truman Standard Trust	2,325.89	-	-	-	-	-	2,325.89
Total temporarily restricted	307,118.82	224,069.79	29,855.55	81,066.86	133,382.02	(400.26)	346,195.02

SPOON RIVER COLLEGE FOUNDATION  
Schedule of Changes in Net Assets  
Year Ended June 30, 2012

	Balance Beginning of Period	Increases		Decreases		Transfers	Balance End of Period
		Gifts	Investment Income	Scholarships	Expenses		
<b>Permanently Restricted - Endowment</b>							
General Endowed Scholarships	17,776.34	-	-	-	-	-	17,776.34
Avis A. Oliver Memorial Endowment	10,000.00	-	-	-	-	-	10,000.00
Danny Ball Endowment	14,700.00	-	-	-	-	-	14,700.00
L.D. & Virginia L. Barnard Endowment	12,981.00	-	-	-	-	-	12,981.00
Canton Rotary Ketric Klingman Endowment	10,100.00	-	-	-	-	-	10,100.00
Carl F. Jackson Endowment	10,800.00	-	-	-	-	-	10,800.00
Dorothy Cox Memorial Endowment	39,000.00	-	-	-	-	-	39,000.00
Dean & Mildred Crawford Memorial Endowment	10,000.00	-	-	-	-	-	10,000.00
Harold Dare Memorial Endowment	10,000.00	-	-	-	-	-	10,000.00
Gale E. DeRenzy Memorial Endowment	-	10,000.00	-	-	-	-	10,000.00
Donald & Helen English Memorial Endowment	17,000.00	-	-	-	-	-	17,000.00
Berneice Kruschinsky Endowment	18,500.00	-	-	-	-	-	18,500.00
Carl Kruschinsky Endowment	18,500.00	-	-	-	-	-	18,500.00
MidAmerica National Bank Endowment	180,000.00	-	-	-	-	-	180,000.00
Mildred & Emory Brott Memorial Endowment	128,000.00	-	-	-	-	-	128,000.00
Edward J. Bugos Memorial Endowment	-	10,000.00	-	-	-	-	10,000.00
Gustav & Elizabeth Miller Endowment	100,110.00	-	-	-	-	-	100,110.00
Francis & Dorothea McPheeters Endowment	49,000.00	-	-	-	-	-	49,000.00
Molly Kay O'Brien Memorial Endowment	10,436.28	-	-	-	-	-	10,436.28
PMT Endowment	13,000.00	-	-	-	-	-	13,000.00
Sherman Reed Memorial Endowment	30,500.00	-	-	-	-	-	30,500.00
Robert Smolich Memorial Endowment	10,500.00	-	-	-	-	-	10,500.00
Louise Wood Endowment	10,000.00	-	-	-	-	-	10,000.00
W. I. Taylor Endowment	10,000.00	-	-	-	-	-	10,000.00
SRC Alumni Scholarship	489.00	951.00	-	-	-	-	1,440.00
Foundation Board and BOT's Scholarship	10,000.00	-	-	-	-	-	10,000.00
Tom Greenwell Memorial Scholarship	10,000.00	-	-	-	-	-	10,000.00
Mr. & Mrs. Glen Rogers Endowment	239,778.00	-	-	-	-	-	239,778.00
Vivian W. Ashton Memorial Scholarship	10,000.00	-	-	-	-	-	10,000.00
Dr. Fred Benson Endowment	10,000.00	-	-	-	-	-	10,000.00
Canton Elks Lodge #626 Endowment	19,000.00	-	-	-	-	-	19,000.00
Harley Davis Memorial Scholarship	8,850.00	341.00	-	-	-	809.00	10,000.00
Bradley K. Watson Scholarship	5,000.00	2,550.00	-	-	-	-	7,550.00
Canton Rotary Club Scholarship	4,000.00	1,500.00	-	-	-	-	5,500.00
Shay Jockisch Memorial Scholarship	-	2,505.00	-	-	-	-	2,505.00
Kiwanis Club of Canton Endowment	19,000.00	-	-	-	-	-	19,000.00
J. Marshall & Helen Quick Endowment	175,000.00	-	-	-	-	-	175,000.00
Red Dog Cystic Fibrosis Endowment	10,000.00	-	-	-	-	-	10,000.00
Severinsen Memorial Endowment	15,000.00	-	-	-	-	-	15,000.00
Spoon River Partnership for Economic Development	10,000.00	-	-	-	-	-	10,000.00
Sherrie L Wood Memorial Nursing Endowment	15,967.50	-	-	-	-	-	15,967.50
B.H. & Jim Taylor Endowment	41,838.61	-	-	-	-	-	41,838.61
Total permanently restricted	1,334,826.73	27,847.00	-	-	-	809.00	1,363,482.73
Totals	\$ 1,697,280.52	258,877.17	30,446.02	81,066.86	149,633.85	0.00	1,755,903.00