2019
Comprehensive Annual Financial Report
Fiscal years ended June 30, 2019 and 2018

Carl Sandburg College District 518
2400 Tom L. Wilson Blvd.
Galesburg, IL 61401
sandburg.edu

CARL SANDBURG COLLEGE –

COMMUNITY COLLEGE DISTRICT 518

GALESBURG, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal years ended June 30, 2019 and 2018

Prepared by: Finance Department
Cory Gall, Chief Financial Officer/Treasurer

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INTRODUCTORY SECTION

President's Letter

September 11, 2019

Dear Members of the Board,

I am pleased to submit to the Board and the residents of District 518 the Comprehensive Annual Financial Report for Fiscal Year 2019. This document represents a record of the College's financial activities for the year ending June 30, 2019.

This past year the college again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and we are proud to have this achievement.

Carl Sandburg College remains a critically important institution for the residents of the district who seek academic opportunity, preparation for the workforce, or continuing education for those still in the workplace. It also provides access to courses and programs for personal enrichment of our residents and communities.

The College is in a strong fiscal position and this has been strengthened by the stabilization in state support. In addition to regular payments to base operating grants, the state has also made available funds for deferred maintenance and capital projects. The College's enrollment has begun to even out and we are hopeful for enrollment growth in the coming year. Additionally, the College faculty and staff are working diligently to support student success by providing ongoing support.

I appreciate the opportunity to present this report and want to thank the staff and leadership team for their commitment to excellence. I am privileged to serve this institution and grateful for the community, students, faculty and staff, and board for their collaborative efforts to change lives and make dreams a reality.

Respectfully,

Dr. Seamus Reilly
President

EXCELLENCE I COLLABORATION I INTEGRITY I RESPECT

Main Campus, 2400 Tom L. Wilson Blvd., Galesburg, IL 61401 Phone 309.344.2518
Fax 309.344.1395 The Branch Campus, 305 Sandburg Dr., Carthage, IL 62321 Phone
217.357.3129 Fax 217.357.3512 The Extension Center, 380 East Main St., Bushnell,
IL 61422 Phone 309.772.2177 Fax 309.772.2958

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Transmittal Letter

September 11, 2019

To President Reilly,
Members of the Board of Trustees, and
Citizens of Carl Sandburg College District No. 518:

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Wipfli LLP has issued an unmodified (clean) opinion on Carl Sandburg Community College District No. 518 basic financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of the report.

This letter of transmittal should be read in conjunction with Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and it focuses on current activities, accounting changes and currently known facts.

VISION, MISSION AND VALUES

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College's district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage. We serve a diverse group of students. In the fall of 2018, the College enrolled 1,860 students, with an average age of 23 years. Women represented 65 percent of the student body and 55 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

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IL 61422 Phone 309.772.2177 Fax 309.772.2958

The following table illustrates enrollments and credit hours over the last six years.

Fiscal Year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Fall College enrollment	2,328	2,200	2,082	1,927	1,947	1,860
Annual Full-time equivalents	1,451	1,436	1,258	1,229	1,201	1,177
Continuing Education Credit Hours	548	660	517	430	673	718
Total Annual Credit Hours	43,525	43,090	37,748	36,863	36,020	35,282

The College has the resources required to serve student enrollment. In 2010, The Higher Learning Commission North Central Association of College and Schools continued accreditation for ten years and indicated that fiscal management was a strong asset of the College.

The Strategic Planning process for the College includes an environmental scan, SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis with the entire College community, a review of the mission statement and current focal points and goals, and a determination of core values. Based upon feedback from the process, the following mission statement, core values and vision statement were crafted.

The College's Mission
The mission of Carl Sandburg College is to provide all students with opportunities for success.

Core Values
The following four Core Values have been identified: Excellence, Collaboration, Integrity and Respect. While it can be noted that these are not an exhaustive list of the values of Carl Sandburg College, these are simply the four most representative of Carl Sandburg College.

Our Vision Statement
Where dreams come to life, and lives come to change.

Major Goals and Objectives
Carl Sandburg College believes everyone should have access to quality education. Our strategies focus on communication internally/externally with students, staff and stakeholders of our district. The following four main goals and objectives have been designed to shape departmental, programmatic, and individual decision making. We believe that these areas should drive all activities that are undertaken throughout the year.

Creativity
Collaboration
Communication
Quality
Inclusivity

FINANCIAL INFORMATION

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental and Financial Accounting Standards Boards, the National Association of College and University Business Officers and the Illinois Community College Board (ICCB). The ICCB requires accounting by funds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes to the financial statements expand and explain the financial statements and the accounting principles applied.

Internal Control. Management of the College is responsible for establishing and maintaining an internal control structure designed to protect the assets of the College, to prevent loss from theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls. The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the College continues to meet its responsibility for sound financial management.

ECONOMIC CONDITION

A growing economy typically means a slowdown in enrollment for community colleges as employment opportunities are more available. Carl Sandburg College District 518 has been affected by the dropping enrollment across the State, but there are signs that the levels may be stabilizing. The College is well positioned to expand its dual credit offerings and provide opportunities for high school students to earn college credit, reduce their overall debt load, and graduation with a baccalaureate degree. A recent study shows that Illinois leads the nation in successful transfer of community college students who complete a bachelor's degree within six years of transferring.

The State of Illinois budget situation created uncertainty for all colleges in the State. Carl Sandburg College District 518, thanks to prudent fiscal management, is well positioned to rebound from this fiscal uncertainty. The shift from full-time to part-time in enrollment is something that the College will address, but the blending of compressed courses, online delivery, and the use of technology means that the College is prepared to respond to the changing trends. Carl Sandburg College District 518 is experiencing growth and expansion in some areas including manufacturing.

Property Taxes. The following table illustrates the College's property tax levy rates over the last five fiscal years.

Levy Rates (Per $100 of assessed valuation):

Fund Type	2019	2018	2017	2016	2015
Current:					
Education	0.2412	0.2497	0.2463	0.2181	0.2146
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1202	0.1191	0.1162	0.1199	0.1205
Audit	0.0050	0.0050	0.0050	0.0050	0.0050
Working Cash	-	-	-	-	-
Social Security/Medicare	0.0100	0.0100	0.0101	0.0100	0.0106
Bond and Interest	0.1713	0.1757	0.1547	0.2103	0.2187
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0500	0.0500	0.0494	0.0059	0.0058
Total	0.6478	0.6595	0.6317	0.6192	0.6252

The College District's 2019 tax levy base of $1,819,707,031 increased by 3.2% over the 2018 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2019, local property taxes accounted for approximately 37% of total revenues.

Debt. Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2019, the college issued 2019A and 2019B bonds to refund 2009, 2010C and 2010D bonds.

Cash Management. For the purpose of overall investment of excess funds, the College is governed by the Illinois Public Community College Act (Chapter 110 of Illinois Compiled Statutes Act 805) and the Illinois Public Funds Investment Act (Chapter 30 of Illinois Compiled Statutes Act 235). The fiduciary responsibility for said investments is entrusted to the College Board of Trustees who has delegated this function to the Treasurer of the College as permitted by the Illinois Public Community College Act.

In keeping with existing Board policy, all investments of excess funds are made in a prudent, conservative and secure manner and in accordance with the guidelines detailed in the College Investment Policy No. 2.6 approved by the Board of Trustees.

The College has been able to locally fund building renovations/improvements through the use of accumulated interest on our Working Cash fund and Technology Quasi-Endowment Fund. The College's improvements for fiscal year 2019 included investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication and security equipment.

The College was successful in extending our labor agreement through June 30, 2022 as a result of our Interest Based Bargaining (IBB) process with Sandburg Education Association (SEA). This incorporates the belief that each student is entitled to an education of the highest quality and that the attainment of this objective is dependent upon the quality and morale of the employees.

PROSPECTS FOR THE FUTURE

Despite challenges encountered during the State of Illinois budget impasse, Carl Sandburg College District 518 maintains a favorable financial position. Fund reserves used during the impasse have been repaid. Budget goals for fiscal year 2019 were met and the College continues to enjoy the favorable bond rating of AA (stable outlook). The future is not without potential challenges; political changes, pension reform and growing costs will all affect how Carl Sandburg College District 518 is able to serve students and the community. Carl Sandburg College District 518 will continue to adapt to changing fiscal outlook and looks forward to a promising future.

AWARDS AND ACKNOWLEDGEMENTS

The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the sixteenth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

Cory J. Gall
Chief Financial Officer

Illinois Community College District No. 518
Principal Officials as of June 30, 2019

Board of Trustees

Name	Position	Term Expires
Ms. Gayla J. Pacheco	Chairperson	2023
Mr. William C. Robinson	Vice Chairperson	2023
Ms. Sandra L. Wood	Trustee	2023
Mr. Thomas H. Colclasure	Trustee	2021
Mr. Bruce A. Lauerman	Trustee	2021
Rev. Lee E. Johnson	Trustee	2025
Ms. Tracy Engstrom	Staff Representative	
Ms. Stacey Bainter	Faculty Representative	

Officers of the College

Dr. Seamus Reilly	President
Ms. Carrie Hawkinson	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services

Administrative Staff

Mr. Michael Bailey	Athletic Director
Mr. Jason Stalides	Director of TRIO Upward Bound
Mr. Cory Gall	Chief Financial Officer/Treasurer
Mr. Kip Canfield	Director of Public Safety
Ms. Mollye Craterfield	Director of Recruitment
Mr. Rick Eddy	Director of Admissions & Records
Ms. Brittany Grimes	Director of Marketing & Public Relations
Ms. Lisa Hanson	Director of Financial Aid
Ms. Ellen Henderson-Gasser	Director of Branch Campus
Ms. Stephanie Hilten	Director of Advancement
Ms. Michelle Johnson	Director of Institutional Effectiveness/Compliance
Ms. Gina Krupps	Director of Human Resources
Ms. Misty Lyon	Dean of Student Success
Ms. Christina Gray	Dean of Health Professions
Ms. Stacey Rucker	Director of Corporate & Leisure College
Ms. Autumn Scott	Director of TRIO SSS
Dr. Connie Thurman	Dean of Institutional Effectiveness/Human Resources
Mr. Robert Stevens	Director of Technology Services
Ms. Stephanie Woodard	Director of TRIO Upward Bound Math & Science

Official Issuing Report

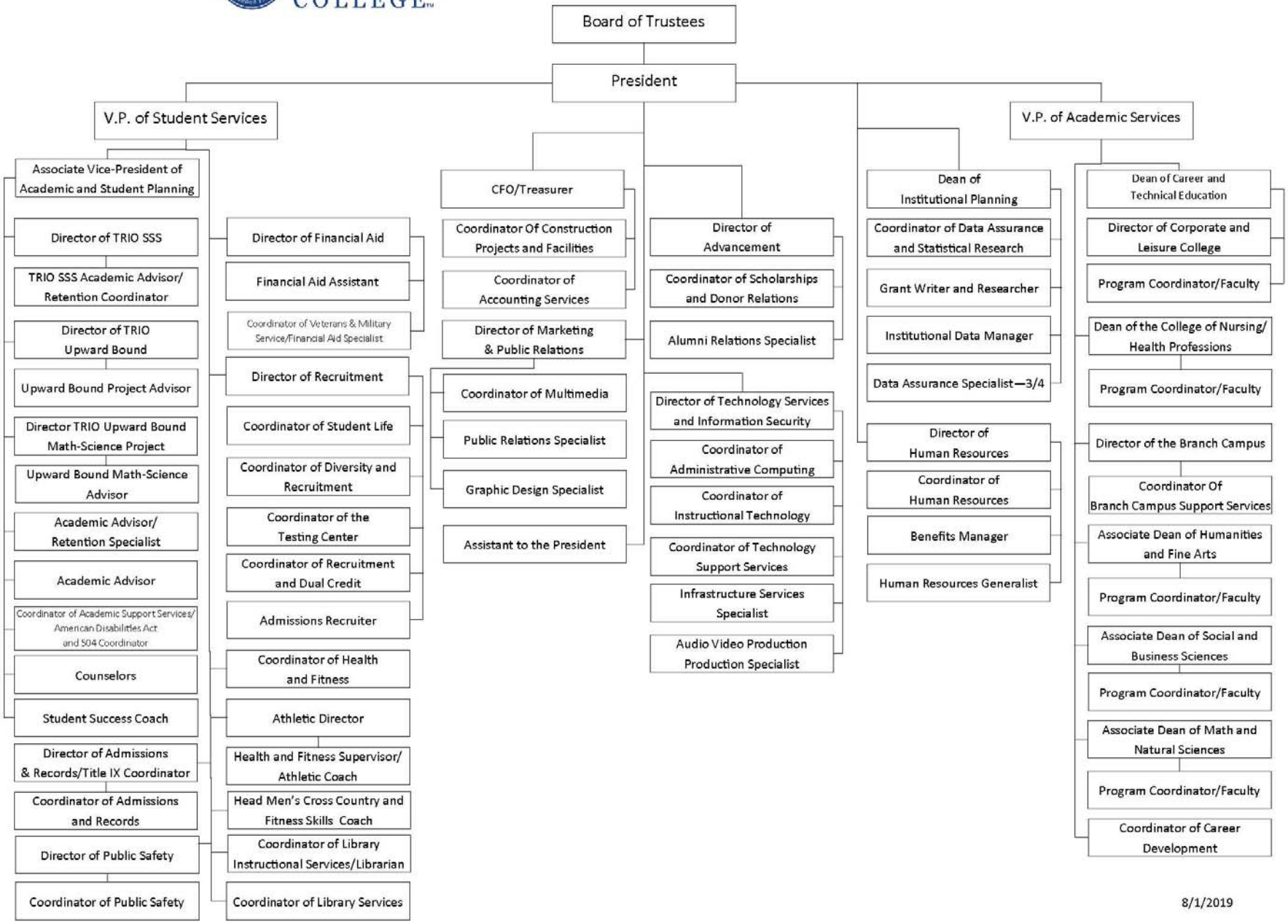
Mr. Cory Gall, Chief Financial Officer/Treasurer

Department Issuing Report

Finance Office

CARL SANDBURG COLLEGE

ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carl Sandburg College

Community College District 518

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

WIPFLi LLP

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Carl Sandburg College
Community College District 518
Galesburg, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518, as of June 30, 2019 and 2018, and the 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the 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, 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 basic 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, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The introductory section, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by 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 is also not a required part of the basic financial statements.

The supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 annual federal financial compliance section and the supplemental financial information listed under the special reports section of the table of contents are fairly presented in all material respects in relation to the financial statements taken as a whole.

The introductory section, statistical section and other supplemental financial information listed in the special reports section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2019, 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 the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
September 11, 2019

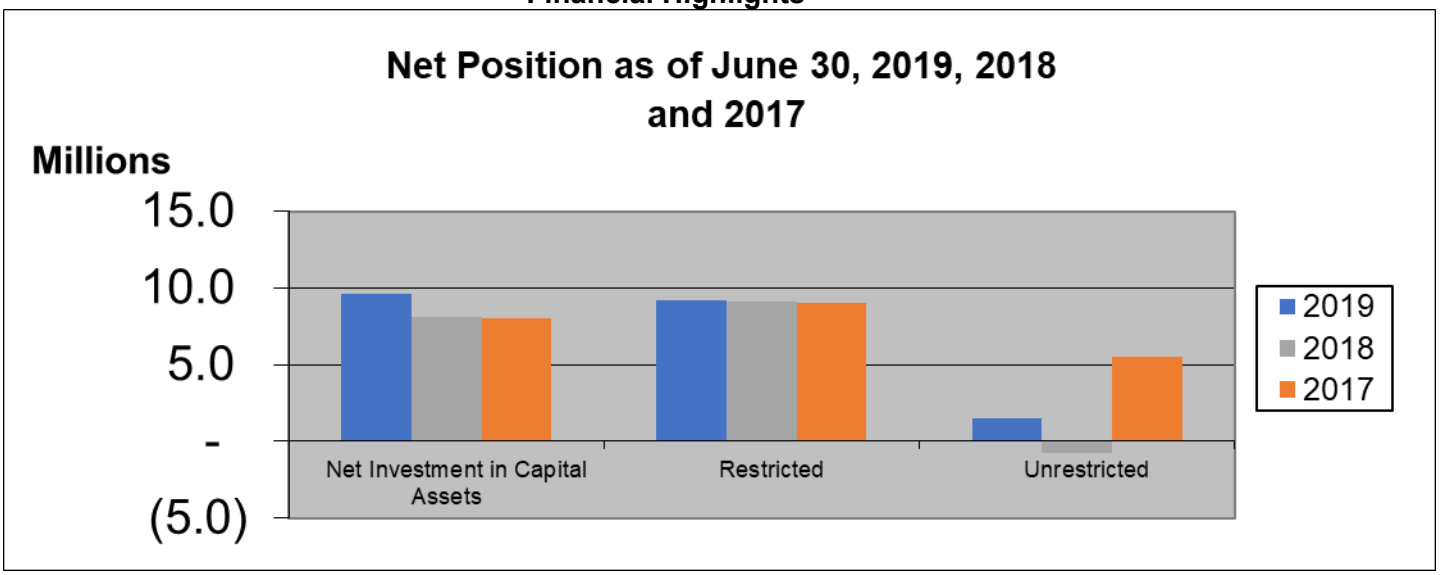
This section of Carl Sandburg College – Community College District 518's (the "College") Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2019 and 2018. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter,

Using This Annual Report

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. The financial statements presented here encompass the College and its discretely presented component unit, the Carl Sandburg College Foundation. Information regarding this component unit is summarized in Note (9) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

Financial Highlights



	Net Position As of June 30, (in millions)				
	2019	2018	Increase (Decrease) 2019-2018	As Restated 2017	Increase (Decrease) 2018-2017
Current assets	$34.1	$31.2	$2.9	$25.7	$5.5
Non-current assets					
Capital assets, net of depreciation	16.5	16.4	0.1	16.8	(0.4)
Other	7.4	8.0	(0.6)	12.1	(4.1)
Total assets	58.0	55.6	2.4	54.6	1.0
Total deferred outflows of resources	0.3	0.1	0.2	0.1	0.0
Total assets and deferred outflows of resources	58.3	55.7	2.6	54.7	1.0
Current liabilities	4.2	3.9	0.3	4.1	(0.2)
Non-current liabilities	20.0	22.8	(2.8)	25.4	(2.6)
Total liabilities	24.2	26.7	(2.5)	29.5	(2.8)
Total deferred inflows of resources	13.7	12.6	1.1	11.3	1.3
Total liabilities and deferred inflows of resources	37.9	39.3	(1.4)	40.8	(1.5)
Net position					
Net investment in capital assets	9.6	8.1	1.5	8.0	0.1
Restricted	9.2	9.1	0.1	9.0	0.1
Unrestricted	1.6	(0.8)	2.4	(3.1)	2.3
Total	$20.4	$16.4	$4.0	$13.9	$2.5

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

Fiscal Year 2019 Compared to 2018

Current assets increased $2.9 million due to an increase in short term investments in order to meet obligations. In addition, property tax receivables were higher at year end.

Non-current assets decreased $0.5 million due to a decrease in long term investments and the increase in accumulated depreciation.

Current liabilities increased $0.3 million due to an increase in bonds payable, net of unamortized premiums.

Non-current liabilities decreased $2.8 million due to payments made on outstanding bonds.

Deferred inflows of resources increased $1.1 million with changes to other post-employment benefits and deferred property taxes.

Total net position at June 30, 2019 increased by $4 million. The restricted net assets are restricted for $9.2 million of debt service payments and working cash reserves.

