

**Carl Sandburg College  
Community College District 518  
Galesburg, IL  
[sandburg.edu](http://sandburg.edu)**

**Annual Comprehensive Financial Report  
for the fiscal years ended June 30, 2023 and 2022**



# Carl Sandburg College - Community College District 518

Years Ended June 30, 2023 and 2022

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# Carl Sandburg College - Community College District 518

Years Ended June 30, 2023 and 2022

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# **Introductory Section**

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**Presidents Letter**

October 10, 2023

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 2023. This document represents a record of the College's financial activities for the year ending June 30, 2023.

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 and the continued strength and growth of EAV in our taxing districts. Enrollment has begun to slowly reach close to pre-pandemic levels, but the College still benefits from funds paid to reduce the impact of lost revenue due to COVID-19.

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

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Galesburg Campus, 2400 Tom L. Wilson Blvd., Galesburg, Illinois 61401 Phone: 309.344.2518 Fax: 309.344.1395  
Carthage Campus, 305 Sandburg Drive, Carthage, Illinois 62321 Phone: 217.357.3129 Fax: 217.357.3512



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## **Transmittal Letter**

October 10, 2023

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, 2023, 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, 2023. 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 2023, the College enrolled 1,688 students, with an average age of 22 years. Women represented 65 percent of the student body and 58 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

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Branch Campus, 305 Sandburg Drive, Carthage, Illinois 62321 Phone: 217.357.3129 Fax: 217.357.3512

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

Fiscal Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Fall College Enrollment	1,860	1,925	1,755	1,687	1,688
Annual Full-Time Equivalents	1,176	1,177	1,002	908	1,089
Continuing Education Credit Hours	718	428	424	289	260
Total Annual Credit Hours	35,282	35,308	30,065	27,229	27,638

The College has the resources required to serve student enrollment. In 2020, 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 five fundamental themes 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

Carl Sandburg College District 518 has been affected by the dropping enrollment across the State. This has been exacerbated by the COVID-19 pandemic. However, 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 graduate 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 COVID-19 pandemic 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 enrollment is something that the College will address, 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 dual credit and online.

*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):

<u>Fund Type</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current:					
Education	0.2252	0.2281	0.2377	0.2455	0.2387
Operations and Maintenance	0.0487	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1197	0.1222	0.1278	0.1250	0.1202
Audit	0.0049	0.0048	0.0050	0.0050	0.0050
Working Cash	-	-	-	-	-
Social Security/Medicare	0.0081	0.0079	0.0081	0.0132	0.0079
Bond and Interest	0.1721	0.1815	0.1641	0.1707	0.1713
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0122	0.0299	0.0500	0.0500	0.0500
Total	0.5908	0.6244	0.6429	0.6594	0.6431

The College District’s 2022 tax levy base of \$2,362,407,476 increased by 10.3% over the 2021 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2023, local property taxes accounted for approximately 40% of total revenues.

*Debt.* Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments are funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2022, the college issued capital bonds for the purpose of building a new Science and Technology building.

*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 2023 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, 2026 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**

Carl Sandburg College District 518 maintains a favorable financial position. Fund reserves used during the impasse have been repaid. Budget goals for fiscal year 2023 were met and the College continues to enjoy the favorable bond rating of A+ (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, 2022. This was the nineteenth 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,

A handwritten signature in cursive script that reads "Seamus Reilly". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Dr. Seamus Reilly  
President

**Illinois Community College District No. 518  
Principal Officials as of June 30, 2023**

**Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>Term Expires</b>
Mr. Thomas H. Colclasure	Chairperson	2027
Mr. DeVone Eurales	Vice Chairperson	2025
Ms. Gayla J. Pacheco	Secretary	2029
Mr. Joshua Gibb	Trustee	2029
Dr. Gayle Keiser	Trustee	2029
Rev. Lee Johnson	Trustee	2025
Mr. Bruce A. Lauerman	Trustee	2027
Ms. Sherry Morris	Staff Representative	
Ms. Mollisa Kurz	Faculty Representative	