Fiscal Year 2018 Compared to 2017

Current assets increased $5.5 million due to an increase in short term investments in order to meet obligations. In addition, state funds were received at the end of fiscal year 2018.

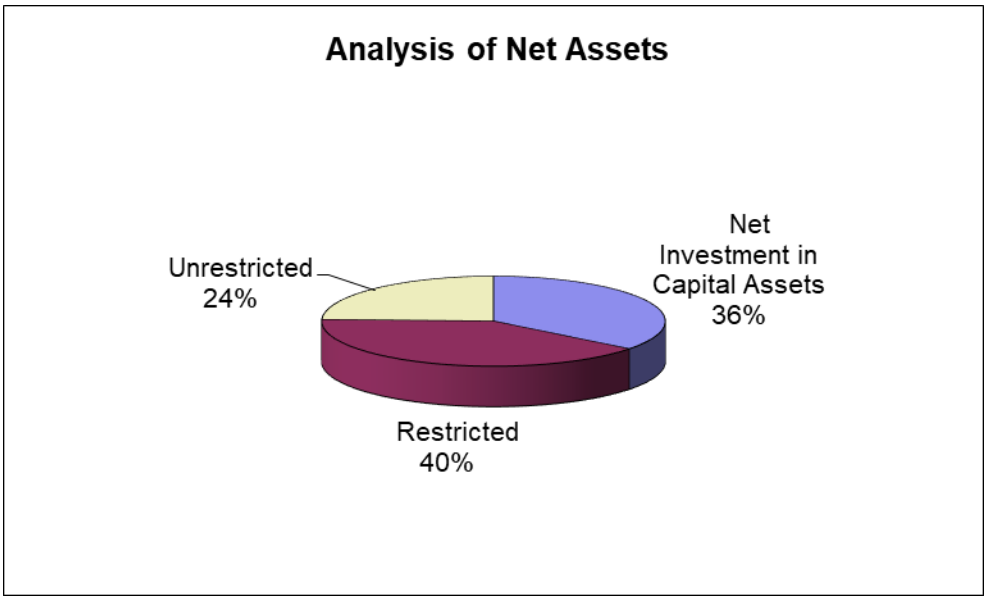
Non-current assets decreased $4.5 million due to a decrease in long term investments and the increase in accumulated depreciation.

Current liabilities decreased $0.2 million due to decreased current bond payments due.

Non-current liabilities decreased $2.6 million due to payments made on outstanding bonds.

Deferred inflows of resources increased $1.3 million with changes to other post-employment benefits.

Total net position at June 30, 2018 increased by $2.5 million. The restricted net position is restricted for $9.1 million of debt service payments and working cash reserves.


Analysis of Net Assets
Unrestricted
24%
Net
Investment in
Capital Assets
36%
Restricted
40%

Operating Results for the Year Ended June 30, (in millions)

	2019	2018	Increase (Decrease) 2019-2018	As Restated 2017	Increase (Decrease) 2018-2017
Operating revenue					
Tuition and fees	$5.1	$5.3	$(0.2)	$4.5	$0.8
Auxiliary	0.2	0.2	0.0	0.2	0.0
Total operating revenue	5.3	5.5	(0.2)	4.7	0.8
Less operating expenses	28.0	28.0	0.0	35.4	(7.4)
Operating loss	(22.7)	(22.5)	(0.2)	(30.7)	8.2
Non-operating revenue					
State grants and contracts	2.3	2.3	0.0	2.7	(0.4)
Federal grants and contracts	5.5	5.4	0.1	5.2	0.2
Property taxes	11.8	11.1	0.7	10.5	0.6
Investment income	0.6	0.3	0.3	0.2	0.1
Other	6.9	6.4	0.5	6.8	(0.4)
Gain (loss) on disposal of assets	0.0	0.0	0.0	(0.3)	0.3
Interest expense	(0.4)	(0.5)	0.1	(0.6)	0.1
Total net non-operating revenues	26.7	25.0	1.7	24.5	0.5
Increase (decrease) in net position	4.0	2.5	1.5	(6.2)	8.7
Net position, beginning of year, as restated	16.4	13.9	2.5	20.1	(6.2)
Net position, end of year	$20.4	$16.4	$4.0	$13.9	$2.5

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2019 were $32 million and $28 million, respectively. Fiscal year 2018 total revenues and expenses (Operating and Non-Operating) were $30.5 million and $28 million, respectively. Fiscal year 2017 total revenues and expenses (Operating and Non-Operating) were $29.2 million and $35.4 million.

Fiscal Year 2019 Compared to 2018

Operating revenue decreased $0.2 million over the prior year due to a decrease in tuition revenue.

Operating expenses remained consistent with the prior year.

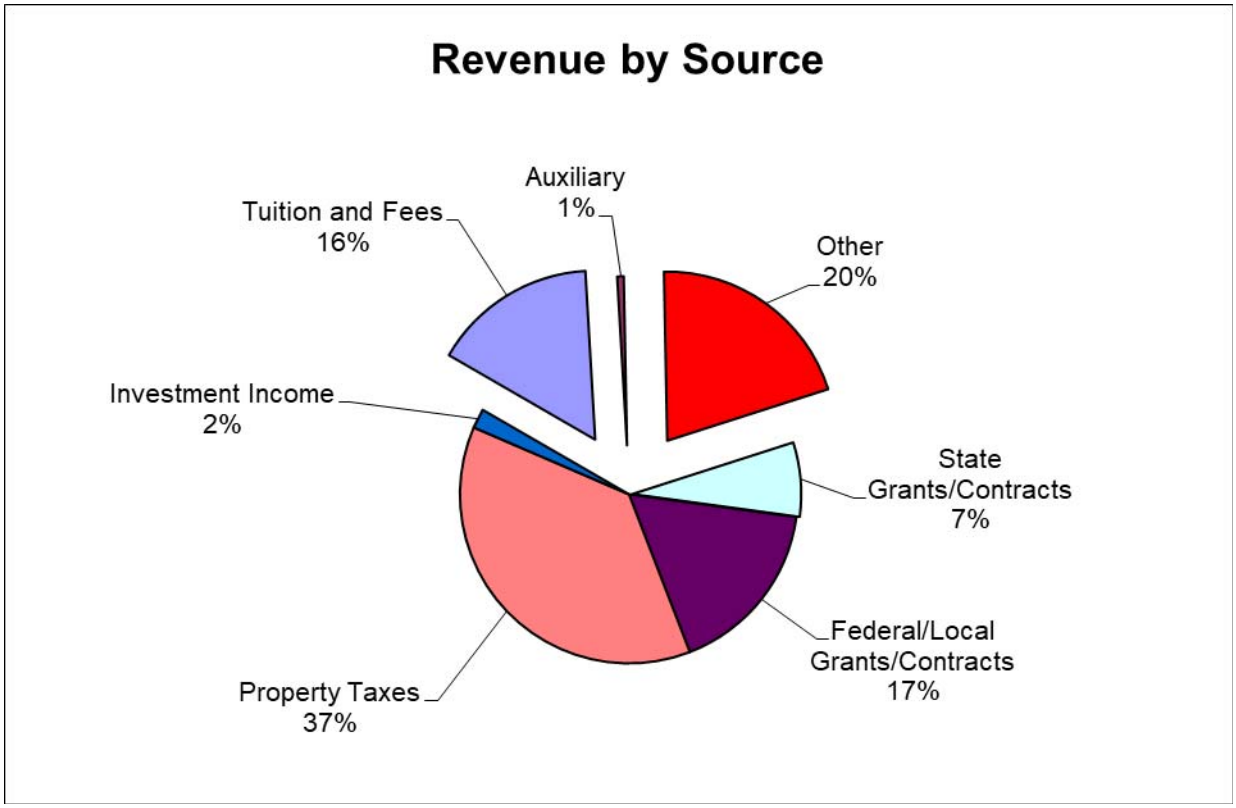
Net non-operating revenue increased $1.7 million due to increases in property taxes and other non-operating revenues.

Fiscal Year 2018 Compared to 2017

Operating revenue increased $0.8 million over the prior year due to a decrease in scholarship allowances.

Operating expenses as of June 30, 2018, decreased $7.4 million due to an increase in other post-employment benefits recognized in fiscal year 2017 due to an accounting rule change.

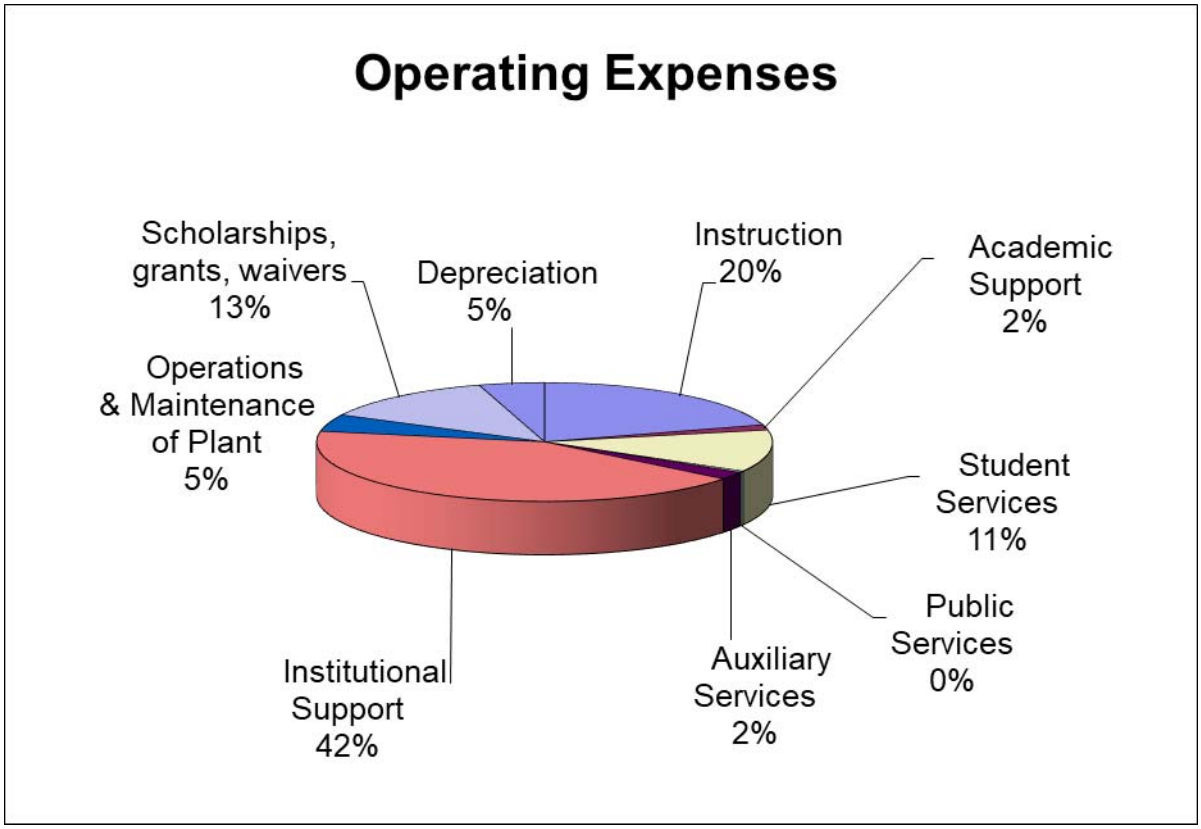
Net non-operating revenue and expenses remained consistent with the prior year.

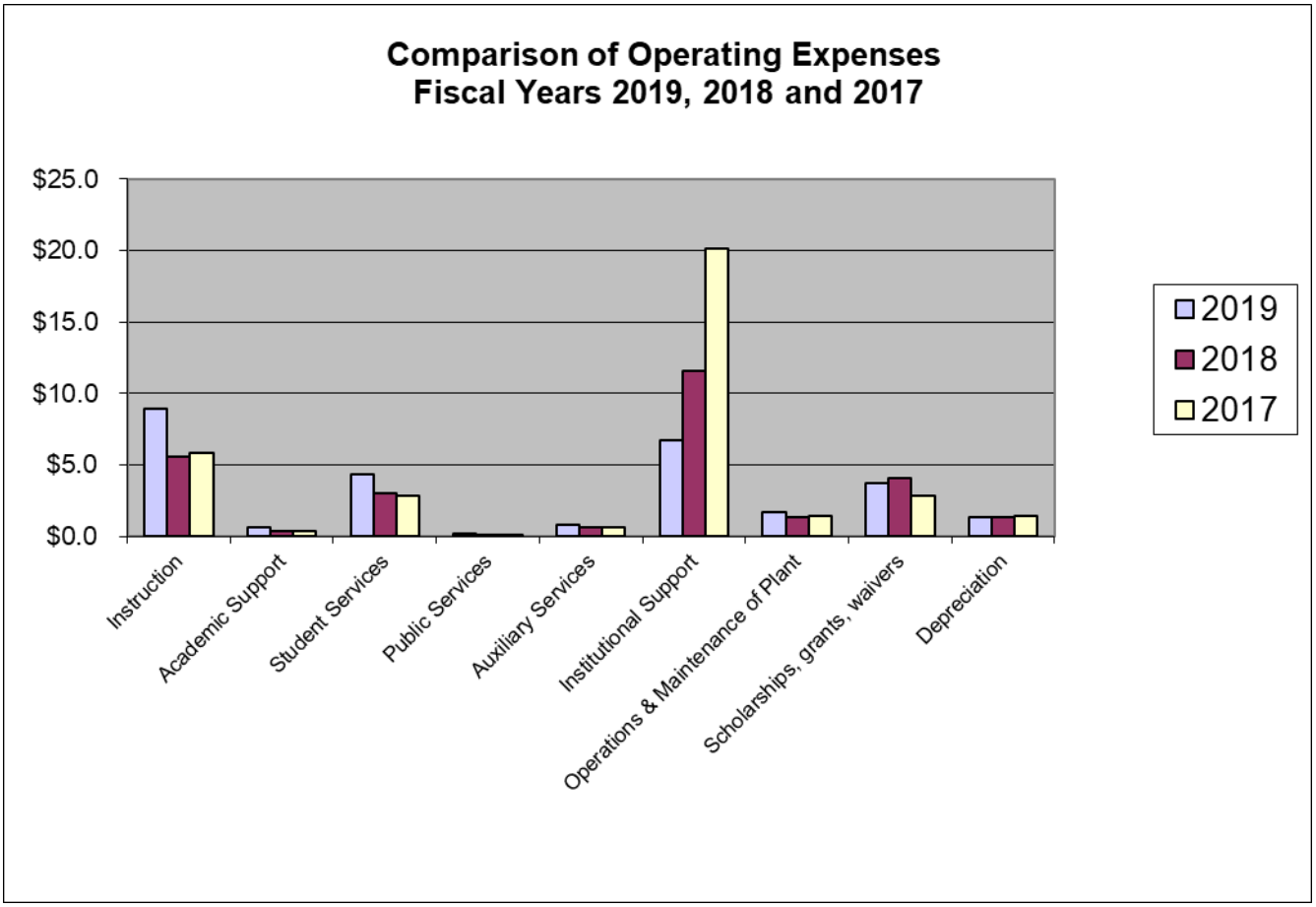


Operating Expenses
For the Year Ended June 30,
(in millions)

Operating expense	2019	2018	Increase (Decrease) 2019-2018	As Restated 2017	Increase (Decrease) 2018-2017
Instruction	$8.9	$5.6	$3.3	$5.8	($0.2)
Academic support	0.5	0.4	0.1	0.4	0.0
Student services	4.3	3.0	1.3	2.8	0.2
Public services	0.2	0.1	0.1	0.1	0.0
Auxiliary services	0.8	0.6	0.2	0.6	0.0
Operations & maintenance of plant	1.7	1.3	0.4	20.1	(8.5)
Institutional support	6.6	11.6	(5.0)	1.4	(0.1)
Scholarships, grants, waivers	3.7	4.1	(0.4)	2.8	1.3
Depreciation	1.3	1.3	0.0	1.4	(0.1)
Total	$28.0	$28.0	$0.0	$35.4	($7.4)

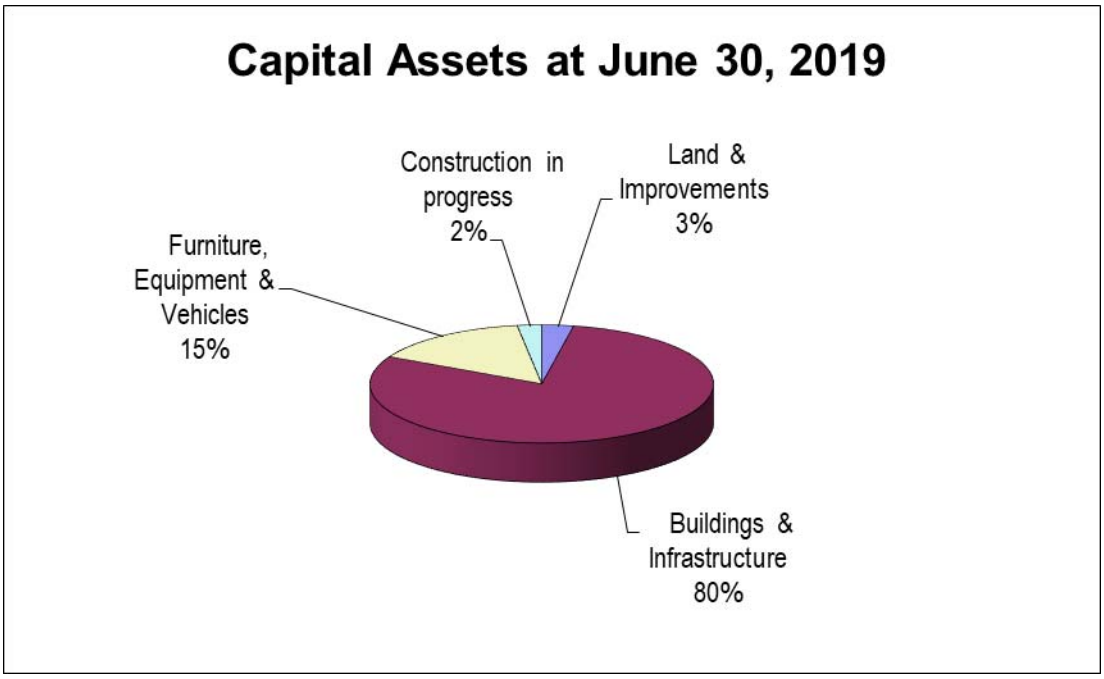
The following is a graphic illustration of operating expenses for the year ended June 30, 2019.




Comparison of Operating Expenses
Fiscal Years 2019, 2018 and 2017
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
Instruction
Academic Support
Student Services
Public Services
Auxiliary Services
Institutional Support
Operations & Maintenance of Plant
Scholarships, grants, waivers
Depreciation
2019
2018
2017

Capital Assets, Net
June 30,
(in millions)

	2019	2018	Increase (Decrease) 2019-2018	2017	Increase (Decrease) 2018-2017
Capital assets					
Land & improvements	$1.3	$1.3	$0.0	$1.3	$0.0
Buildings & infrastructure	34.8	34.8	0.0	34.7	(0.1)
Furniture, equipment, & vehicles	6.5	5.6	0.9	5.4	0.2
Construction in progress	1.1	0.6	0.5	0.1	0.5
Total	43.7	42.3	1.4	41.5	0.8
Less accumulated depreciation	(27.2)	(25.9)	(1.3)	(24.6)	(1.3)
Net capital assets	$16.5	$16.4	($0.1)	$16.9	($0.5)



Fiscal Year 2019 Compared to 2018

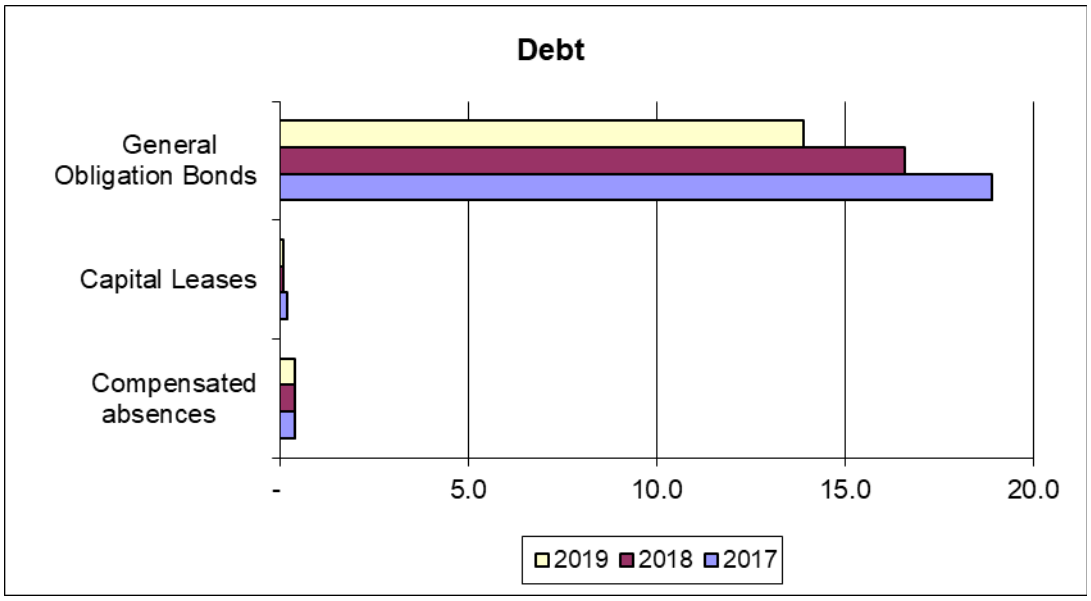
As of June 30, 2019, the College had recorded $43.7 million invested in capital assets, $27.2 million in accumulated depreciation, and $16.5 million in net capital assets. The College started construction on a new entrance ramp, a roof replacement and a patio entrance. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Fiscal Year 2018 Compared to 2017

As of June 30, 2018, the College had recorded $42.3 million invested in capital assets, $25.9 million in accumulated depreciation, and $16.4 million in net capital assets. The College started construction on a new emergency fire detection system and a new lakeside patio. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Debt
June 30,
(in millions)

	2019	2018	Increase (Decrease) 2019-2018	2017	Increase (Decrease) 2018-2017
General obligation bonds	$13.9	$16.6	($2.7)	$18.9	($2.3)
Capital leases	0.1	0.1	0.0	0.2	(0.1)
Compensated absences	0.4	0.4	0.0	0.4	0.0
Total	$14.4	$17.1	($2.7)	$19.5	($2.4)



Fiscal Year 2019 Compared to 2018

During fiscal year 2019, the College paid $2.7 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Fiscal Year 2018 Compared to 2017

During fiscal year 2018, the College paid $2.3 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

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 Cory Gall, Chief Financial Officer, 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401.

Basic Financial Statements

Carl Sandburg College - Community College District 518

Statements of Net Position

June 30, 2019 and 2018

ASSETS	2019	2018
Current assets:		
Cash and cash equivalents	$11,720,157	$12,401,271
Deposits	556,599	551,917
Short-term investments	9,823,670	8,768,081
Property taxes receivable	11,190,763	8,279,775
Other receivables, net	612,452	945,462
Prepaid items	205,700	221,649
Inventories	7,700	7,100
Total current assets	34,117,041	31,175,255
Noncurrent assets:		
Long-term investments	7,362,042	7,994,464
Non-depreciable capital assets	1,387,612	916,962
Depreciable capital assets	42,349,765	41,382,353
Less accumulated depreciation	(27,170,349)	(25,867,552)
Total noncurrent assets	23,929,070	24,426,227
Total assets	58,046,111	55,601,482
DEFERRED OUTFLOW OF RESOURCES		
SURS pension contribution	45,406	40,245
College insurance plan OPEB	205,005	83,281
Total deferred outflows of resources	250,411	123,526
Total assets and deferred outflows of resources	58,296,522	55,725,008
LIABILITIES		
Current liabilities:		
Accounts payable	327,155	390,981
Accrued liabilities	95,051	27,315
Unearned tuition and fees	558,085	518,929
Accrued compensated absences	246,431	242,107
Capital lease payable	43,378	40,635
Bonds payable, net of unamortized premiums (discounts)	2,949,521	2,699,074
Total current liabilities	4,219,621	3,919,041
Noncurrent liabilities:		
Accrued compensated absences	121,377	119,247
Capital lease payable	34,674	78,052
OPEB Liability	8,844,364	8,671,841
Bonds payable, net of unamortized premiums (discounts)	10,996,528	13,882,246
Total noncurrent liabilities	19,996,943	22,751,386
Total liabilities	24,216,564	26,670,427
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	12,316,199	11,793,078
Deferred grant revenue	140,512	93,423
Deferred concessions	0	0
Deferred OPEB	1,232,493	746,991
Total deferred inflows of resources	13,689,204	12,633,492
Total liabilities and deferred inflows of resources	37,905,768	39,303,919
NET POSITION		
Net investment in capital assets	9,595,848	8,138,519
Restricted - expendable:		
Debt service	483,245	390,384
Grants and scholarships	419,770	424,515
Working cash	8,345,598	8,253,665
Unrestricted	1,546,293	(785,994)
Total net position	$20,390,754	$16,421,089

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2019 and 2018

	2019	2018
Operating revenues:		
Student tuition and fees, net of scholarship allowances of $2,022,052 and $1,750,177, respectively	$5,140,036	$5,303,430
Auxiliary enterprises revenue	172,767	160,623
Total operating revenue	5,312,803	5,464,053
Operating expenses:		
Instruction	5,677,005	5,612,676
Academic support	405,972	403,541
Student services	3,211,281	2,989,462
Public services	129,724	126,016
Auxiliary services	617,090	615,575
Operation and maintenance of plant	1,320,544	1,322,655
Institutional support	11,752,724	11,509,463
Scholarships, student grants, and waivers	3,635,060	4,067,517
Depreciation	1,302,797	1,305,070
Total operating expenses	28,052,197	27,951,975
Operating loss	(22,739,394)	(22,487,922)
Nonoperating revenues and (expenses):		
State grants	2,298,121	2,320,224
Federal grants	5,482,391	5,416,165
Property taxes	11,848,563	11,141,880
Personal property replacement tax	269,328	242,028
Local grants	24,471	31,796
Investment income	636,346	307,707
Other nonoperating revenues	6,594,415	6,019,883
Gain (loss) on disposal of assets	0	(1,142)
Interest expense	(444,576)	(511,259)
Net nonoperating revenues and (expenses)	26,709,059	24,967,282
Change in net position	3,969,665	2,479,360
Net position, beginning of year	16,421,089	13,941,729
Net position, end of year	$20,390,754	$16,421,089

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows

For the years ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	$7,223,436	$7,166,572
Payments to suppliers	(6,246,141)	(6,683,037)
Payments to employees	(9,898,989)	(9,807,521)
Payments to students for scholarships	(5,657,112)	(5,817,694)
Auxiliary enterprise charges	169,055	165,948
Net cash used in operating activities	(14,409,751)	(14,975,732)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	9,460,673	10,648,513
Proceeds from grants	8,632,312	9,689,139
Net cash provided by noncapital financing activities	18,092,985	20,337,652
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,438,062)	(879,720)
Proceeds from sale of capital assets	0	20,500
Principal paid on bonds payable	(2,620,000)	(2,290,000)
Interest paid on bonds payable and other long-term obligations	(442,273)	(585,423)
Principal paid on capital lease	(40,635)	(37,979)
Net cash used in capital and related financing activities	(4,540,970)	(3,772,622)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	2,324,426	440,160
Proceeds from maturities of investment securities	8,317,210	4,275,350
Purchases of investment securities	(10,465,014)	(4,605,725)
Net cash provided by investing activities	176,622	109,785
Net increase (decrease) in cash and cash equivalents	(681,114)	1,699,083
CASH AND CASH EQUIVALENTS:		
Beginning of year	12,401,271	10,702,188
End of year	$11,720,157	$12,401,271

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows (Continued)

For the years ended June 30, 2019 and 2018

	2019	2018
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	($22,739,394)	($22,487,922)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,302,797	1,305,069
State on-behalf payments for fringe benefits	6,445,657	5,829,559
Changes in assets and liabilities:		
Receivables	18,480	108,409
Other assets	15,349	(5,255)
Deferred outflows of resources	(160,185)	(90,226)
Accounts payable	(63,826)	(441,729)
Accrued liabilities	67,736	(12,653)
Accrued compensated absences	6,454	(6,144)
Unearned tuition and fees	37,382	5,277
Other unearned revenue	1,774	4,604
OPEB liability	172,523	68,288
Deferred inflows of resources	485,502	746,991
Net cash used in operating activities	($14,409,751)	($14,975,732)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Increase (decrease) in fair value of investments and amortization/accretion	$1,719,956	($142,335)
Disposal of assets	$0	$1,142
STATE ON-BEHALF PAYMENTS	$6,445,657	$5,829,559

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Financial Position

June 30, 2019 and 2018

ASSETS	2019	As Restated 2018
Assets:		
Cash	$168,327	$310,877
Investments	18,297,569	16,984,791
Pledges receivable	478,073	523,077
Beneficial interest in perpetual trust	324,692	330,699
Total assets	$19,268,661	$18,149,444

LIABILITIES AND NET ASSETS		
Liabilities:		
Scholarships payable	$126,443	$82,966
Accounts payables	1,219	8,111
Total liabilities	127,662	91,077
Net assets:		
Without donor restrictions	3,784,172	3,514,701
With donor restrictions	15,356,827	14,543,666
Total net assets	19,140,999	18,058,367
Total liabilities and net assets	$19,268,661	$18,149,444

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities

For the years ended June 30, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions	$68,071	$109,053	$177,124
Interest and dividends	470,658	625,291	1,095,949
Net unrealized gain (loss) on investments	(76,097)	294,758	218,661
Change in value of beneficial interest in trust	0	(6,007)	(6,007)
Donated services	47,380	0	47,380
Donated goods & facilities	2,991	0	2,991
Reclassification of net assets	0	0	0
Net assets released from restrictions	209,934	(209,934)	0
Total revenues, gains, and other support	722,937	813,161	1,536,098
Expenses and losses:			
Program	276,641	0	276,641
Management and general	165,327	0	165,327
Fund raising	11,498	0	11,498
Total expenses and losses	453,466	0	453,466
Change in net assets	269,471	813,161	1,082,632
Net assets, beginning of year	3,514,701	14,543,666	18,058,367
Net assets at end of year	$3,784,172	$15,356,827	$19,140,999

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities (Continued)

For the years ended June 30, 2019 and 2018

	As Restated 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions	$128,991	$1,182,113	$1,311,104
Interest and dividends	220,174	516,913	737,087
Net unrealized gain (loss) on investments	211,091	175,277	386,368
Change in value of beneficial interest in trust	0	0	0
Donated services	49,900	0	49,900
Donated goods & facilities	13,333	0	13,333
Reclassification of net assets	0	0	0
Net assets released from restrictions	138,049	(138,049)	0
Total revenues, gains, and other support	761,538	1,736,254	2,497,792
Expenses and losses:			
Program	178,215	0	178,215
Management and general	162,429	0	162,429
Fund raising	66,794	0	66,794
Total expenses and losses	407,438	0	407,438
Change in net assets	354,100	1,736,254	2,090,354
Net assets, beginning of year, restated	3,160,601	12,807,412	15,968,013
Net assets at end of year	$3,514,701	$14,543,666	$18,058,367

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies:

Carl Sandburg College, Community College District 518 (College), established in 1966 under the Illinois Public Community College Act, provides baccalaureate, vocational, and continuing education courses to a ten county area located in central Illinois. The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

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 applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

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 component unit, the Carl Sandburg 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 16-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.

The Foundation 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 financial reporting entity for these differences; however, significant note disclosures (see Note 9) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Note 1. Summary of Significant Accounting Policies (continued):

Reporting Entity (continued)

Financial statements for the Foundation can be obtained at 2400 Tom L. Wilson Boulevard, Galesburg, Illinois 61401.

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.

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

Investment securities are stated at fair value based on quoted market prices. Income is recognized on the accrual basis of accounting. The types of investments allowed are regulated by Illinois State laws and include municipal bonds, U.S. Government or Illinois obligations, insured deposits or other investments of state or national banks, Federal National Mortgage Association obligations, Illinois Funds, and agreements collateralized by securities or mortgages in an amount at least equal to the fair value of the funds deposited.

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 was $265,000 as of June 30, 2019 and 2018.

Property Taxes and Other Revenue

Property taxes attach as an enforceable lien on property as of January 1. The College's property tax is levied no later than the last Tuesday of December prior to the ensuing budget year and is extended against the assessed valuation of the College on January 1. Taxes are due and payable in two installments in June and September. Pursuant to the Board of Trustees resolution, the 2017 property tax levies passed on November 30, 2017 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2018 property tax levy which was passed on November 29, 2018. In addition, property taxes receivable represents the remaining 2018 property tax levy to be collected in fiscal year 2020.

Uncollected taxes are sold by the County Collector in order that those taxes can be distributed to respective taxing bodies. Final distribution on the current year is made by the county Collector's office at a date after the tax sale, usually no later than sometime during the first quarter of the following year.

Corporate personal property replacement tax is recorded on the accrual basis based on amounts held by the state.

Inventories

Inventories consist primarily of supplies and are reported at cost.

Note 1. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets include property, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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. Costs related to the development of computer software are expensed as incurred until (a) the College has completed the preliminary project stage and (b) management has implicitly or explicitly authorized or committed to funding the project. Activities relayed to the application development stage of internally generated software are capitalized at the amount of the associated outlays.

Post-implementation activities are expensed as incurred. Costs associated with data conversion are also expensed if such activities are not necessary in order for internally developed software to become operational. Intangible assets are defined by the College (software) as assets with an initial unit cost of $25,000. Property, plant, and equipment of the college are depreciated using the straight-line method over the following useful lives.

Assets	Years
Buildings and building improvements	10 – 40
Infrastructure	10
Furniture and equipment	3 – 5
Land improvements	10
Vehicles	3
Software	3 – 15

Deferred 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 recorded in other assets or liabilities.

Compensated Absences

Vacation leave is accrued as a liability as it is earned.

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. Investment 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. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2019.

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 2019 and 2018, the state made contributions of $6,445,656 and $5,829,559 respectively (Note 5 and 6).

Pensions

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

For 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 pension plan that is used to provide pensions 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 pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

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 net position – expendable – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties (debt services is restricted by bond documents). When both 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 net position – 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.

Note 1. Summary of Significant Accounting Policies (continued):

Use of Estimates

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

Note 2. Cash and Investments:

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

Cash and deposits as of June 30, 2019 consist of the following:

	Carrying Amount
Cash on hand	$3,282
Deposits with financial institutions	12,273,474
Total	$12,276,756

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 at June 30, 2019 and 2018 comprise the following at fair value:

	2019	2018
Money market	$377,921	$899,744
Certificate of deposit	11,506,179	7,568,173
Municipal bonds	2,721,406	5,190,614
U.S. government agency securities	2,580,206	3,104,014
	$17,185,712	$16,762,545

Note 2. Cash and Investments (continued):

As of June 30, 2019, the College had the following investments with stated maturities.

		Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Money market	$377,921	$377,921	$0	$0	$0
Certificate of deposit	11,506,179	6,642,141	4,864,038	0	0
Municipal bonds	2,721,406	2,071,259	650,147	0	0
U.S. Government agency securities	2,580,206	732,349	1,847,857	0	0
Total	$17,185,712	$9,823,670	$7,362,042	$0	$0

As of June 30, 2018, the College had the following investments with stated maturities.

		Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Money market	$899,744	$899,744	$0	$0	$0
Certificate of deposit	7,568,173	4,376,930	3,191,243	0	0
Municipal bonds	5,190,614	2,442,047	2,748,567	0	0
U.S. Government agency securities	3,104,014	1,049,360	2,054,654	0	0
Total	$16,762,545	$8,768,081	$7,994,464	$0	$0

As of June 30, 2019, the College had the following investments with stated ratings.

		Investment Ratings by Standard & Poor's				
	Total	AAA	AA	A	BBB	Unrated
Money market	$377,921	$377,921	$0	$0	$0	$0
Certificate of deposit	11,506,179	0	0	0	0	11,506,179
Municipal bonds	2,721,406	0	1,390,460	250,703	516,107	564,136
U.S. Government agency securities	2,580,206	0	2,580,206	0	0	0
Total	$17,185,712	$377,921	$3,970,666	$250,703	$516,107	$12,070,315

As of June 30, 2018, the College had the following investments with stated ratings.

		Investment Ratings by Standard & Poor's				
	Total	AAA	AA	A	BBB	Unrated
Money market	$899,744	$899,744	$0	$0	$0	$0
Certificate of deposit	7,568,173	0	0	0	0	7,568,173
Municipal bonds	5,190,614	248,690	3,818,141	257,285	866,498	0
U.S. Government agency securities	3,104,014	0	3,104,014	0	0	0
Total	$16,762,545	$1,148,434	$6,922,155	$257,285	$866,498	$7,568,173

Note 2. Cash and Investments (continued):

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 in active markets for identical assets or liabilities.

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; or inputs other than quoted prices that are observable for the asset or liability.

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 College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2019:

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Certificate of deposit	$11,506,179	$0	$11,506,179	$0
Municipal bonds	2,721,406	0	2,721,406	0
U.S. Government agency securities	2,580,206	0	2,580,206	0
Total investments	$16,807,791	$0	$16,807,791	$0

The following table presents the College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2018:

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Certificate of deposit	$7,568,173	$0	$7,568,173	$0
Municipal bonds	5,190,614	0	5,190,614	0
U.S. Government agency securities	3,104,014	0	3,104,014	0
Total investments	$15,862,801	$0	$15,862,801	$0

Note 2. Cash and Investments (continued):

Credit Risk. Credit risk is the risk that the issuer or other counterparty to a debt investment will not fulfill its obligations. It is the College's policy to limit its investments in corporate paper to the three top ratings issued by at least two standard rating services. The college's investment policy also limits holding of corporate paper to no more than ten percent of its outstanding obligations.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2019, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was $12,273,474 and the bank balance was $11,999,112. Of the bank balance, $1,001,040 was covered by federal depository insurance; $10,998,072 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. At year end, bank balances at Farmers and Mechanics Bank were properly collateralized.

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 does not have a concentration risk policy. 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.