**Officers of the College**

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

**Administrative Staff**

Ms. Ellen Burns	Dean of Career Technical Education
Mr. Don Damitz	Executive Director of Administrative Computing
Mr. Stephen Descalzo	Director of TRIO UBMS
Mr. Douglas Ferguson	Executive Director of Information Services
Ms. Lisa Hanson	Director of Financial Aid
Ms. Kang Hee Hong	Director of Workforce and Community Education
Dr. Ellen Henderson-Gasser	Director of Branch Campus
Mr. James Hutchings	Associate Dean of Humanities and Fine Arts
Ms. Daniella Irle	Athletics Director
Mr. Eric Johnson	Chief Advancement Officer
Ms. Gina Krupps	Director of Special Projects
Ms. Michelle Johnson	Dean of Institutional Planning
Ms. Laura Nagel	Executive Director of Marketing & Public Relations
Ms. Lara Roemer	Associate Dean of Social and Business Sciences
Dr. Emily Schaeffer	Dean of Nursing Professions
Ms. Autumn Scott	Associate Vice President for Academic and Student Planning
Mr. Robert Stevens	Chief Information Officer
Ms. Veronica Thor	Director of International Student Services
Dr. Tiffany Viggiano	Dean of Health Professions
Mr. Christopher Williams	Director of Upward Bound
Ms. Krista Winters	Associate Dean of Math and Natural Sciences