Note 3. Capital Assets:

Changes in the various capital asset categories during the year ended June 30, 2019 are as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Nondepreciable:					
Land	$346,125	$0	$0	$0	$346,125
Work in progress	570,837	890,440	0	(419,790)	1,041,487
Depreciable:					
Buildings and additions	31,385,465	29,958	0	0	31,415,423
Infrastructure	3,376,418	0	0	0	3,376,418
Furniture and equipment	5,366,979	485,050	0	419,790	6,271,819
Land improvements	1,023,106	0	0	0	1,023,106
Vehicles	230,385	32,614	0	0	262,999
Total cost	$42,299,315	$1,438,062	$0	$0	$43,737,377

Note 3. Capital Assets (continued):

Accumulated depreciation for the year ended June 30, 2019 is as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Buildings and additions	$17,985,461	$780,907	$0	$0	$18,766,368
Infrastructure	2,681,606	101,973	0	0	2,783,579
Furniture and equipment	4,501,559	287,923	0	130,939	4,920,421
Land improvements	400,818	91,625	0	0	492,443
Vehicles	298,108	40,369	0	(130,939)	207,538
Total accumulated depreciation	$25,867,552	$1,302,797	$0	$0	$27,170,349

Changes in the various capital asset categories during the year ended June 30, 2018 are as follows:

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Nondepreciable:					
Land	$346,125	$0	$0	$0	$346,125
Work in progress	104,473	485,207	0	(18,843)	570,837
Depreciable:					
Buildings and additions	31,258,233	114,636	0	12,596	31,385,465
Infrastructure	3,376,418	0	0	0	3,376,418
Furniture and equipment	5,199,732	192,326	31,326	6,247	5,366,979
Land improvements	1,002,587	20,519	0	0	1,023,106
Vehicles	221,962	67,032	58,609	0	230,385
Total cost	$41,509,530	$879,720	$89,935	$0	$42,299,315

Accumulated depreciation for the year ended June 30, 2018 is as follows:

	Balance at July 1, 2017	Additions	Deletions	Transfers	Balance at June 30, 2018
Buildings and additions	$17,202,797	$782,664	$0	$0	$17,985,461
Infrastructure	2,579,633	101,973	0	0	2,681,606
Furniture and equipment	4,335,387	306,795	$9,684	(130,939)	4,501,559
Land improvements	306,143	94,675	0	0	400,818
Vehicles	206,816	18,962	58,609	130,939	298,108
Total accumulated depreciation	$24,630,776	$1,305,069	$68,293	$0	$25,867,552

Note 4. Debt:

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2019:

	Balance 7/1/2018	Refunding	Increases	Decreases	Balance 6/30/2019	Current Portion	Long-Term Portion
Long-term debt:							
General obligation bonds and certificates	$16,200,000	$60,000	$0	$2,620,000	$13,640,000	$2,870,000	$10,770,000
Bond premiums (discounts)	381,320	0	0	75,271	306,049	79,521	226,528
Capital leases	118,687	0	0	40,635	78,052	43,378	34,674
Compensated absences	361,354	0	269,491	263,037	367,808	246,431	121,377
Totals	$17,061,361	$60,000	$269,491	$2,998,943	$14,391,909	$3,239,330	$11,152,579

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2018:

	Balance 7/1/2018	Increases	Decreases	Balance 6/30/2019	Current Portion	Long-Term Portion
Long-term debt:						
General obligation bonds and certificates	$18,490,000	$0	$2,290,000	$16,200,000	$2,620,000	$13,580,000
Bond premiums (discounts)	460,394	0	79,074	381,320	79,074	302,246
Capital leases	156,666	0	37,979	118,687	40,635	78,052
Compensated absences	367,498	$282,098	288,242	361,354	242,107	119,247
Totals	$19,474,558	$282,098	$2,695,295	$17,061,361	$2,981,816	$14,079,545

Note 4. Debt (continued):

Details on the debt as of June 30, 2019 are as follows:

1. The general obligation bonds, Series 2010B, bear interest at 2.00 to 4.00 percent, which is due on January 1 and July 1 of each year (excluding 2010-2011), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (37.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$430,000	$50,481	$480,481
2021	1,185,000	21,479	1,206,479
Totals	$1,615,000	$71,960	$1,686,960

2. The general obligation bonds, Series 2012A, bear interest at 2.00 to 3.00 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year (excluding 2018-2021), with final maturity on January 1, 2022. A portion of the bond proceeds (95.04%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$0	$103,800	$103,800
2021	0	103,800	103,800
2022	3,460,000	51,900	3,511,900
Totals	$3,460,000	$259,500	$3,719,500

3. The general obligation bonds, Series 2014B, bear interest at 2.00 to 4.00 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2024. A portion of the bond proceeds (13.49%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$1,670,000	$52,850	$1,722,850
2021	135,000	17,425	152,425
2022	140,000	13,300	153,300
2023	140,000	8,400	148,400
2024	140,000	2,800	142,800
Totals	$2,225,000	$94,775	$2,319,775

Note 4. Debt (continued):

4. The general obligation bonds, Series 2015A, bear interest at 2.91 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2023. A portion of the bond proceeds (13.49%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$5,000	$7,930	$12,930
2021	5,000	7,784	12,784
2022	5,000	7,639	12,639
2023	260,000	3,783	263,783
Totals	$275,000	$27,136	$302,136

5. The general obligation bonds, Series 2015B, bear interest at 2.15 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2024. A portion of the bond proceeds (85.24%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$5,000	$67,564	$72,564
2021	5,000	67,456	72,456
2022	5,000	67,349	72,349
2023	1,440,000	51,815	1,491,815
2024	1,690,000	18,167	1,708,167
Totals	$3,145,000	$272,351	$3,417,351

6. The general obligation bonds, Series 2019A, bear interest at 3.20 to 3.30 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$760,000	$43,399	$803,399
2021	485,000	8003	493,003
Totals	$1,245,000	$51,402	$1,296,402

Note 4. Debt (continued):

7. The general obligation bonds, Series 2019B, bear interest at 2.66 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2024. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$0	$61,387	$61,387
2021	1,150,000	29,260	1,179,260
2022	0	13,965	13,965
2023	270,000	10,374	280,374
2024	255,000	3,391	258,391
Totals	$1,675,000	$118,377	$1,793,377

8. In September 2015, the College entered into a capital lease for $200,667 with Heart Technologies, Inc. for the purchase of a telephone system. Monthly installments of $3,953 are payable through March 2021 with an interest rate of 6.78%. The annual debt service requirements on this capital lease are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2020	$43,478	$3,958	$47,436
2021	34,574	983	35,557
Totals	$78,052	$4,941	$82,993

Defeasance of Bonds

On February 15, 2019, the College issued $1,245,000 of Series 2019A and $1,675,000 of Series 2019B refunding bonds to refund the future debt obligations of the Series 2009, Series 2010C, and Series 2010D bonds.

As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This refunding was undertaken to reduce total debt service payments over the next 5 years by $51,007 and resulted in an economic gain of $48,457.

Note 4. Debt (continued):

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Capital Leases	Total Principal	Interest	Total Principal And Interest
2020	$2,870,000	$121,377	$43,478	$3,034,855	$391,369	$3,426,224
2021	2,965,000	0	34,574	2,999,574	256,190	3,255,764
2022	3,610,000	0	0	3,610,000	154,153	3,764,153
2023	2,110,000	0	0	2,110,000	74,372	2,184,372
2024	2,085,000	0	0	2,085,000	24,358	2,109,358
Total	$13,640,000	$121,377	$78,052	$13,839,429	$900,442	$14,739,871

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2019, is $55,441,505 General obligation debt at June 30, 2019, is $14,024,101 resulting in a legal debt margin of $41,417,404.

Note 5. Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, 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 of Illinois' financial reporting entity and is included in the state's financial reports 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 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Note 5. Defined Benefit Pension Plans (continued)

Contributions. The State of Illinois is primarily responsible for funding the System 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 of the System 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 2018 and 2019 respectively, was 12.46% and 12.29% 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. The contribution requirements of plan members and employers are established and may be amended by the Illinois 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).

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

Net Pension Liability.
The net pension liability (NPL) was measured as of June 30, 2018 and June 30, 2017. SURS reported a net pension liability (NPL) of $27,494,556,682 at June 30, 2018 and $25,481,105,995 at June 30, 2017.

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 2018 is $0 and for fiscal year 2017 it was $0. The proportionate share of the State's net pension liability associated with the College at June 30, 2018 is $65,574,518 or 0.2385% and at June 30, 2017 was $61,129,173 or 0.2399%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2018 was determined based on the June 30, 2017 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 during fiscal year 2018.

Pension Expense.
At June 30, 2018 and June 30, 2017, SURS reported a collective net pension expense of $2,685,322,700 and $2,412,918,219, respectively.

Employer Proportionate Share of Pension Expense
The employer proportionate share of collective pension 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 pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2018 and 2017, respectively. As a result, the College recognized on-behalf revenue and pension expense of $6,404,495 and $5,788,591 for the fiscal years ended June 30, 2019 and June 30, 2018, respectively.

Note 5. Defined Benefit Pension Plans (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

Fiscal Year Ended June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$65,521,614	$181,032,053
Changes in assumption	1,286,257,095	123,218,306
Net difference between projected and actual earnings on pension plan investments	26,810,634	0
Total	$1,378,589,343	$304,250,359

Fiscal Year Ended June 30, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$139,193,227	$1,170,771
Changes in assumption	205,004,315	259,657,577
Net difference between projected and actual earnings on pension plan investments	94,620,827	0
Total	$438,818,369	$260,828,348

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 of Resources
2019	$763,171,084
2020	540,443,042
2021	(192,612,398)
2022	(36,662,744)
Total	$1,074,338,984

Employer Deferral of Fiscal Year 2018 Pension Expense

The College paid $45,406 and $40,245 in federal, trust or grant contributions for the fiscal year ended June 30, 2019 and June 30, 2018, respectively. These contributions were made subsequent to the pension liability date of June 30, 2018 and June 30, 2017, and are recognized as Deferred Outflows of Resources as of June 30, 2019 and June 30, 2018.

Note 5. Defined Benefit Pension Plans (continued)

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP2014 Combined Mortality Table, projected with generational mortality and a separate mortality assumption for disabled participants.

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(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non-U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Treasury-Inflation Protected Securities	4%	0.75%
Emerging Market Debt	3%	3.65%
Real Estate REITS	4%	5.45%
Direct Real Estate	6%	4.75%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.55%
Inflation		2.25%
Expected Arithmetic Return		**7.30%**

Note 5. Defined Benefit Pension Plans (continued)

Discount Rate. A single discount rate of 6.65% and 7.09% at June 30, 2018 and June 30, 2017, 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 6.75% and 7.25% at June 30, 2018 and June 30, 2017, respectively, and a municipal bond rate of 3.62% and 3.56% at June 30, 2018 and June 30, 2017, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). 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 the System's 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 plan's net pension liability, calculated using a single discount rate of 6.65% and 7.09% at June 30, 2018 and June 30, 2017, respectively, as well as what the plan's 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, 2018		
1% Decrease 5.65%	**Current Single Discount Rate Assumption 6.65%**	**1% Increase 7.65%**
$33,352,188,584	$27,494,556,682	$22,650,651,520

June 30, 2017		
1% Decrease 6.09%	**Current Single Discount Rate Assumption 7.09%**	**1% Increase 8.09%**
$30,885,146,279	$25,481,105,995	$20,997,457,586

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

Note 6 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 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. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

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

Note 6 Other Post-Employment Benefits (continued)

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, 2018 and June 30, 2017. CIP reported a net OPEB liability at June 30, 2017 of $1,885,251,764 and at June 30, 2017 of $1,823,636,957.

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 2018 is $8,844,364 or 0.4691%, and for fiscal year 2017 it was $8,671,841 or 0.4755%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0064%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2018 and June 30, 2017 was $8,844,364 or 0.4755% and $8,557,627 or 0.4800%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2018 and June 30, 2017 was $17,688,728 and $17,229,468, respectively. The net OPEB liability and total OPEB liability as of June 30, 2018 was determined based on the June 30, 2017 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 2018.

OPEB Expense. At June 30, 2018 and June 30, 2017, CIP reported a collective net OPEB expense of $125,287,478 and $169,446,479, 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 2018 and 2017, respectively. As a result, the College recognized on-behalf revenue of $41,163 and $40,968 for the fiscal years ended June 30, 2019 and June 30, 2018, respectively. Additionally, the College recognized OPEB expense of $536,301 and $731,998 for the fiscal years ended June 30, 2019 and June 30, 2018.

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.

Note 6 Other Post-Employment Benefits (continued)

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

Fiscal Year Ended June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$129,991	$19,371
Changes in assumption	0	1,107,054
Net difference between projected and actual earnings on OPEB plan investments	0	289
Changes in proportion and differences between employer contributions and share of contributions	33,851	105,779
Total deferred amounts to be recognized in pension expense in future periods	163,842	1,232,493
OPEB contributions made subsequent to the measurement date	41,163	0
Total	$205,005	$1,232,493

Fiscal Year Ended June 30, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$0	$24,543
Changes in assumption	0	722,357
Net difference between projected and actual earnings on OPEB plan investments	0	91
Changes in proportion and differences between employer contributions and share of contributions	42,313	0
Total deferred amounts to be recognized in pension expense in future periods	42,313	746,991
OPEB contributions made subsequent to the measurement date	40,968	0
Total	$83,281	$746,991

Note 6 Other Post-Employment Benefits (continued)

The College reported $41,163 and $40,968 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 years ended June 30, 2020 and June 30, 2019, 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 ended June 30:	Net Deferred Inflows of Resources
2020	($178,109)
2021	(178,109)
2022	(178,109)
2023	(178,109)
2024	(178,109)
Thereafter	(178,106)
Total	($1,068,651)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2018 based on premium increases. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Asset Valuation Method	Market value

Note 6 Other Post-Employment Benefits (continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 Whited Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2014.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

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 3.56% as of June 30, 2017, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.56% to 3.62% caused the total OPEB liability to decrease by approximately $16.5 million from 2017 to 2018.

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 3.62% and 3.56% at June 30, 2018 and June 30, 2017, 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, 2018 to the Single Discount Rate Assumption

	1% Decrease (2.62%)	Current Single Discount Rate Assumption (3.62%)	1% Increase (4.62%)
Net OPEB liability	$10,250,388	$8,844,364	$7,674,134

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Single Discount Rate Assumption

	1% Decrease (2.56%)	Current Single Discount Rate Assumption (3.56%)	1% Increase (4.56%)
Net OPEB liability	$9,917,658	$8,671,841	$7,597,799

Note 6 Other Post-Employment Benefits (continued)

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, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.5% in 2028 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2018 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$7,331,919	$8,844,364	$10,834,970

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.91% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.91% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2017 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$7,194,178	$8,671,841	$10,810,214

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.02% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.02% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

Note 7. 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. The College purchases commercial insurance 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.

Note 8. Contingencies and Commitments:

Commitments under operating lease agreements for facilities, equipment, and vehicles provide for minimum annual rental payments as follows:

Year Ended June 30	Equipment	Vehicles	Total
2020	$46,184	$59,220	$105,404
2021	43,344	53,212	96,556
2022	11,136	53,678	64,814
2023	0	25,915	25,915
2024	0	25,915	25,915
2025	0	7,050	7,050
Total	$100,664	$224,990	$325,654

Fiscal year 2019 equipment and vehicles rent expense was $67,645 and $11,842, respectively.

The College is part of a consortium that created a corporation called the Alliance of Community Colleges for Electronic Sharing, or “ACCES,” to enable them to purchase computer software collectively. ACCES has the authority to incur debt on behalf of the College and its other members.

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. As of June 30, 2019, the College had no significant commitments related to construction projects.

Note 9. Component Unit Disclosures:

Carl Sandburg College Foundation

Nature of Business

The Carl Sandburg College Foundation (the "Foundation") was organized and operates exclusively for educational purposes to assist in developing and augmenting the facilities and carrying out the educational functions of Carl Sandburg College. The Foundation relies on contributions, from individuals and organizations, and investment income to provide financial assistance to students, primarily attending Carl Sandburg College. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except for taxes on unrelated income.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Net Assets

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

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

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

Contributions and Revenues

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restriction.

Contributions of assets other than cash are recorded at fair value at the date of the donation.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Contributions and Revenues (continued)

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.

Pledges Receivable

The Foundation receivables consist principally of pledged contributions from donors. Management individually reviews all delinquent accounts receivable balances. After all attempts to collect a receivable have failed, the receivable is written off as a bad debt using the specific charge-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. As of June 30, 2019, there was $478,073 of pledged receivables.

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.

Functional Allocation of Expenses

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

Cash and Cash Equivalents

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

Concentrations of Credit Risk

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

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Investments and Investment Earnings

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices and realized and unrealized gains and losses are reported in the statement of activities. Investment earnings on restricted endowments are restricted by the donor or unrestricted according to the solicitation literature provided to the donor. Following is a summary of the allocation percentages used in allocating endowment investment earnings:

	Without Donor Restriction	With Donor Restriction
Single year contributions and/or endowment has met minimum funding level of $10,000	75%	25%
Multiple year contributions and endowment has not met minimum funding level of $10,000	0%	100%

Donated Services

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

Estimates

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

Subsequent Events

The Foundation has evaluated subsequent events through September 11, 2019 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2019 have been incorporated herein. There are no other subsequent events that require disclosure.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Pending Accounting Pronouncements

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic organizations for annual periods beginning after December 15, 2018. Management is evaluating what impact this new standard will have on its financial statements.

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU 2016-02 must be applied modified retrospectively. Management is evaluating what impact this new standard will have on its financial statements.

In 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in ASU No. 2018-08 will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in ASU No. 2018-08 are effective for annual financial statements issued for the fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource recipient. Early application of the amendments in ASU No. 2018-08 is permitted. The Foundation has not elected to early implement the amendments.

Change in Accounting Policies

In 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-profit Entities. This ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance was adopted effective July 1, 2018.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Liquidity and Availability of Financial Assets:

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's financial assets as of June 30, 2019, reduced by amounts not available for general expenditures:

Total financial assets	$19,140,999
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	15,032,135
Board designated endowment funds	207,393
Perpetual endowments	324,692
Financial assets available to meet cash needs for general expenditures within one year	$3,576,779

Investments:

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2019 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Publicly traded equities	$1,167	$240	$927
Mutual Funds - equity	14,863,072	12,831,106	2,031,966
Mutual Funds - bonds	3,433,330	3,073,333	359,997
	$18,297,569	$15,904,679	$2,392,890

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Endowment Funds:

The Foundation's endowment consists of approximately 100 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment income generated by the Foundation's endowment funds are used for the benefit of the Foundation and accordingly, investment losses are recognized in the Foundation's unrestricted net assets.

The endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	Without donor Restrictions	With donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	$0	$15,356,827	$15,356,827
Unrestricted endowment funds:			
Board-designated	207,393	0	207,363
Unrestricted	3,576,779	0	3,576,779
	$3,784,172	$15,356,827	$19,140,999

Changes in endowment net assets as of June 30, 2019 are as follows:

	Without donor Restrictions	With donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	$3,514,701	$14,543,666	$18,058,367
Contributions	68,071	109,053	177,124
Interest and dividend income	470,658	625,291	1,095,949
Net unrealized gain(loss) on investments	(76,097)	294,758	218,661
Donated goods, services, facilities	50,371	0	50,371
Change in value of beneficial interest in trust	0	(6,007)	(6,007)
Amounts appropriated for expenditure	(453,466)	0	(453,466)
Amounts released from restriction	209,934	(209,934)	0
	$3,784,172	$15,356,827	$19,140,999

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Beneficial Interest in Perpetual Trust:

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 100% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 100% of the trust's fair value. The recorded value was $324,692 as of June 30, 2019. The change in fair value is recorded on the statement of activities.

Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of June 30, 2019:

Subject to expenditure for specified purpose:	
Student scholarships currently available	$10,363,869
Endowment subject to spending policy and appropriation	4,668,266
Perpetual endowments	324,692
Net assets with donor restrictions	$15,356,827

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

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended June 30, 2019, totaling $209,934.

Fair Value of Financial Instruments:

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

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

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

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.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Fair Value of Financial Instruments (continued):

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

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2019:

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Publicly traded equities	$1,167	$1,167	$0	$0
Mutual Funds - equity	14,863,072	14,863,072	0	0
Mutual Funds – bonds	3,433,330	3,433,330	0	0
Beneficial interest in perpetual trust	324,692	0	324,692	0
Total	$18,622,261	$18,297,569	$324,692	$0

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.

Related Parties:

The Foundation is a component unit of Carl Sandburg College – Community College District 518 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated $49,870 of services, goods, and facilities to the Foundation during the year ended June 30, 2019. The Foundation paid the College $223,689 for scholarships and project donations during the year ended June 30, 2019. In addition, there is a payable to the College for scholarships awarded for Fall 2019 in the amount of $126,443 as of June 30, 2019.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Income Taxes:

As stated in Note 1, the Foundation is organized as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation pays no income tax on its related function income as long as it stays within the guidelines of Section 501(c)(3). The Foundation is subject to income tax on its "non-related" function income. For the year ending June 30, 2019, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

Accounting principles generally accepted in the United States of America provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Generally accepted accounting principles require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

Significant Receivables:

The Foundation has a $450,000 pledge from the Pattee Foundation to be paid in $150,000 installments annually, beginning in 2020 and ending in 2022. The full amount of $450,000 was recognized as a pledge receivable as of June 30, 2019.

Prior Year Restatement:

The Foundation is beneficiary of a perpetual trust that had not been previously recorded. This increased the with donor restrictions net assets by $330,699.

Note 10. Impact of Pending Accounting Pronouncements:

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

Note 10. Impact of Pending Accounting Pronouncements (continued):

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

Note 11. Subsequent Event

The College has evaluated subsequent events through September 11, 2019 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2019 have been incorporated herein. There are no other subsequent events that require disclosure.

Required Supplementary Information

Carl Sandburg College - Community College District 518

Schedule of Share of Net Pension Liability
Last 10 Fiscal Years
(Schedule to be Built Prospectively from 2014)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%					
Proportion amount of the collective net pension liability	$0	$0	$0	$0	$0					
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	$65,574,518	$61,129,173	$63,441,840	$57,324,387	$55,045,220					
College DB covered-employee payroll	$8,551,157	$8,496,436	$8,852,780	$9,945,359	$10,504,206					
Proportion of collective net pension liability associated with the College as a percentage of covered-employee payroll	766.85%	719.47%	716.63%	576.39%	524.03%					
SURS plan net position as a percentage of total pension liability	41.27%	42.04%	39.57%	42.37%	44.39%					

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information

Carl Sandburg College - Community College District 518

Schedule of Pension Contributions
Last 10 Fiscal Years
(Schedule to be Built Prospectively from 2014)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Federal, trust, grant and other contribution	$45,406	$40,245	$33,300	$41,768	$38,128	$34,477				
Contribution in relation to required contribution	45,406	40,245	33,300	41,768	38,128	34,477				
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0				
College covered-employee payroll	$9,635,998	$9,556,351	$9,500,036	$9,903,377	$9,945,359	$10,504,206				
Contribution as a percentage of covered-employee payroll	0.47%	0.42%	0.35%	0.42%	0.38%	0.33%				

Note: The System implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Carl Sandburg College - Community College District 518

Schedule of Share of Net OPEB Liability
Last 10 Fiscal Years
(Schedule to be Built Prospectively from 2018)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion percentage of the collective net OPEB liability	0.47%	0.48%	0.47%							
Proportion amount of the collective net OPEB liability	$8,844,364	$8,671,841	$8,603,553							
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	$8,844,364	$8,557,627	$8,964,170							
Total collective net OPEB liability associated with the College	$17,688,728	$17,229,468	$17,567,723							
College covered-employee payroll	$9,556,351	$9,500,036	$9,903,377							
Proportion of collective net OPEB liability associated with the College as a percentage of covered-employee payroll	185.10%	181.36%	177.39%							
College insurance plan net position as a percentage of total OPEB liability	-3.54%	-2.87%	-2.15%							

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

See Accompanying Notes to Required Supplementary Information

Carl Sandburg College - Community College District 518

Schedule of OPEB Contributions
Last 10 Fiscal Years
(Schedule to be Built Prospectively from 2018)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contribution	$40,968	$41,255	$42,845							
Contribution in relation to the required statutorily	40,968	41,255	42,845							
Contribution deficiency (excess)	$0	$0	$0							
College covered-employee payroll	$9,556,351	$9,500,036	$9,903,377							
Contribution as a percentage of covered-employee payroll	0.43%	0.43%	0.43%							

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

See Accompanying Notes to Required Supplementary Information

Note 1. Changes of Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2018.

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, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019.)
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in the rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

Note 3. Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2018.

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, 2010 to June 30, 2014, resulting in the adoption of new assumptions as of June 30, 2017.

- Healthcare cost trend rates. Change from actual trend used for fiscal year 2017 to actual trend used for fiscal year 2018 based on premium increases. Change the additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax for fiscal year 2017 to additional trend rate of 0.41% is added to non-Medicare cost on and after 2022 to account for the Excise Tax for fiscal year 2018.

STATISTICAL SECTION

This section of the College's Comprehensive Annual Financial Report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and supplemental financial information to understand and assess the College's overall economic condition.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the college's financial performance and well-being have changed over time. 65 - 67

Revenue Capacity
These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax. 68 - 69

Debt Capacity
These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the ability to issue additional debt in the future. 70 - 74

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place. 75 – 76

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs. 77 - 79

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Carl Sandburg College - Community College District 518

Net Position by Component

For the Last Ten Fiscal Years ended June 30,
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

TABLE A

	2019	2018	As Restated 2017**	2016	As Restated 2015	2014	As Restated 2013*	2012	2011	2010
Net investment in capital assets	$9,596	$8,138	$8,008	$8,096	$10,958	$9,793	$8,109	$10,120	$10,152	$11,085
Restricted - expendable:										
Debt Service	483	390	362	323	234	279	245	239	559	374
Grants and scholarships	420	425	425	0	0	0	0	0	0	0
Working cash	8,346	8,254	8,232	8,195	8,163	8,184	0	0	0	0
Unrestricted	1,546	(786)	(3,085)	3,457	2,815	2,961	10,739	8,026	5,849	3,259
Total net position	$20,391	$16,421	$13,942	$20,071	$22,170	$21,217	$19,093	$18,385	$16,560	$14,718

*Implementation of GASB 65
**Implementation of GASB 75

Carl Sandburg College - Community College District 518

Changes in Net Position

For the Last Ten Fiscal Years ended June 30,
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

TABLE B

	2019	2018	As Restated 2017**	2016	As Restated 2015	2014	As Restated 2013*	2012	2011	2010
Operating expenses:										
Instruction	$5,677	$5,613	$5,823	$6,074	$6,753	$6,605	$6,854	$6,367	$6,241	$6,907
Academic support	406	404	391	408	453	475	414	400	340	350
Student services	3,211	2,989	2,825	2,727	2,669	2,610	2,667	2,303	2,189	2,112
Public services	130	126	135	182	260	364	407	438	550	619
Auxiliary services	617	616	631	618	686	1,096	1,162	1,138	1,165	1,132
Operation and maintenance of plant	1,321	1,323	1,366	1,464	1,586	1,527	1,724	1,677	1,422	1,453
Institutional support	11,753	11,509	20,054	9,981	9,300	8,505	8,750	8,356	8,514	8,381
Scholarships, student grants, and waivers	3,635	4,068	2,815	2,654	3,108	3,316	3,683	4,196	4,409	4,491
Depreciation	1,303	1,305	1,385	1,378	1,254	1,355	1,381	1,375	1,337	1,185
Total operating expenses	28,053	27,953	35,425	25,486	26,069	25,853	27,042	26,250	26,167	26,630
Operating revenues:										
Charges for services:										
Student tuition and fees	5,140	5,303	4,524	4,498	4,338	4,003	4,467	4,234	4,474	4,979
Chargeback revenue Auxiliary enterprise	173	161	180	216	202	600	648	656	683	658
Total operating revenue	5,313	5,464	4,704	4,714	4,540	4,603	5,115	4,890	5,157	5,637
Operating loss	(22,740)	(22,489)	(30,721)	(20,772)	(21,529)	(21,250)	(21,927)	(21,360)	(21,010)	(20,993)
Nonoperating revenues (expenses):										
State grants	2,298	2,320	2,675	1,035	3,162	3,912	3,799	4,448	4,574	5,551
Federal grants	5,482	5,416	5,219	5,067	5,959	6,274	6,908	6,988	7,331	7,211
Property taxes	11,849	11,142	10,542	10,055	9,884	9,467	9,238	9,030	8,711	8,411
Personal property replacement tax	269	242	294	266	291	270	268	262	284	219
Local grants	24	32	52	150	12	20	9	15	24	34
Investment income	636	308	153	483	402	382	60	687	418	565
Other nonoperating revenues	6,594	6,020	6,517	5,102	4,646	4,042	3,846	2,902	2,569	2,858
Gain (loss) on disposal of assets	0	(1)	(288)	(2,776)	(785)	0	0	0	0	0
Interest expense	(445)	(511)	(572)	(709)	(1,090)	(992)	(1,274)	(1,146)	(1,060)	(1,436)
Net nonoperating revenues	26,707	24,968	24,592	18,673	22,481	23,375	22,854	23,186	22,851	23,413
Residual equity transfer										
Change in net position	$3,967	$2,479	($6,129)	($2,099)	$952	$2,125	$927	$1,826	$1,841	$2,420

*Implementation of GASB 65
**Implementation of GASB 75

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Assessed and Estimated Actual Value of Taxable Property

TABLE C

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2018	$743,947,589	$804,742,320	$262,723,804	$30,488,827	$86,497,622	$1,928,400,162	$5,785,200,486	0.6431
2017	701,661,616	755,977,286	258,982,913	21,649,672	81,435,544	1,819,707,031	5,459,121,093	0.6524
2016	663,550,654	742,549,109	260,982,719	21,700,159	74,484,612	1,763,267,253	5,289,801,759	0.6673
2015	629,272,277	716,008,658	237,521,756	16,406,871	67,169,171	1,666,378,733	4,999,136,199	0.6317
2014	606,537,263	699,100,533	235,528,265	16,553,770	64,128,032	1,621,847,863	4,865,543,589	0.6192
2013	562,937,774	692,805,775	231,443,484	17,212,963	63,352,505	1,567,752,501	4,703,257,503	0.6252
2012	524,085,393	703,152,066	229,659,312	15,395,715	59,379,815	1,531,672,301	4,595,016,903	0.6228
2011	488,503,803	710,972,443	231,155,952	13,391,155	56,980,047	1,501,003,400	4,503,010,200	0.6175
2010	455,125,203	709,365,274	232,398,947	14,408,616	48,507,941	1,459,805,981	4,379,417,943	0.6187
2009	422,967,267	710,540,769	235,181,036	14,766,284	43,602,404	1,427,057,760	4,281,173,280	0.6115

Note: Assessed value is computed by the County Clerk's offices equal to one-third of the estimated actual value.

Source: Knox County Clerk's Office

Carl Sandburg College - Community College District 518

Property Tax Levies and Collections

Last Ten Fiscal Years

TABLE D

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2018	2019	$12,327,157	$1,104,430	8.96%	$0	$1,104,430	8.96%
2017	2018	11,962,549	11,856,521	99.11%	0	11,856,521	99.11%
2016	2017	11,398,135	11,313,960	99.26%	0	11,313,960	99.26%
2015	2016	10,542,391	10,454,014	99.16%	0	10,454,014	99.16%
2014	2015	10,078,115	10,044,230	99.66%	(3,194)	10,041,036	99.63%
2013	2014	9,902,303	9,819,120	99.16%	6,296	9,825,416	99.22%
2012	2013	9,544,769	9,498,458	99.51%	(1,288)	9,497,170	99.50%
2011	2012	9,337,450	9,273,468	99.31%	(33,335)	9,240,133	98.96%
2010	2011	9,073,066	9,025,906	99.48%	(23,472)	9,002,434	99.22%
2009	2010	8,755,224	8,702,932	99.40%	(11,085)	8,691,847	99.28%

Source: Knox County Treasurer's Office

Note - Property taxes of the counties in the district are levied based on a calendar year (January 1 - December 31) and are due in two installments in the calendar year following the year of the levy.

The first installment is usually due in June and is approximately one half the prior year's tax bill.

The second installment generally includes any adjustments to the assessed valuation and is usually due 30 days after assessments are billed (usually by mid-September).

Any tax levy receivable outstanding at the end of the second fiscal year, after the year of the levy is recorded as a receivable.

Property taxes collected in advance of the year to which they apply are recorded as deferred revenue.

Carl Sandburg College - Community College District 518

Property Tax Rates - Direct and Overlapping Governments (1)

Last Ten Fiscal years

TABLE E

Taxing Bodies	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City of Galesburg	1.5632	1.6006	1.7039	1.7828	1.6135	1.5472	1.5560	1.4157	1.4420	1.4055
Township of the City of Galesburg	0.1472	0.1512	0.1528	0.1574	0.1599	0.1614	0.1612	0.1624	0.1757	0.1932
Galesburg Unit School District 205	4.8344	4.8344	4.9576	4.7018	4.5915	4.4671	4.2200	4.2048	4.1994	4.2039
Knox County	1.318	1.3631	1.3294	1.3245	1.3185	1.3157	1.1608	1.1625	1.1472	1.1282
Knox County Soil & Water Conservation	0.0006	0.0006	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Galesburg City Fire	1.1224	1.1176	1.0424	0.9500	0.9647	0.9425	0.8913	1.0498	1.0063	0.9927
Galesburg Sanitary District	0.3060	0.2986	0.3103	0.0000	0.3143	0.3125	0.3064	0.3005	0.2873	0.3063
Total Overlapping Rate	9.2918	9.3660	9.4971	8.9165	8.9622	8.7464	8.2957	8.2957	8.2579	8.2298
Carl Sandburg College Dist. 518										
Educational	0.2387	0.2444	0.2757	0.2463	0.2181	0.2146	0.2088	0.2021	0.2000	0.2013
Building	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.1713	0.1757	0.1661	0.1547	0.2103	0.2187	0.2202	0.2195	0.2244	0.2262
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1202	0.1191	0.1104	0.1162	0.1199	0.1205	0.1220	0.1240	0.1225	0.1099
Protection, Health, and Safety	0.0500	0.0500	0.0500	0.0494	0.0059	0.0058	0.0060	0.0061	0.0060	0.0062
Social Security and Medicare	0.0079	0.0081	0.0101	0.0101	0.0100	0.0106	0.0108	0.0108	0.0108	0.0129
Total	0.6431	0.6524	0.6673	0.6317	0.6192	0.6252	0.6228	0.6175	0.6187	0.6115
Total rate	9.9349	10.0184	10.1644	9.5482	9.5814	9.3716	8.9185	8.9132	8.8766	8.8413
Carl Sandburg College Percentage of Total	6.47%	6.51%	6.57%	6.62%	6.46%	6.67%	6.98%	6.93%	6.97%	6.92%

(1) Tax rates are assessed in dollars per hundred of equalized assessed value.

Note - Tax rates displayed are representative for property within the district.

Source: Knox County Clerk's Office

Carl Sandburg College - Community College District 518

Principal Taxpayers

Current Year and Nine Years Ago

Table F

		2019			2010		
Taxpayer	Type of Business	Taxable Assessed Value(approx.)		Percent District's Total EAV	Taxable Assessed Value (approx.)		Percent District's Total EAV
Burlington Northern Santa Fe	Railroad	$82,287,805	1	4.27%	$13,282,604	1	0.93%
Union Electric Co	Utilities	13,266,587	2	0.69%	12,700,377	2	0.89%
Consolidated Grain & Barge	Grain Elevator	9,182,037	3	0.48%			
Monmouth Property Dev LLC	Manufacturing	8,797,170	4	0.46%			
Galesburg Hospital Corporation	Hospital	7,272,550	5	0.38%	8,672,570	3	0.61%
KC Acquistion Inc	Manufacturing	6,334,900	6	0.33%			
Wal-Mart Stores	Retailer	4,059,550	7	0.21%	4,123,880	4	0.29%
Menard Inc.	Retailer	3,081,340	8	0.16%	3,130,010	7	0.22%
The Villas at Carl Sandburg LLC	Commercial Housing	2,487,050	9	0.13%			
OSF St Francis Inc	Hospital	2,383,140	10	0.12%			
Twomey Company	Grain Elevator				5,084,676	6	0.36%
Nauvoo Restoration Inc	Real Property				3,833,464	5	0.27%
United Facilities, Inc.	Shipping				3,680,720	8	0.26%
Hy Vee Food Stores Inc.	Retailer				2,557,230	9	0.18%
Home Development LP	Retailer				2,337,770	10	0.16%
		$139,152,129		7.22%	$59,403,301		4.16%

Sources: County Assessors' Offices - Valuations are obtained which provide details as to owner and valuation for each parcel in each County. Since a taxpayer may own numerous parcels in the District, a piece of property with a small assessed valuation may be overlooked. Thus, the valuations presented herewith have been noted as approximations.

Carl Sandburg College - Community College District 518

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE G

Fiscal Year	General Bonded Debt	Capital Leases	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Net Bonded Debt Per Capita	Personal Income (amounts expressed in thousands)	Ratio of Total Outstanding Debt to Personal Income
2019	$13,946,049	$78,052	$14,024,101	$5,459,121,093	0.257%	102,634	136	$2,613,342	0.54%
2018	16,581,320	118,687	16,700,007	5,289,801,759	0.316%	103,671	160	2,562,854	0.65%
2017	18,950,394	156,666	19,107,060	4,999,136,199	0.382%	104,639	181	2,511,424	0.76%
2016	20,934,468	192,162	21,126,630	4,865,543,589	0.434%	105,748	198	2,464,246	0.86%
2015	23,525,374	0	23,525,374	4,703,257,503	0.500%	105,790	222	2,439,200	0.96%
2014	25,912,657	0	25,912,657	4,595,016,903	0.564%	100,165	259	2,386,531	1.09%
2013	28,240,401	0	28,070,000	4,503,010,200	0.623%	105,835	267	2,261,164	1.24%
2012	27,247,150	0	27,325,000	4,379,417,943	0.624%	105,835	257	2,215,656	1.23%
2011	29,825,000	0	29,825,000	4,281,173,280	0.697%	105,835	282	2,204,225	1.35%
2010	29,255,000	0	29,255,000	4,124,629,695	0.709%	120,186	243	2,226,085	1.31%

Note: Details regarding the District's outstanding debt can be found in Note 4, in the Notes to Basic Financial Statements.

Sources: Knox County Clerk's Office College records

Carl Sandburg College - Community College District 518

Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita

Last Ten Fiscal Years

TABLE H

Fiscal Year	Net General Bonded Debt	Estimated Actual Taxable Value of Property	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2019	$13,946,049	$5,459,121,093	102,634	0.255%	$136
2018	16,581,320	5,289,801,759	103,671	0.313%	160
2017	18,950,394	4,999,136,199	104,639	0.379%	181
2016	20,934,468	4,865,543,589	105,748	0.430%	198
2015	23,525,374	4,703,257,503	105,790	0.500%	222
2014	25,912,657	4,595,016,903	100,165	0.564%	259
2013	28,240,401	4,503,010,200	105,835	0.627%	267
2012	27,247,150	4,379,417,943	105,835	0.622%	257
2011	29,825,000	4,281,173,280	105,835	0.697%	282
2010	29,255,000	4,124,629,695	120,186	0.709%	243

Note: Details regarding the District's outstanding debt can be found in Note 4 - Debt, in the Notes to Basic Financial Statements.

Sources: Knox County Clerk's Office
College records

Carl Sandburg College - Community College District 518

Computation of Direct and Overlapping Bonded Debt

June 30, 2019

TABLE I

Overlapping Agencies	Outstanding Debt	Percent (1)	Amount
Knox County	$3,220,000	98.02%	$3,156,244
Monmouth Park District	170,000	100.00%	170,000
City of Monmouth	27,225,024	100.00%	27,225,024
City of Galesburg	24,620,000	100.00%	24,620,000
Roseville-Swan-Point Pleasant-Ellison FPD	1,185,000	100.00%	1,185,000
Raritan Road District	90,000	100.00%	90,000
Mendon CUSD #4	6,495,000	1.62%	105,219
Schuyler-Industry CUSD #5	0	20.74%	0
Bushnell-Prairie City CUSD #170	240,000	76.27%	183,048
Avon CUSD #176	0	61.93%	0
Macomb CUSD #185	7,835,000	0.02%	1,567
Aledo CUSD #201 - Now Mercer County CUSD #404	4,528,600	0.40%	18,114
Knoxville CUSD #202	4,545,000	100.00%	4,545,000
Galesburg CUSD #205	44,127,000	100.00%	44,127,000
ROWVA CUSD #208	7,165,000	95.03%	6,808,900
Abingdon CUSD #217	0	100.00%	0
Galva CUSD #224	915,000	0.25%	2,288
Alwood CUSD #225	1,415,000	0.24%	3,396
Monmouth-Roseville CUSD #238	4,225,000	100.00%	4,225,000
Farmington CUSD #265	1,320,000	19.71%	260,172
United CUSD #304	4,530,000	85.33%	3,865,449
Warsaw CUSD #316	1,200,000	100.00%	1,200,000
Elmwood CUSD #322	9,475,000	0.14%	13,265
Hamilton CUSD #328	0	100.00%	0
Dallas City CUSD #336	220,000	100.00%	220,000
LaHarpe Elementary District #347	1,855,000	100.00%	1,855,000
Williamsfield CUST #210	0	100.00%	0
Fulton County	1,350,000	0.25%	3,375
			123,883,061.00
Community College Dist. #518	$13,946,049	100.00%	13,946,049
Total Direct & Overlapping General Obligation Bonded Debt			$137,829,110

Source: Office of the 10 counties in the Carl Sandburg College District

(1) Debt percentage applicable to the College is calculated by applying the ratio of assessed value of the governmental unit applicable to the College district compared to the total assessed value of the governmental unit.

Carl Sandburg College - Community College District 518

Legal Debt Margin

Last Ten Fiscal Years

TABLE J

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
2019	$55,441,505	$14,024,101	$41,417,404	25.295%
2018	52,316,577	16,700,007	35,616,570	31.921%
2017	50,693,934	19,107,060	31,586,874	37.691%
2016	47,908,389	21,126,630	26,781,759	44.098%
2015	46,628,126	23,525,374	23,102,752	50.453%
2014	45,072,884	25,912,657	19,160,227	57.491%
2013	44,035,579	28,070,000	15,965,579	63.744%
2012	43,153,848	27,325,000	15,828,848	63.320%
2011	41,969,422	29,825,000	12,144,422	71.064%
2010	41,027,911	29,255,000	11,772,911	71.305%

Assessed valuation - 2018 levy	$1,928,400,162
Debt limit (2.875% of total assessed value)	$55,441,505
Debt applicable to limit:	
General obligation bonds	13,946,049
Capital leases	78,052
Total net debt applicable to limit	14,024,101
Legal debt margin	$41,417,404

Sources: Knox County Clerk's Office College records

Carl Sandburg College - Community College District 518

Demographic and Economic Statistics*

Last Ten Fiscal Years

TABLE K

Fiscal Year	Estimated Population*	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2019	102,634	$2,613,342	$25,463	43.3	28,267	4.4%	1,582	17
2018	103,671	2,562,854	24,721	42.8	28,552	4.6%	1,639	17
2017	104,639	2,511,424	24,001	42.4	29,742	6.0%	1,927	17
2016	105,748	2,464,246	23,303	42.0	30,741	6.5%	2,082	17
2015	105,790	2,439,200	23,057	42.0	30,757	5.3%	2,328	15
2014	100,165	2,386,531	23,826	44.0	21,466	7.7%	2,200	15
2013	105,835	2,261,164	21,365	40.4	37,187	9.1%	2,460	14
2012	105,835	2,215,656	20,935	40.1	37,858	7.6%	2,383	17
2011	105,835	2,204,225	20,827	39.2	39,111	7.1%	2,538	17
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17

Sources: U.S. Census Bureau, QuickFacts
2007-2011 American Community Survey 5-Year Estimates
College records
IL Dept. of Employment Security, Economic Information & Analysis Division
ICCB Data and Characteristics
Esri.com
Navteq
http://www.isbe.net/research/htmls/fall_housing.htm

Carl Sandburg College - Community College District 518

Principal Employers

Current Year and Nine Years Ago

TABLE L

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage of Total District Employment**	**Employees**	**Rank**	**Percentage of Total District Employment**
Smithfield Foods (Farmland)	1,600	1	1.63%	1,350	1	2.03%
Burlington Northern Santa Fe Railroad	1,250	2	1.27%	1,115	2	1.67%
OSF (Galesburg, Monmouth)	856	3	0.87%	1,025	3	1.54%
Dick Blick Art Materials	670	4	0.68%	550	5	0.83%
Galesburg Cottage Hospital	615	5	0.63%	730	4	1.10%
Community School District #205	594	6	0.60%	542	6	0.81%
Hy-Vee Food Stores	578	7	0.59%	525	7	0.79%
Knox County	355	8	0.36%	420	10	0.63%
Carl Sandburg College	342	9	0.35%	454	8	0.68%
Bridgeway/Bridgeway Training	200	10	0.20%			
Methode Electronics				450	9	0.68%
Total	7,060		7.18%	7,161		10.76%

Sources:

http://www.knoxpartnership.com/top-employers/
City of Galesburg

Source:

Illinois Department of Commerce and Economic Opportunity Community Profiles
http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support
College records

Source: Labor Force Population

http://www.ides.illinois.gov/Custom/Library/Statistic/QCEW/LWA14.pdf
http://lehd.did.census.gov/cgi-bin/qwitop_main?xstate=il

Carl Sandburg College - Community College District 518

Full-Time Equivalent Employees

Last Ten Fiscal Years

TABLE M

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction-Faculty	71	81	86	83	95	109	116	113	112	119
Full-time	39	39	47	50	51	54	57	56	55	64
Part-time	32	42	39	33	44	55	59	57	57	55
Administrative Staff	23	22	22	22	23	23	21	19	20	20
Full-time	22	21	21	22	23	23	21	19	20	20
Part-time	1	1	1	0	0	0	0	0	0	0
Other Non-Teaching Professional	63	66	56	58	57	64	69	70	72	75
Full-time	47	47	56	56	56	62	65	66	67	70
Part-time	16	19	0	2	1	2	4	4	5	5
Classified Staff	46	49	52	51	50	53	56	56	55	52
Full-time	45	48	43	43	47	51	55	53	53	49
Part-time	1	1	9	8	3	2	1	3	2	3
Total	203	218	216	214	225	249	262	258	259	266

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518
Operating Indicators
Last Ten Fiscal Years

TABLE N

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:[1]										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,118	2,183	1,950	1,837	1,972	2,326	2,740	2,784	3,270	2,965
Vocational	0	2	0	0	0	0	0	2	19	23
Occupational	582	557	581	662	686	932	1,046	1,101	1,055	1,220
ABE	0	0	0	15	72	123	154	196	225	266
ASE	0	0	0	23	62	94	126	140	142	182
ESL	0	0	0	15	80	118	128	84	74	67
General Studies	0	0	0	0	0	0	0	0	0	1
General Associates	363	310	469	407	428	115	91	85	83	80
Total	3,063	3,052	3,000	2,959	3,300	3,708	4,285	4,392	4,868	4,804
Annual FTE Students[2]	1,176	1,201	1,229	1,258	1,339	1,450	1,599	1,644	1,737	1,772
Total Reimbursable Credit Hours[3]	35,282	36,020	36,863	37,748	40,172	43,511	47,972	49,316	52,113	53,174
Degrees awarded:[4]										
Associate (transfer)	203	204	231	206	178	167	148	129	118	106
Associate in applied science	159	154	106	135	135	134	156	140	119	122
Career & technical certificates	105	125	143	150	222	236	133	176	152	137
Average annual faculty salary[5]	$60,419	$58,761	$56,853	$56,285	$54,159	$54,670	$52,907	$55,771	$62,269	$49,074
Students per faculty[6]	14	15	17	17	15	15	16	16	17	17
Institutional support:[7]										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.15	1.23	1.23	1.29	1.25	1.29	1.4	1.45	1.80	1.85

[1]Source: ICCB A1 Annual Student Enrollment and Completion
[2]Source: Total Reimbursable Credit Hours / 15 / 2
[3]Source: ICCB SU SR for each semester
[4]Source: ICCB A1 Annual Student Enrollment and Completion
[5]Source: ICCB C1 Faculty, Staff, Salary Data
[6]Source: IPEDS Fall Enrollment
[7]Source: ICCB Tax Revenue and Budget Information Survey

Carl Sandburg College - Community College District 518

Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:										
Building - acres	6.2	6.2	6.2	6.4	6.9	6.9	6.9	6.9	6.9	6.9
Classroom - sq. ft.	44,975	44,975	44,975	43,938	48,340	45,898	47,195	45,756	47,128	46,167
Lab - sq. ft.	57,585	57,585	57,585	58,585	57,471	66,251	70,989	69,154	70,124	70,124
Academic support:										
Support - sq. ft.	4,268	4,268	4,268	4,284	3,595	3,763	3,530	3,530	3,530	3,385
Study - sq. ft.	17,184	17,184	17,184	17,654	18,044	18,760	17,750	18,784	18,784	18,784
Student services:										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694
General administration:										
Office - sq. ft.	31,133	31,133	31,133	32,840	33,528	36,954	37,154	37,154	37,154	37,025
Institutional support:										
Landscaped grounds - acres	34.6	34.6	34.6	34.7	37.9	37.9	37.9	37.9	37.9	37.9
Parking lots - acres	9.2	9.2	9.2	9.2	9.9	9.9	9.9	9.9	9.9	9.9
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Acres - ICCB Table 2
Source: Sq.ft. - ICCB R3

SPECIAL REPORTS SECTION

Supplemental Financial Information

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 Fixed Assets and Debt
No. 3 - Operating Funds Revenues and Expenditures
No. 4 - Restricted Purposes Fund Revenues and Expenditures
No. 5 - Current Funds Expenditures by Activity

Certificate of Chargeback Reimbursement

No. 6 - Certificate of Chargeback Reimbursement

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2018	$5,127,454	$1,199,665	$148,752	$6,819,681
Revenue:				
Local taxes	4,733,265	1,095,050	901,989	0
All other local government	0	0	0	0
ICCB grants	1,262,220	99,060	0	0
All other state revenue	0	0	0	0
State of Illinois SURS on-behalf payments	0	0	0	0
Federal revenue	10,814	0	0	0
Student tuition and fees	6,544,347	636,027	0	0
All other revenue	151,351	7,489	810	293,681
Total revenue	12,701,997	1,837,626	902,799	293,681
Expenditures:				
Instruction	5,597,897	0	0	0
Academic support	407,396	0	0	0
Student services	2,324,966	0	0	0
Public service	129,377	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance	0	1,315,677	0	0
Institutional support	2,572,101	117,048	0	1,600
Scholarships, student grants, and waivers	222,715	0	0	0
Principal retirement		40,635	0	0
Interest, service charges, and issuance costs	0	6,800	0	0
Building construction, building improvements, and equipment	29,665	68,331	1,242,191	0
Total expenditures	11,284,117	1,548,491	1,242,191	1,600
Issuance of refunding bonds	0	0	0	0
Payment to refunded bonds escrow agent	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(372,346)	0	0	0
	(372,346)	0	0	0
Fund balance (deficit) at June 30, 2019	$6,172,988	$1,488,800	($190,640)	$7,111,762

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2019

	Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund
Fund balance (deficit) at July 1, 2018	$390,384	$163,359	$424,515	($55,511)
Revenue:				
Local taxes	3,146,121	0	0	90,122
All other local government	0	0	0	0
ICCB grants	0	0	0	0
All other state revenue	0	0	936,841	0
State of Illinois SURS on-behalf payments	0	0	6,445,657	0
Federal revenue	0	0	5,471,577	0
Student tuition and fees	0	0	0	0
All other revenue	150	289,455	3,905	0
Total revenue	3,146,271	289,455	12,857,980	90,122
Expenditures:				
Instruction	0	0	3,032,840	0
Academic support	0	0	147,748	0
Student services	0	0	1,906,814	0
Public service	0	0	64,323	0
Auxiliary services	0	638,656	139,062	0
Operation and maintenance	0	0	356,148	0
Institutional support	2,458	0	1,750,207	62,888
Scholarships, student grants, and waivers	0	0	5,459,327	0
Principal retirement	2,620,000	0	0	0
Interest, service charges, and issuance costs	469,773	0	0	0
Building construction, building improvements, and equipment	0	0	6,256	0
Total expenditures	3,092,231	638,656	12,862,725	62,888
Issuance of refunding bonds	2,920,000	0	0	0
Payment to refunded bonds escrow agent	(2,881,179)	0	0	0
Transfers in	0	402,815	0	0
Transfers out	0	0	0	0
	38,821	402,815	0	0
Fund balance (deficit) at June 30, 2019	$483,245	$216,973	$419,770	($28,277)

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2019

	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Non-Expendable Trust Fund	Total
Fund balance (deficit) at July 1, 2018	$3,056,122	$1,085,837	$8,253,665	$26,613,923
Revenue:				
Local taxes	2,151,344	0	0	12,117,891
All other local government	0	0	0	0
ICCB grants	0	0	0	1,361,280
All other state revenue	0	0	0	936,841
State of Illinois SURS on-behalf payments	0	0	0	6,445,657
Federal revenue	0	0	0	5,482,391
Student tuition and fees	0	0	0	7,180,374
All other revenue	98,783	11,116	125,602	982,342
Total revenue	2,250,127	11,116	125,602	34,506,776
Expenditures:				
Instruction	0	0	0	8,630,737
Academic support	0	0	0	555,144
Student services	0	0	0	4,231,780
Public service	0	0	0	193,700
Auxiliary services	0	0	0	777,718
Operation and maintenance	0	0	0	1,671,825
Institutional support	2,096,634	0	3,200	6,606,136
Scholarships, student grants, and waivers	0	0	0	5,682,042
Principal retirement	0	0	0	2,660,635
Interest, service charges, and issuance costs	0	0	0	476,573
Building construction, building improvements, and equipment	0	0	0	1,346,443
Total expenditures	2,096,634	0	3,200	32,832,733
Issuance of refunding bonds	0	0	0	2,920,000
Payment to refunded bonds escrow agent	0	0	0	(2,881,179)
Transfers in	0	0	0	402,815
Transfers out	0	0	(30,469)	(402,815)
	0	0	(30,469)	38,821
Fund balance (deficit) at June 30, 2019	$3,209,615	$1,096,953	$8,345,598	$28,326,787

Carl Sandburg College - Community College District 518

Uniform Financial Statement #2

Summary of Fixed Assets and Debt*

For the year ended June 30, 2019

	Fixed Assets/ Debt Account Groups July 1, 2018	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2019
Fixed assets:					
Land	$346,125	$0	$0	$0	$346,125
Work in progress	570,837	890,440	0	(419,790)	1,041,487
Furniture and equipment	5,366,979	485,050	0	419,790	6,271,819
Land improvements	1,023,106	0	0	0	1,023,106
Buildings and additions	31,385,465	29,958	0	0	31,415,423
Vehicles	230,385	32,614	0	0	262,999
Infrastructure	3,376,418	0	0	0	3,376,418
Total fixed assets	42,299,315	1,438,062	0	0	43,737,377
Accumulated depreciation	25,867,552	1,302,797	0	0	27,170,349
Total net fixed assets	$16,431,763	$135,265	$0	$0	$16,567,028
Fixed debts:					
Bonds payable	$16,200,000	$2,920,000	$5,480,000	$0	$13,640,000
OPEB liability	8,671,841	172,523	0	0	8,844,364
Capital leases	118,687	0	40,635	0	78,052
Other fixed liabilities	361,354	269,491	263,037	0	367,808
Total fixed debts	$25,351,882	$3,362,014	$5,783,672	$0	$22,930,224

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2018.

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

For the year ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	$4,598,601	$960,386	$5,558,987
Corporate personal property replacement tax	134,664	134,664	269,328
Tuition chargeback revenue	0	0	0
Total local government	4,733,265	1,095,050	5,828,315
State government:			
ICCB base operating grant	1,102,930	95,060	1,197,990
ICCB equalization grant	46,000	4,000	50,000
ICCB career and technical education formula grant	113,290	0	0
Total state government	1,262,220	99,060	1,361,280
Total federal government	10,814	0	10,814
Student tuition and fees:			
Tuition	6,227,176	528,802	6,755,978
Fees	317,171	107,225	424,396
Total tuition and fees	6,544,347	636,027	7,180,374
Other sources:			
Interest	117,384	0	117,384
Other	33,967	7,489	41,456
Total other sources	151,351	7,489	158,840
Total revenue	12,701,997	1,837,626	14,539,623
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
Adjusted revenue	$12,701,997	$1,837,626	$14,539,623

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

For the year ended June 30, 2019

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	$5,607,062	$0	$5,607,062
Academic support	407,396	0	407,396
Student services	2,324,966	0	2,324,966
Public services	129,377	0	129,377
Operation and maintenance of plant	0	1,384,008	1,384,008
Institutional support	2,592,601	164,483	2,757,084
Scholarships, student grants, and waivers	222,715	0	222,715
Total expenditures	11,284,117	1,548,491	12,832,608
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	$11,284,117	$1,548,491	$12,832,608
By object:			
Salaries	$7,311,740	$544,064	$7,855,804
Employee benefits	1,046,809	159,817	1,206,626
Contractual services	453,046	81,135	534,181
General materials and supplies	960,173	97,564	1,057,737
Conference and meeting expense	158,433	2,886	161,319
Fixed charges	92,464	48,785	141,249
Utilities	0	526,148	526,148
Capital outlay	20,500	58,506	79,006
Other	1,240,952	29,586	1,270,538
Total expenditures	11,284,117	1,548,491	12,832,608
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	$11,284,117	$1,548,491	$12,832,608

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

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

For the year ended June 30, 2019

Revenue by source:	
State government:	
Illinois Map Grant	$936,841
SURS on behalf contributions	6,445,657
ICCB -	
Program Improvement Grant	0
Total state government	7,382,498
Federal government:	
Department of Education:	
College Work Study Grants	38,425
Pell Grants	3,811,995
Supplemental Educational Opportunity Grant	74,529
Direct Loans	572,607
Trio-Student Support services	236,851
Trio-Upward Bound	303,126
Trio-Upward Bound Math & Science	300,284
Perkins Postsecondary-Federal Allocation	99,018
Perkins Career Corporate Development	30,968
UISFL Grant	0
Department of Labor:	
TAACCT BioProgress Grant	3,774
Total federal government	5,471,577
Other sources	3,905
Total restricted purposes fund revenues	$12,857,980

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2019

Expenditures by program:	
Instruction	$3,039,096
Academic services	147,748
Student services	1,906,814
Public services	64,323
Auxiliary services	139,062
Operation and maintenance of plant	356,148
Institutional support	1,750,207
Scholarships, student grants, and waivers	5,459,327
Total restricted purposes fund expenditures by program	$12,862,725

Expenditures by object:	
Salaries	$415,923
Employee benefits (including SURS on-behalf)	6,584,778
Contractual services	4,441
General materials and supplies	127,073
Travel, conference and meeting expense	38,158
Student financial aid	5,434,397
Capital outlay	6,076
Other	251,879
Total restricted purposes fund expenditures by object	$12,862,725

Carl Sandburg College - Community College District 518

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

For the year ended June 30, 2019

Instructional:	
Programs	$4,527,600
Support	1,167,800
Total instructional	5,695,400
Academic support:	
Learning resource center	89,615
Instructional materials center	179,173
Other academic support	138,608
Total academic support	407,396
Student services:	
Admissions and records	127,005
Counseling and career guidance	566,785
Financial aid administration	231,515
Other student services	2,285,349
Total student services	3,210,654
Public service/continuing education:	
Community education	61,610
Customized training (instructional)	63,966
Community services	4,528
Other public service	258
Total public service/continuing education	130,362
Auxiliary services	638,656
Operations and maintenance of plant:	
Maintenance	367,491
Custodial	251,323
Grounds	176,656
Plant utilities	428,721
Other operations and maintenance	159,817
Total operations and maintenance of plant	1,384,008
Institutional support:	
Executive management	243,137
Fiscal operations	326,740
Community relations	463,084
Administrative support services	2,040,173
Board of trustees	30,075
General institution	779,156
Institutional research	159,770
Administrative data processing	604,224
Other institutional support	6,723,564
Total institutional support	11,369,923
Scholarships, student grants, and waivers	5,657,112
Total current funds expenditures	$28,493,511

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

Carl Sandburg College - Community College District 518

Certification of Chargeback Reimbursement

For Fiscal Year 2020

	All fiscal year 2019 noncapital audited operating expenditures from the following funds:		
1	Education Fund	$11,254,452	
2	Operations and Maintenance Fund	1,432,725	
3	Public Building Commission Operation and Maintenance Fund	0	
4	Bond and Interest Fund	2,399,596	
5	Public Building Commission Rental Fund	0	
6	Restricted Purposes Fund	12,856,469	
7	Audit Fund	62,888	
8	Liability, Protection, and Settlement Fund	2,096,634	
9	Auxiliary Enterprises Fund (subsidy only)	0	
10	Total noncapital expenditures (sum of lines 1-9)		$30,102,764
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$855,743	
12	Total costs included (line 10 plus line 11)		$30,958,507
13	Total certified semester credit hours for FY 2019	35,282	
14	Per capita cost (line 12 divided by line 13)		$877.46
15	All FY 2019 state and federal operating grants for noncapital expenditures, except ICCB grants	$4,980,252	
16	FY 2019 state and federal grants per semester credit hour (line 15 divided by line 13)		141.16
17	District's average ICCB grant rate (excluding equalization grants) for FY 2020		42.99
18	District's student tuition and fee rate per semester credit hour for FY 2020		170.00
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		$523.31

Approved:_____ 9/11/2019

Chief Financial Officer Date

_____ 9/11/2019

President Date

Other Supplemental Financial Information

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

June 30, 2019

ASSETS AND DEFERRED OUTFLOWS	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Cash and cash equivalents	$7,551,379	$0	$0	$0
Deposits	0	0	0	0
Investments	0	0	38,169	9,600,789
Receivables, net:				
Property taxes	4,193,463	864,954	864,954	0
Government claims and grants	23,820	27,927	0	0
Other	193,991	0	0	59,283
Advances to other funds	0	1,785,011	0	0
Prepaid items	205,700	0	0	0
Inventories	0	0	0	0
Property and equipment, net	0	0	0	0
Total assets	12,168,353	2,677,892	903,123	9,660,072
Deferred outflows of resources -				
Deferred pension	0	0	0	0
Deferred OPEB	0	0	0	0
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	0	0	0
Total assets and deferred outflows	$12,168,353	$2,677,892	$903,123	$9,660,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	$239,507	$0	$0	$0
Accrued liabilities	95,051	0	0	0
Advances from other funds	1,060,043	0	140,039	2,548,310
Unearned tuition and fees	0	235,368	0	0
Accrued compensated absences	0	0	0	0
Capital lease payable	0	0	0	0
OPEB Liability	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0
Total liabilities	1,394,601	235,368	140,039	2,548,310
Deferred inflows of resources:				
Deferred property taxes	4,600,764	953,724	953,724	0
Deferred grant revenue	0	0	0	0
Deferred concessions	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	4,600,764	953,724	953,724	0
Fund balance (deficit):				
Net investment in capital assets	0	0	0	0
Restricted	0	0	0	0
Unrestricted	6,172,988	1,488,800	(190,640)	7,111,762
Total fund balance (deficit)	6,172,988	1,488,800	(190,640)	7,111,762
Total liabilities, deferred inflows of resources and fund balances	$12,168,353	$2,677,892	$903,123	$9,660,072

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types (Continued)

June 30, 2019

ASSETS AND DEFERRED OUTFLOWS	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Cash and cash equivalents	$0	$450	$0	$0	$0
Deposits	0	0	0	0	0
Investments	6,988	0	0	0	4,146,148
Receivables, net:					
Property taxes	2,964,022	0	0	86,495	2,216,875
Government claims and grants	0	0	257,542	0	0
Other	0	8,820	0	0	24,885
Advances to other funds	780,456	240,161	302,740	0	0
Prepaid items	0	0	0	0	0
Inventories	0	7,700	0	0	0
Property and equipment, net	0	19,397	0	0	0
Total assets	3,751,466	276,528	560,282	86,495	6,387,908
Deferred outflows of resources -					
Deferred pension	0	0	0	0	0
Deferred OPEB	0	0	0	0	0
Unamortized loss on refunding	0	0	0	0	0
Total deferred outflows of resources	0	0	0	0	0
Total assets and deferred outflows	$3,751,466	$276,528	$560,282	$86,495	$6,387,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	$0	$2,147	$0	$0	$0
Accrued liabilities	0	14,440	0	0	0
Advances from other funds	0	0	0	19,400	733,899
Unearned tuition and fees	0	42,968	0	0	0
Accrued compensated absences	0	0	0	0	0
Capital lease payable	0	0	0	0	0
OPEB Liability	0	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0	0
Total liabilities	0	59,555	0	19,400	733,899
Deferred inflows of resources:					
Deferred property taxes	3,268,221	0	0	95,372	2,444,394
Deferred grant revenue	0	0	140,512	0	0
Deferred concessions	0	0	0	0	0
Deferred OPEB	0	0	0	0	0
Total deferred inflows	3,268,221	0	140,512	95,372	2,444,394
Fund balance (deficit):					
Net investment in capital assets	0	19,397	0	0	0
Restricted	483,245	0	419,770	0	0
Unrestricted	0	197,576	0	(28,277)	3,209,615
Total fund balance (deficit)	483,245	216,973	419,770	(28,277)	3,209,615
Total liabilities, deferred inflows of resources and fund balances	$3,751,466	$276,528	$560,282	$86,495	$6,387,908

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2019

ASSETS AND DEFERRED OUTFLOWS	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust	Agency Fund	Total
Cash and cash equivalents	$0	$4,168,328	$0	$11,720,157
Deposits	0	556,599	0	556,599
Investments	0	3,393,618	0	17,185,712
Receivables, net:				
Property taxes	0	0	0	11,190,763
Government claims and grants	0	0	0	309,289
Other	0	16,184	0	303,163
Advances to other funds	1,096,953	210,869	85,501	4,501,691
Prepaid items	0	0	0	205,700
Inventories	0	0	0	7,700
Property and equipment, net	0	0	0	19,397
Total assets	1,096,953	8,345,598	85,501	46,000,171
Deferred outflows of resources:				
Deferred pension	0	0	0	0
Deferred OPEB	0	0	0	0
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	0	0	0
Total assets and deferred outflows	$1,096,953	$8,345,598	$85,501	$46,000,171
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	$0	$0	$85,501	$327,155
Accrued liabilities	0	0	0	109,491
Advances from other funds	0	0	0	4,501,691
Unearned tuition and fees	0	0	0	278,336
Accrued compensated absences	0	0	0	0
Capital lease payable	0	0	0	0
OPEB Liability	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0
Total liabilities	0	0	85,501	5,216,673
Deferred inflows of resources:				
Deferred property taxes	0	0	0	12,316,199
Deferred grant revenue	0	0	0	140,512
Deferred concessions	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	0	0	0	12,456,711
Fund balance (deficit):				
Net investment in capital assets	0	0	0	19,397
Restricted	0	8,345,598	0	9,248,613
Unrestricted	1,096,953	0	0	19,058,777
Total fund balance (deficit)	1,096,953	8,345,598	0	28,326,787
Total liabilities, deferred inflows of resources and fund balances	$1,096,953	$8,345,598	$85,501	$46,000,171

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2019

ASSETS AND DEFERRED OUTFLOWS	GASB General Fixed Assets Account	GASB General Long Term Debt Account	Other Adjustments	Adjusted Total
Cash and cash equivalents	$0	$0	$0	$11,720,157
Deposits	0	0	0	556,599
Investments	0	0	0	17,185,712
Receivables, net:				
Property taxes	0	0	0	11,190,763
Government claims and grants	0	0	0	309,289
Other	0	0	0	303,163
Advances to other funds	0	0	(4,501,691)	0
Prepaid items	0	0	0	205,700
Inventories	0	0	0	7,700
Property and equipment, net	16,547,631	0	0	16,567,028
Total assets	16,547,631	0	(4,501,691)	58,046,111
Deferred outflows of resources:				
Deferred pension	0	0	45,406	45,406
Deferred OPEB	0	205,005	0	205,005
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	205,005	45,406	250,411
Total assets and deferred outflows	$16,547,631	$205,005	($4,456,285)	$58,296,522
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	$0	$0	$0	$327,155
Accrued liabilities	0	0	(14,440)	95,051
Advances from other funds	0	0	(4,501,691)	0
Unearned tuition and fees	0	0	279,749	558,085
Accrued compensated absences	0	0	367,808	367,808
Capital lease payable	0	78,052	0	78,052
OPEB Liability	0	8,844,364	0	8,844,364
Bonds payable, net of amortized premiums (discounts)	0	13,946,049	0	13,946,049
Total liabilities	0	22,868,465	(3,868,574)	24,216,564
Deferred inflows of resources:				
Deferred property taxes	0	0	0	12,316,199
Deferred grant revenue	0	0	0	140,512
Deferred concessions	0	0	0	0
Deferred OPEB	0	1,232,493	0	1,232,493
Total deferred inflows	0	1,232,493	0	13,689,204
Fund balance (deficit):				
Net investment in capital assets	16,547,631	(6,971,180)	0	9,595,848
Restricted	0	0	0	9,248,613
Unrestricted	0	(16,924,773)	(587,711)	1,546,293
Total fund balance (deficit)	16,547,631	(23,895,953)	(587,711)	20,390,754
Total liabilities, deferred inflows of resources and fund balances	$16,547,631	$205,005	($4,456,285)	$58,296,522

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2019

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Revenues:				
Local government	$4,733,265	$1,095,050	$901,989	$0
State government	1,262,220	99,060	0	0
State of Illinois SURS on-behalf payments	0	0	0	0
Federal government	10,814	0	0	0
Student tuition and fees	6,544,347	636,027	0	0
Sales and service fees	0	0	0	0
Interest	117,384	0	810	293,681
Other	33,967	7,489	0	0
Total revenues	12,701,997	1,837,626	902,799	293,681
Expenditures/expenses:				
Current:				
Instruction	5,607,062	0	0	0
Academic support	407,396	0	0	0
Student services	2,324,966	0	0	0
Public services	129,377	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance of plant	0	1,384,008	0	0
Institutional support	2,592,601	117,048	1,242,191	1,600
Scholarships, student grants, and waivers	222,715	0	0	0
Depreciation expense	0	0	0	0
Debt service:				
Principal retirement	0	40,635	0	0
Interest	0	6,800	0	0
Bond issuance costs	0	0	0	0
Total expenditures/expenses	11,284,117	1,548,491	1,242,191	1,600
Excess (deficiency) of revenues over expenditures/expenses	1,417,880	289,135	(339,392)	292,081
Other financing sources (uses):				
Issuance of refunding bonds	0	0	0	0
Payment to refunded bonds escrow agent	0	0	0	0
Transfers in	0	0	0	0
Transfers out	(372,346)	0	0	0
Total other financing sources (uses)	(372,346)	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,045,534	289,135	(339,392)	292,081
Fund balance/net position (deficit) at beginning of year	5,127,454	1,199,665	148,752	6,819,681
Fund balance/net position (deficit) at end of year	$6,172,988	$1,488,800	($190,640)	$7,111,762

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2019

	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Revenues:					
Local government	$3,146,121	$0	$0	$90,122	$2,151,344
State government	0	0	936,841	0	0
State of Illinois SURS on-behalf payments	0	0	6,445,657	0	0
Federal government	0	0	5,471,577	0	0
Student tuition and fees	0	0	0	0	0
Sales and service fees	0	172,767	0	0	0
Interest	150	0	0	0	87,603
Other	0	116,688	3,905	0	11,180
Total revenues	3,146,271	289,455	12,857,980	90,122	2,250,127
Expenditures/expenses:					
Current:					
Instruction	0	0	88,338	0	0
Academic support	0	0	0	0	0
Student services	0	0	885,688	0	0
Public services	0	0	985	0	0
Auxiliary services	0	617,090	0	0	0
Operation and maintenance of plant	0	0	0	0	0
Institutional support	2,458	0	6,453,317	62,888	2,096,634
Scholarships, student grants, and waivers	0	0	5,434,397	0	0
Depreciation expense	0	21,566	0	0	0
Debt service:					
Principal retirement	2,620,000	0	0	0	0
Interest	434,273	0	0	0	0
Bond issuance costs	35,500	0	0	0	0
Total expenditures/expenses	3,092,231	638,656	12,862,725	62,888	2,096,634
Excess (deficiency) of revenues over expenditures/expenses	54,040	(349,201)	(4,745)	27,234	153,493
Other financing sources (uses):					
Issuance of refunding bonds	2,920,000	0	0	0	0
Payment to refunded bonds escrow agent	(2,881,179)	0	0	0	0
Transfers in	0	402,815	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources (uses)	38,821	402,815	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	92,861	53,614	(4,745)	27,234	153,493
Fund balance/net position (deficit) at beginning of year	390,384	163,359	424,515	(55,511)	3,056,122
Fund balance/net position (deficit) at end of year	$483,245	$216,973	$419,770	($28,277)	$3,209,615

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2019

	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust	Agency Fund	Totals
Revenues:				
Local government	$0	$0	$0	$12,117,891
State government	0	0	0	2,298,121
State of Illinois SURS on-behalf payments	0	0	0	6,445,657
Federal government	0	0	0	5,482,391
Student tuition and fees	0	0	0	7,180,374
Sales and service fees	0	0	0	172,767
Interest	11,116	125,602	0	636,346
Other	0	0	0	173,229
Total revenues	11,116	125,602	0	34,506,776
Expenditures/expenses:				
Current:				
Instruction	0	0	0	5,695,400
Academic support	0	0	0	407,396
Student services	0	0	0	3,210,654
Public services	0	0	0	130,362
Auxiliary services	0	0	0	617,090
Operation and maintenance of plant	0	0	0	1,384,008
Institutional support	0	3,200	0	12,571,937
Scholarships, student grants, and waivers	0	0	0	5,657,112
Depreciation expense	0	0	0	21,566
Debt service:				
Principal retirement	0	0	0	2,660,635
Interest	0	0	0	441,073
Bond issuance costs	0	0	0	35,500
Total expenditures/expenses	0	3,200	0	32,832,733
Excess (deficiency) of revenues over expenditures/expenses	11,116	122,402	0	1,674,043
Other financing sources (uses):				
Issuance of refunding bonds	0	0	0	2,920,000
Payment to refunded bonds escrow agent	0	0	0	(2,881,179)
Transfers in	0	0	0	402,815
Transfers out	0	(30,469)	0	(402,815)
Total other financing sources (uses)	0	(30,469)	0	38,821
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	11,116	91,933	0	1,712,864
Fund balance/net position (deficit) at beginning of year	1,085,837	8,253,665	0	26,613,923
Fund balance/net position (deficit) at end of year	$1,096,953	$8,345,598	$0	$28,326,787

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2019

	GASB			
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	Adjusted Total
Revenues:				
Local government	$0	$0	$0	$12,117,891
State government	0	0	0	2,298,121
State of Illinois SURS on-behalf payments	0	0	(6,445,657)	0
Federal government	0	0	0	5,482,391
Student tuition and fees	0	0	(2,040,338)	5,140,036
Sales and service fees	0	0	0	172,767
Interest	0	0	0	636,346
Other	0	0	6,445,657	6,618,886
Total revenues	0	0	(2,040,338)	32,466,438
Expenditures/expenses:				
Current:				
Instruction	(15,420)	0	(2,975)	5,677,005
Academic support	0	0	(1,424)	405,972
Student services	0	0	627	3,211,281
Public services	0	0	(638)	129,724
Auxiliary services	0	0	0	617,090
Operation and maintenance of plant	(68,332)	0	4,868	1,320,544
Institutional support	(1,354,310)	536,301	(1,204)	11,752,724
Scholarships, student grants, and waivers	0	0	(2,022,052)	3,635,060
Depreciation expense	1,281,231	0	0	1,302,797
Debt service:				
Principal retirement	0	(2,660,635)	0	0
Interest	0	3,503	0	444,576
Bond issuance costs	0	(35,500)	0	0
Total expenditures/expenses	(156,831)	(2,156,331)	(2,022,798)	28,496,773
Excess (deficiency) of revenues over expenditures/expenses	156,831	2,156,331	(17,540)	3,969,665
Other financing sources (uses):				
Issuance of refunding bonds	0	(2,920,000)	0	0
Payment to refunded bonds escrow agent	0	2,881,179	0	0
Transfers in	0	0	0	402,815
Transfers out	0	0	0	(402,815)
Total other financing sources (uses)	0	(38,821)	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	156,831	2,117,510	(17,540)	3,969,665
Fund balance/net position (deficit) at beginning of year	16,390,800	(26,013,463)	(570,171)	16,421,089
Fund balance/net position (deficit) at end of year	$16,547,631	($23,895,953)	($587,711)	$20,390,754

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Education Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	$4,471,399	$4,598,601	$127,202
Corporate personal property replacement tax	150,000	134,664	(15,336)
Total local government	4,621,399	4,733,265	111,866
State government:			
ICCB base operating grant	64,000	1,102,930	1,038,930
ICCB equalization grant	0	46,000	46,000
ICCB career and technical education formula grant	0	113,290	113,290
Total state government	64,000	1,262,220	1,198,220
Federal government	0	10,814	10,814
Student tuition and fees	6,438,890	6,544,347	105,457
Interest	30,028	117,384	87,356
Miscellaneous - other	48,578	33,967	(14,611)
Total revenues	11,202,895	12,701,997	1,499,102
Expenditures:			
Instruction:			
Salaries	4,689,607	4,544,986	144,621
Employee benefits	565,220	485,156	80,064
Contractual services	212,298	170,046	42,252
General materials and supplies	328,866	292,400	36,466
Conference and meeting expense	85,097	75,429	9,668
Capital Outlay	813	0	813
Other	78,614	39,045	39,569
Total instruction	5,960,515	5,607,062	353,453

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)

Education Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Academic support:			
Salaries	225,617	229,149	(3,532)
Employee benefits	38,325	34,900	3,425
Contractual services	95,781	94,759	1,022
General materials and supplies	48,666	47,328	1,338
Conference and meeting expense	1,261	1,260	1
Other	0	0	0
Total academic support	409,650	407,396	2,254
Student services:			
Salaries	1,155,442	1,167,630	(12,188)
Employee benefits	217,350	199,977	17,373
Contractual services	62,453	54,458	7,995
General materials and supplies	43,500	30,111	13,389
Conference and meeting expense	32,264	19,394	12,870
Other	679,213	853,396	(174,183)
Total student services	2,190,222	2,324,966	(134,744)
Public services:			
Salaries	97,281	98,261	(980)
Employee benefits	21,000	9,090	11,910
Contractual services	20,692	13,559	7,133
General materials and supplies	9,783	4,722	5,061
Conference and meeting expense	2,150	1,873	277
Fixed charges	1,200	1,000	200
Other	1,452	872	580
Total public services	153,558	129,377	24,181
Institutional support:			
Salaries	1,258,511	1,271,714	(13,203)
Employee benefits	320,016	317,686	2,330
Contractual services	141,668	120,224	21,444
General materials and supplies	609,736	585,612	24,124
Conference and meeting expense	93,630	60,477	33,153
Fixed charges	115,425	91,464	23,961
Capital outlay	20,500	20,500	0
Other	91,578	124,924	(33,346)
Total institutional support	2,651,064	2,592,601	58,463

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)

Education Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Scholarships, student grants, and waivers - Other	0	222,715	(222,715)
Total scholarships, student grants, and waivers	0	222,715	(222,715)
Total expenditures	11,365,009	11,284,117	80,892
Excess (deficiency) of revenues over expenditures	(162,114)	1,417,880	1,579,994
Other financing sources -			
Transfers in	595,000	0	(595,000)
Transfers out	(352,890)	(372,346)	(19,456)
Excess (deficiency) of revenues and other financing sources over expenditures	$79,996	1,045,534	$965,538
Fund balance at beginning of year		5,127,454	
Fund balance at end of year		$6,172,988	

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Operations and Maintenance Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	$883,083	$960,386	$77,303
Corporate personal property replacement tax	100,000	134,664	34,664
Total local government	983,083	1,095,050	111,967
State government:			
ICCB base operating grant	9,070	95,060	85,990
ICCB equalization grant	0	4,000	4,000
Total state government	9,070	99,060	89,990
Student tuition and fees	632,210	636,027	3,817
Interest	4,407	0	(4,407)
Other:			
Rent	5,000	6,939	1,939
Miscellaneous	0	550	550
Total other revenue	5,000	7,489	2,489
Total revenues	1,633,770	1,837,626	203,856
Expenditures:			
Operation and maintenance of plant:			
Salaries	571,866	544,064	27,802
Employee benefits	182,700	159,817	22,883
Contractual services	145,000	67,623	77,377
General materials and supplies	86,000	91,455	(5,455)
Conference and meeting expense	2,850	2,886	(36)
Fixed charges	3,000	1,350	1,650
Utilities	417,170	428,721	(11,551)
Capital outlay	28,206	58,506	(30,300)
Other	81,794	29,586	52,208
Total operation and maintenance of plant	1,518,586	1,384,008	134,578

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)

Operations and Maintenance Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	12,500	13,512	(1,012)
General Materials and Supplies	8,320	6,109	2,211
Principal retirement	36,000	40,635	(4,635)
Interest	12,500	6,800	5,700
Utilities	82,200	97,427	(15,227)
Total institutional support	151,520	164,483	(12,963)
Total expenditures	1,670,106	1,548,491	121,615
Excess (deficiency) of revenues over expenditures	(36,336)	289,135	325,471
Other financing sources (uses) -			
Transfers in	45,000	0	(45,000)
Excess (deficiency) of revenues and other financing sources over expenditures	$8,664	289,135	$280,471
Fund balance at beginning of year		1,199,665	
Fund balance at end of year		$1,488,800	

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenses, and Changes in Fund Balance
Budget and Actual
Auxiliary Enterprise Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Operating revenues:			
Sales and service fees	$167,550	$172,767	$5,217
Other	101,661	116,688	15,027
Total operating revenues	269,211	289,455	20,244
Operating expenses:			
Salaries	219,025	214,337	4,688
Employee benefits	36,540	31,069	5,471
Contractual services	52,792	44,674	8,118
General materials and supplies	214,627	194,617	20,010
Conference and meeting expense	58,625	58,172	453
Capital outlay	36,000	15,245	20,755
Depreciation	0	21,566	(21,566)
Other	64,910	58,976	5,934
Total operating expenses	682,519	638,656	43,863
Operating income before transfers in (out)	(413,308)	(349,201)	64,107
Transfers in	398,690	402,815	4,125
Net income	($14,618)	53,614	$68,232
Fund balance at beginning of year		163,359	
Fund balance at end of year		$216,973	

Carl Sandburg College - Community College District 518

Schedule of Operating Revenues and Expenses, by Program

Auxiliary Enterprise Fund

For the year ended June 30, 2019

	Auto Mechanics	Bookstore	Child Care Center	Cosmetology
Operating revenues:				
Sales and service fees	$23,277	$0	$0	$0
Other	0	79,303	0	0
Total operating revenues	23,277	79,303	0	0
Operating expenses:				
Salaries	0	0	0	0
Employee benefits	0	0	0	0
Contractual services	0	0	0	0
General materials and supplies	22,445	0	0	0
Conference and meetings	0	0	0	0
Capital outlay	0	0	0	0
Depreciation	0	0	0	0
Other	0	0	0	0
Total operating expenses	22,445	0	0	0
Operating income (loss)	$832	$79,303	$0	$0

Carl Sandburg College - Community College District 518

Schedule of Operating Revenues and Expenses, by Program

Auxiliary Enterprise Fund (Continued)

For the year ended June 30, 2019

	Dental Hygiene	Food Service	Athletics	Student Activities - Other Services	Totals
Operating revenues:					
Sales and service fees	$27,680	$0	$0	$121,810	$172,767
Other	0	18,656	0	18,729	116,688
Total operating revenues	27,680	18,656	0	140,539	289,455
Operating expenses:					
Salaries	0	0	102,806	111,531	214,337
Employee benefits	0	0	31,069	0	31,069
Contractual services	0	0	40,341	4,333	44,674
General materials and supplies	24,722	0	36,887	110,563	194,617
Conference and meetings	0	0	58,172	0	58,172
Capital outlay	0	8,340	0	6,905	15,245
Depreciation	0	0	0	21,566	21,566
Other	0	0	10,428	48,548	58,976
Total operating expenses	24,722	8,340	279,703	303,446	638,656
Operating income (loss)	$2,958	$10,316	($279,703)	($162,907)	($349,201)

Carl Sandburg College - Community College District 518

Combining Balance Sheet - Liability Protection Funds

June 30, 2019

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments	$0	$0	$4,146,148	$4,146,148
Receivables, net:				
Property taxes	0	2,216,875	0	2,216,875
Other	0	0	24,885	24,885
Total assets	$0	$2,216,875	$4,171,033	$6,387,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities -				
Advances from other funds	$7,548	$612,338	$114,013	$733,899
Deferred inflows of resources -				
Deferred property taxes	0	2,444,394	0	2,444,394
Fund balance -				
Unrestricted	(7,548)	(839,857)	4,057,020	3,209,615
Total fund balance	(7,548)	(839,857)	4,057,020	3,209,615
Total liabilities, deferred inflows of resources, and fund balances	$0	$2,216,875	$4,171,033	$6,387,908

Carl Sandburg College - Community College District 518

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)

Liability Protection Funds

For the year ended June 30, 2019

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government	$0	$2,151,344	$0	$2,151,344
Interest	0	0	87,603	87,603
Other	11,180	0	0	11,180
Total revenues	11,180	2,151,344	87,603	2,250,127
Expenditures -				
Current -				
Institutional support	13,214	2,083,420	0	2,096,634
Excess (deficiency) of revenues over expenditures	(2,034)	67,924	87,603	153,493
Other financing sources -				
Sale of capital assets	0	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures	(2,034)	67,924	87,603	153,493
Fund balance (deficit) at beginning of year	(5,514)	(907,781)	3,969,417	3,056,122
Fund balance (deficit) at end of year	($7,548)	($839,857)	$4,057,020	$3,209,615

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in
Fund Balance (Deficit) - Budget and Actual
Employee Insurance Fund
For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Revenues -			
Other	$10,000	$11,180	$1,180
Expenditures -			
Employee benefits	16,250	13,214	3,036
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	($6,250)	(2,034)	$4,216
Fund balance (deficit) at beginning of year		(5,514)	
Fund balance (deficit) at end of year		($7,548)	

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

Liability, Protection, and Settlement Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	$2,147,615	$2,151,344	$3,729
Interest income	9,030	0	(9,030)
Total revenues	2,156,645	2,151,344	(5,301)
Expenditures:			
Salaries	1,436,461	1,398,152	38,309
Employee benefits	266,960	250,442	16,518
Contractual services	274,234	176,334	97,900
General materials and supplies	24,086	6,903	17,183
Conference and meetings	4,500	339	4,161
Fixed charges	255,000	234,420	20,580
Other	10,000	16,830	(6,830)
Total expenditures	2,271,241	2,083,420	187,821
Excess (deficiency) of revenues over expenditures	(114,596)	67,924	182,520
Other financing sources (uses) -			
Sale of capital assets	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	($114,596)	67,924	$182,520
Fund balance (deficit) at beginning of year		(907,781)	
Fund balance (deficit) at end of year		($839,857)	

Carl Sandburg College - Community College District 518

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Insurance Reserve Fund

For the year ended June 30, 2019

	Budget	Actual	Variance With Budget
Revenues -			
Interest income	$63,905	$87,603	$23,698
Expenditures -			
Other	0	0	0
Excess (deficiency) of revenues over expenditures	$63,905	87,603	$23,698
Fund balance at beginning of year		3,969,417	
Fund balance at end of year		$4,057,020	

Carl Sandburg College - Community College District 518

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years 2018, 2017, and 2016

	2018	2017	2016
Assessed Valuations:			
Knox County	$804,821,808	$784,751,677	$765,254,890
Fulton County	18,691,947	17,803,672	16,705,104
Hancock County	321,602,441	310,835,074	301,486,680
Henderson County	161,399,009	158,427,020	146,259,758
Henry County	3,657,254	3,625,198	3,654,212
McDonough County	181,150,906	176,088,824	167,435,102
Mercer County	26,079,839	25,102,123	23,680,062
Schuyler County	4,409,895	4,247,524	3,544,791
Stark County	180,253	179,126	162,615
Warren County	406,406,810	338,646,793	335,084,039
Total assessed valuations	$1,928,400,162	$1,819,707,031	$1,763,267,253
Tax Rate (per $100 assessed valuation):			
Educational Accounts	0.2387	0.2444	0.2757
Operations and Maintenance Accounts	0.1000	0.1000	0.1000
Bond and Interest Fund	0.1713	0.1757	0.1661
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1281	0.1273	0.1205
Total tax rate	0.6431	0.6524	0.6673
Tax Extensions:			
Educational Accounts	$4,579,759	$4,425,831	$4,550,752
Operations and Maintenance Accounts	1,907,448	1,802,947	1,742,897
Bond and Interest Fund	3,268,221	3,166,877	2,895,301
Audit Fund	95,372	90,147	87,145
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,444,394	2,294,250	2,099,494
Total tax extensions	$12,295,194	$11,780,052	$11,375,589

Carl Sandburg College - Community College District 518

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections (Continued)

Levy Years 2018, 2017, and 2016

	2018	2017	2016
Tax Collections to June 30:			
Education Fund	$456,288	$4,623,226	$4,674,289
Operations and Maintenance Fund	82,760	938,536	847,805
Bond and Interest Fund	274,961	2,903,642	2,816,748
Audit Fund	8,276	93,854	84,781
Protection, Health, Safety	82,760	926,710	847,805
Liability, Protection, and Settlement Fund	199,385	2,370,553	2,042,532
Total tax collections	$1,104,430	$11,856,521	$11,313,960
Percent of extensions collected	8.98%	100.65%	99.46%

Schedule of Enrollment Data

WIPFLi LLP

INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED

Board of Trustees
Carl Sandburg College
Community College District 518
Galesburg, Illinois

We have examined management of Carl Sandburg College – Community College District 518 (the College) 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 of Carl Sandburg College – Community College District 518 during the period July 1, 2018 through June 30, 2019. 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 American Institute of Certified Public Accountants. 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.

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 of Carl Sandburg College – Community College District 518 is fairly stated, in all material respects.

Wipfli LLP

Sterling, Illinois
September 11, 2019

Carl Sandburg College - Community College District 518

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

For the year ended June 30, 2019

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	2,422.0	0.0	11,174.0	0.0	10,905.5	0.0	24,501.5	0.0
Business Occupational	277.0	0.0	414.0	0.0	498.0	0.0	1,189.0	0.0
Technical Occupation	37.0	0.0	978.5	0.0	916.5	0.0	1,932.0	0.0
Health Occupational	559.5	0.0	3,016.5	0.0	2,607.5	0.0	6,183.5	0.0
Remedial Development	104.0	0.0	889.0	0.0	483.0	0.0	1,476.0	0.0
Adult Basis Education/ Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total credit hours certified	3,399.5	0.0	16,472.0	0.0	15,410.5	0.0	35,282.0	0.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	29,504.5	0.0	29,504.5
	Dual Credit	**Dual Enrollment**	
Reimbursable semester credit hours (all terms)	5,432.0	17.0	
District equalized assessed valuation			$1,928,400,162

	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Categories:				
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupation	0.0	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0	0.0
Total credit hours certified	0.0	0.0	0.0	0.0

* Unrestricted credit hours are supported with 50 percent or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements. Restricted credit hours are supported with more than 50 percent of restricted sources of funding. Total of unrestricted and restricted should equal the SU and SR record totals.

Signatures

President

Chief Financial Officer (CFO)

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

Carl Sandburg College - Community College District 518

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed (Continued)

For the year ended June 30, 2019

Reconciliation of Total Semester Credit Hours
For the year ended June 30, 2019

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit hours Certified to the ICCB	Difference
Categories:						
Baccalaureate	24,501.5	24,501.5	0.0	0.0	0.0	0.0
Business Occupational	1,189.0	1,189.0	0.0	0.0	0.0	0.0
Technical Occupation	1,932.0	1,932.0	0.0	0.0	0.0	0.0
Health Occupational	6,183.5	6,183.5	0.0	0.0	0.0	0.0
Remedial Development	1,476.0	1,476.0	0.0	0.0	0.0	0.0
Adult Basis Education/Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0
Total	35,282.0	35,282.0	0.0	0.0	0.0	0.0

Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours

	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	29,504.5	29,504.5	0.0
Out-of-districts on chargeback or contractual agreement	0.0	0.0	0.0

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	5,432.0	5,432.0	0.0
Dual enrollment	17	17	0.0

Reconciliation of Total Correctional Semester Credit Hours
For the year ended June 30, 2019

	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0
Technical Occupation	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0
Total	0.0	0.0	0.0

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

Note 1. <u>Residency Verification Process</u>

Procedures for Verifying and Classifying Residency

Every credit student must submit an application to the College which contains biographic and demographic information. The student signs the application verifying the accuracy of the information and the ability to provide documentation to verify it. The College will use the data contained in the application and on the subsequent enrollment forms to determine residency.

In order to be classified as in-district for tuition, the student must indicate one or more of the following:

- Current residence for at least 30 days at an in-district address
- Permanent residence at an in-district address
- Graduation from or current enrollment in an in-district high school
- Current enrollment at another institution of higher education located in-district
- Although the student resides out-of-district, the student or his parent or guardian maintains full-time employment in-district
- Although the student resides out-of-district, the student owns land and pays taxes in-district.

In the case of an address change, a student will submit the change in writing to the Records Department or via the self-service address change in our online system.

The student's signature on the forms mentioned above indicates that he/she is able to produce appropriate documentation to verify residency in-district. Proper documentation includes one or more of the following:

- Driver's license
- State-issued ID
- Voter registration card
- Utility bill
- Bank statement
- ID card from another institution of higher education in district
- Progress summary from another institution of higher education in district
- Home/apartment lease
- Cell phone bill

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

WIPFLi LLP

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
Carl Sandburg College – Community
College District 518
Galesburg, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States 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 discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 11, 2019. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards.*

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness 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 combination of deficiencies, in internal control, such that there is a 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 determination of financial statement amounts. 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.

Wipfli LLP

Sterling, Illinois
September 11, 2019

WIPFLi LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Carl Sandburg College – Community
College District 518
Galesburg, Illinois

Report on Compliance for Each Major Federal Program

We have audited Carl Sandburg College – Community College District 518's (the "College") compliance with the types of compliance requirements described in the *U.S. OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, Carl Sandburg College – Community College District 518 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Sterling, Illinois
September 11, 2019

Carl Sandburg College - Community College District 518

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Award Notification Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture -				
Pass-through the Illinois State Board of Education -				
Summer Food Service Program	10.559	2018-4225-00	$4,248	$0
Summer Food Service Program	10.559	2019-4225-00	1,407	$0
Total CFDA 10.559			$5,655	$0
U.S. Department of Labor:				
Pass-through Southern Illinois University at Edwardsville - Trade Adjustment Assistance Career Training Community College and Building the Illinois Bioeconomy Program	17.282	TC-26491-14-60-A17	$3,774	$0
U.S. Department of Education:				
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants (m)	84.007	P007AXX1115	$74,529	$0
Federal Work Study Program (m)	84.033	P033AXX1115	43,819	0
Federal Pell Grant Program (m)	84.063	P063XXX0511	3,817,415	0
Federal Direct Loan Program (m)	84.268	P268KXX0511	572,607	0
Total student financial assistance cluster			4,508,370	0
Direct awards -				
TRIO - Student Support Services (m)	84.042A	P042A150024 - 18	236,851	0
TRIO - Upward Bound -				
Crossing the Bridge to Success (m)	84.047A	P047A170443 - 18	297,742	0
Math & Science (m)	84.047M	P047M170443 - 18	295,551	0
Total TRIO cluster			830,144	0
Pass-through Illinois Community College Board - Career and Technical Education Programs - Perkins Postsecondary Grants	84.048	CTE51819	129,986	0
Total U.S. Department of Education			$5,468,500	$0
Total federal awards expended			**$5,477,929**	**$0**

(m) Denotes major program

See Notes to the Schedule of Expenditures of Federal Awards

Note 1. Significant Accounting Policy

Reporting entity and basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Carl Sandburg College – Community College District 518 (the College) for the year ended June 30, 2019 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2019.

Note 2. Loan Program

The College's participation in the U.S. Department of Education's Student Financial Aid Program includes the Federal Direct Student Loan Program. The College does not make the loan as this is done directly with the students by the lenders. The College includes the value of the loans made during the year as federal awards expended in the Schedule of Expenditures of Federal Awards. The balance of the loans from previous years is not included because the lender accounts for the prior balances.

Note 3. Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2019.

Note 4. Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2019.

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes	_X_ none reported
Noncompliance material to financial statements noted?	____ yes	_X_ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	____ yes	_X_ none reported
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	____yes	_X_ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid
84.042A, 84.047A, 84.047M	TRIO Cluster

Dollar threshold used to distinguish between type A and type B programs: $_750,000

Auditee qualified as low-risk auditee? _X_ yes ____no

Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

Prior Year Findings:

June 30, 2018

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

A. Internal Control

None

B. Compliance Finding

None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None

B. Compliance Finding

None

June 30, 2017

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

A. Internal Control

None

B. Compliance Finding

None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None

B. Compliance Finding

None

Where dreams come to life, and lives come to change.

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