**Official Issuing Report**

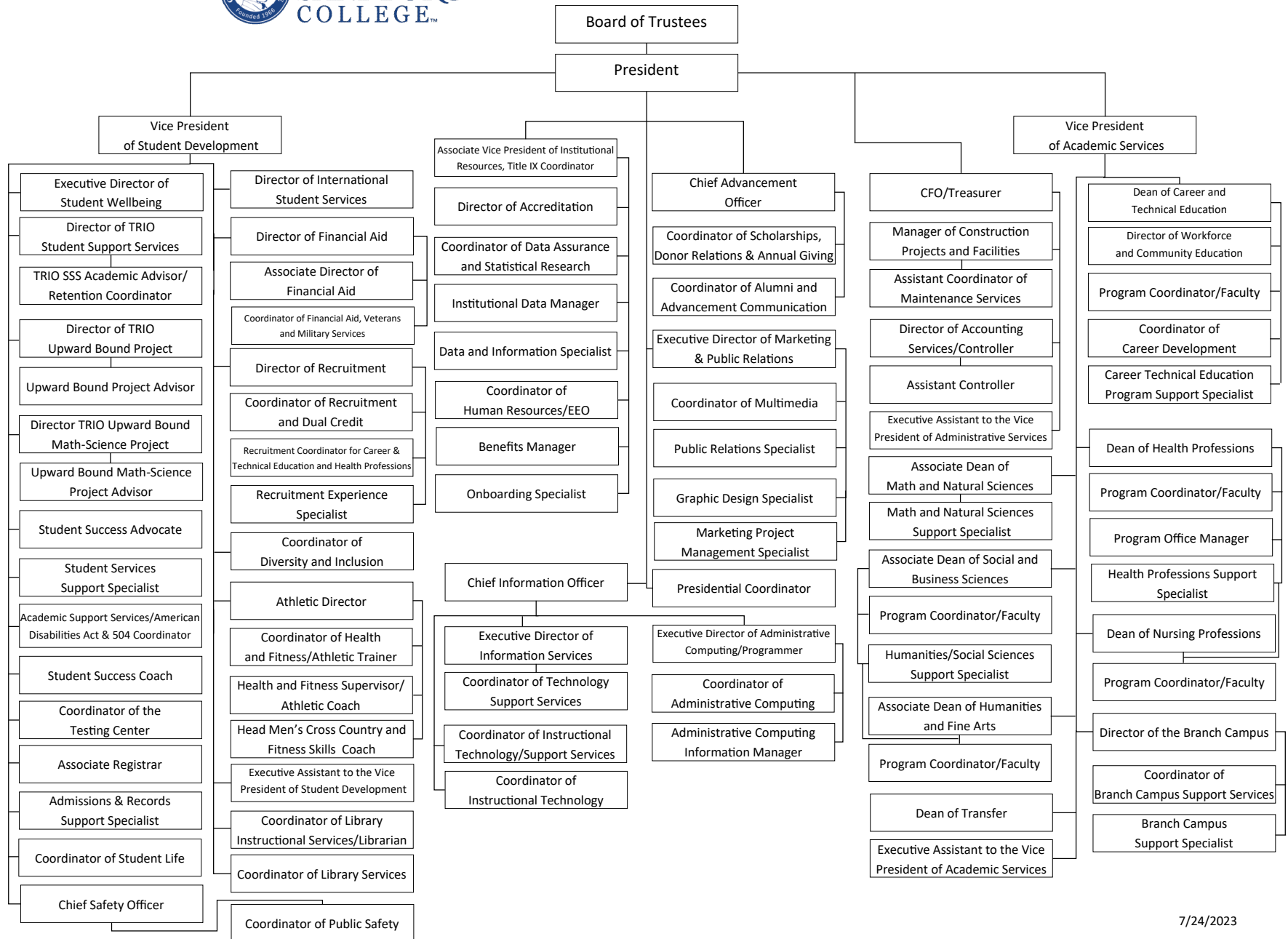
Dr. Seamus Reilly, President

**Department Issuing Report**

Finance Office



# 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# **Financial Section**

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## **Independent Auditor's Report**

Board of Trustees  
Carl Sandburg College - Community College District 518  
Galesburg, IL

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Carl Sandburg College - Community College District 518 (the "College"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit the Carl Sandburg College - Community College District 518 as of June 30, 2023 and 2022, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carl Sandburg College - Community College District 518 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinions.

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

##### ***Change in Account Principle***

As described in Note 1 to the financial statements, in 2023, the College adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Carl Sandburg College - Community College District 518's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Carl Sandburg College - Community College District 518's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carl Sandburg College - Community College District 518's ability to continue as a going concern for a reasonable period of time.

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

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

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

Carl Sandburg College - Community College District 518 has omitted a budgetary comparison information that accounting principles generally accepted in the United States require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 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 Carl Sandburg College - Community College District 518's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Sterling, Illinois

October 10, 2023

# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

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This section of Carl Sandburg College – Community College District 518's (the "College") Annual Comprehensive Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2023 and 2022. 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 (10) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

### Financial Highlights

For the year ended June 30, 2023, the College recorded total operating revenues of \$4,335,170 and total operating expenses of \$24,730,925. The difference produced an operating loss of \$20,395,755. Net non-operating revenue of \$28,730,920 offsets this loss and results in an overall increase in net position of \$8,335,165.

Non-operating revenue included local property and replacement taxes of \$14,286,666, state source revenue of \$6,766,520, federal grants and contracts revenue of \$5,715,210, and investment income of \$2,084,011.

Operating revenue accounted for 13% of the College's total revenue, while non-operating revenues accounted for the remaining 87%. Operating revenue consisted of tuition and fees of \$4,109,889 and auxiliary enterprises revenue of \$225,281.

Operating expenses consisting of instruction, academic support, student services, public service, auxiliary services, operations and maintenance of plant, institutional support, scholarships/grants/waivers, and depreciation and amortization decreased 19% from prior year.

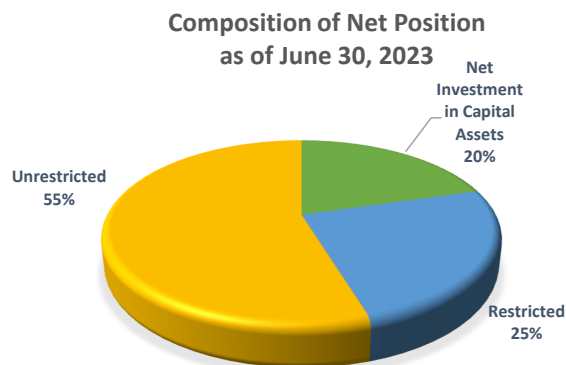
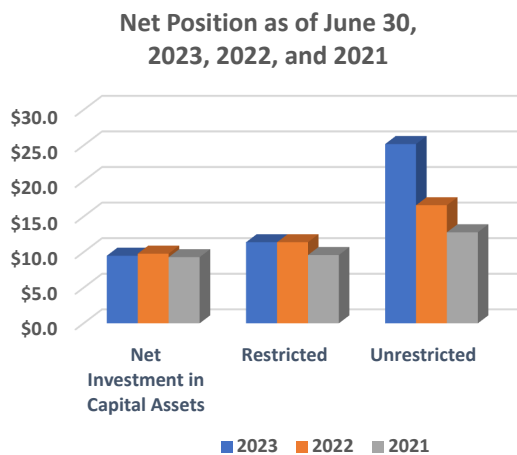
Overall, the College's financial position remained stable during fiscal year 2023 and overall results compared to budget were favorable.

# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

Net Position As of June 30, (in millions)				Increase (Decrease) 2023-2022	Increase (Decrease) 2022-2021
	2023	2022*	2023-2022	2021*	2022-2021
Current assets	\$75.8	\$75.6	\$0.2	\$43.5	\$32.1
Non-current assets					
Capital assets, net of depreciation	18.4	16.4	2.0	15.4	0.8
Other	8.4	7.2	1.2	5.7	1.5
<b>Total assets</b>	<b>102.6</b>	<b>99.2</b>	<b>3.4</b>	<b>64.6</b>	<b>34.4</b>
Total deferred outflows of resources	0.3	0.3	0.0	0.2	0.1
<b>Total assets and deferred outflows of resources</b>	<b>102.9</b>	<b>99.5</b>	<b>3.4</b>	<b>64.8</b>	<b>34.5</b>
Current liabilities	4.8	5.5	(0.7)	4.4	1.0
Non-current liabilities	32.0	40.4	(8.4)	13.2	27.1
<b>Total liabilities</b>	<b>36.8</b>	<b>45.9</b>	<b>(9.1)</b>	<b>17.6</b>	<b>28.1</b>
Total deferred inflows of resources	20.0	15.8	4.2	15.5	0.3
<b>Total liabilities and deferred inflows of resources</b>	<b>56.8</b>	<b>61.7</b>	<b>(4.9)</b>	<b>33.1</b>	<b>28.4</b>
<b>Net position</b>					
Net investment in capital assets	9.5	9.8	(0.3)	9.3	0.5
Restricted	11.4	11.4	0.0	9.6	1.8
Unrestricted	25.2	16.6	8.6	12.8	3.8
<b>Total</b>	<b>\$46.1</b>	<b>\$37.8</b>	<b>\$8.3</b>	<b>\$31.7</b>	<b>\$6.1</b>

\*Fiscal year 2021 was restated due to implementation of GASB Statement No. 87 *Leases*. Fiscal year 2022 was restated due to implementation of GASB Statement No. 96 *Subscription-Based IT Arrangements*



# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

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

Current assets increased slightly by \$0.2 million due to a \$3 million increase in cash and a \$2.4 million increase in property tax receivables offset by a \$3.5 million decrease in short-term investments and a \$2 million decrease in government receivables.

Non-current assets increased \$3.1 million due to a \$3.3 million increase in non-depreciable capital assets and a \$1.2 million increase in long-term investments.

Current liabilities decreased roughly \$780,000 due to a reduction accounts payable and accrued interest at the end of fiscal year 2023.

Non-current liabilities decreased \$8.4 million due to a nearly \$5 million reduction in the College's net other post-employment benefits liability as well as a nearly \$3.3 million reduction of outstanding general obligation bonds for the multi-phase building program.

Deferred inflows of resources increased \$4.2 million with \$3.5 million of the increase attributable to changes to other post-employment benefits and the remaining amount related to deferred property taxes and grant revenue.

Total net position at June 30, 2023 increased by \$8.3 million. The restricted net position is restricted for \$11.4 million of debt service payments, grants and scholarships, and working cash reserves. Unrestricted net position improved by \$8.7 million as a result of stabilizing operations.

### **Fiscal Year 2022 Compared to 2021**

Current assets increased \$32.1 million due to the issuance of \$30 million in general obligation bonds. The bonds will fund phases one and two of the College's multi-phase building program.

Non-current assets increased \$2.3 million due to an increase in other non-capital assets.

Current liabilities increased from \$4.4 million to \$5.5 million. Increases were primarily due to additional accounts payable at the end of fiscal year 2022 and an increase in accrued interest. Year-end expenditures increased from the prior year due to supply chain shortages in multiple industries caused by the COVID-19 pandemic.

Non-current liabilities increased \$27.1 million due to the issuance of general obligation bonds for the multi-phase building program.

Deferred inflows of resources increased \$0.3 million with changes to other post-employment benefits and deferred property taxes.

Total net position at June 30, 2022 increased by \$6.1 million. The restricted net position is restricted for \$11.4 million of debt service payments, grants and scholarships, and working cash reserves. Operating revenues have stabilized after initial decreases due to the COVID-19 pandemic.

# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

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

	2023	2022*	Increase (Decrease) 2023-2022	2021*	Increase (Decrease) 2022-2021
Operating revenue					
Tuition and fees	\$4.1	\$4.9	(\$0.8)	\$4.8	\$0.1
Auxiliary	0.2	0.2	0.0	0.2	0.0
Total operating revenue	4.3	5.1	(0.8)	5.0	0.1
Less operating expenses	24.7	30.4	(5.7)	30.4	0.0
Operating loss	(20.4)	(25.3)	4.9	(25.4)	0.1
Non-operating revenue					
Property taxes	13.4	12.7	0.6	12.5	0.2
Replacement taxes	0.9	0.9	0.0	0.4	0.5
Other state sources	3.5	2.8	0.8	2.7	0.1
On-behalf payments	3.2	5.4	(2.2)	7.9	(2.5)
Federal government	5.7	9.7	(4.0)	7.5	2.1
Facilities revenue	0.0	0.0	0.0	0.0	0.0
Investment income	2.1	(0.1)	2.2	0.4	(0.5)
Nongovernmental grants and gifts	0.1	0.0	0.0	0.0	0.0
Other revenue	0.2	0.2	0.0	0.2	0.0
Gain (loss) on disposal of assets	0.0	0.0	0.0	0.0	0.0
Interest expense	(0.5)	(0.6)	0.2	(0.1)	(0.6)
Total net non-operating revenues	28.7	31.0	(2.7)	31.6	(0.6)
Capital contributions	0.0	0.4	(0.4)	0.0	0.4
Increase (decrease) in net position	8.3	6.1	2.2	6.2	(0.1)
Net position, beginning of year, as restated	37.8	31.7	6.1	25.5	6.2
Net position, end of year	\$46.1	\$37.8	\$8.3	\$31.7	\$6.1

\* Fiscal year 2021 was restated due to implementation of GASB Statement No. 87 *Leases*. Fiscal year 2022 was restated due to implementation of GASB Statement No. 96 *Subscription-Based IT Arrangements*

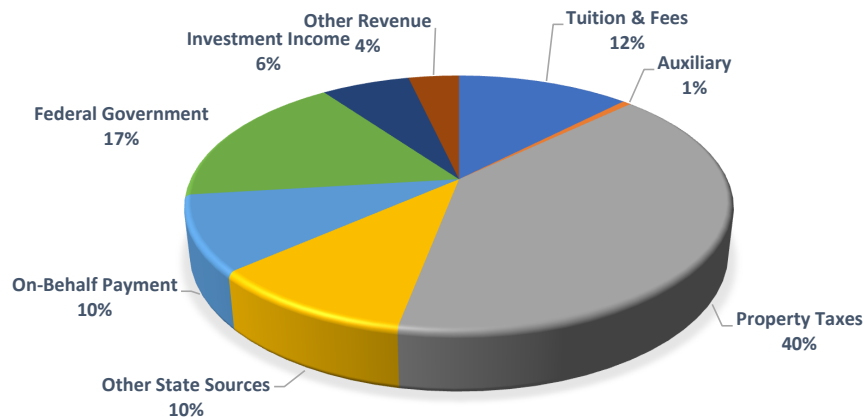


# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

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Revenue by Source Fiscal Year Ended June 30, 2023



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

Operating revenue decreased \$0.8 million over the prior year primarily due to a \$803,000 decrease in tuition and fee revenue and a slight increase in auxiliary enterprises revenue.

Operating expenses decreased \$5.7 million with a \$1.7 million decrease in instructional expenses, a \$1.3 million decrease in institutional support, a \$2.4 million decrease in scholarships, grants, and waivers, and a \$0.4 million decrease in student services. These decreases are primarily attributable to the expenditure of HEERF funds in fiscal year 2022, which did not recur in fiscal year 2023.

Net non-operating revenue decreased \$2.3 million. This is the net result of decreases in federal grants and contracts (\$4 million) and State on-behalf revenues (\$2.2 million) offset by an increase of \$2.2 million in investment income, \$0.6 million increase in property tax revenue, and a \$0.8 million increase in other state sources revenue.

### **Fiscal Year 2022 Compared to 2021**

Operating revenue decreased \$0.1 million over the prior year. Tuition and fee revenue have stabilized in the wake of the COVID-19 pandemic after decreasing by \$1.2 million between 2020 and 2021.

Operating expenses were consistent with the prior year and remaining at \$30.4 million. Although a negotiated 3.00% across the board raise was implemented, overall expenses remained steady. For a portion of fiscal year 2022 there was a limited presence of faculty, staff and students in response to the COVID-19 pandemic. This combined with continued changes in staffing levels resulted in stable operating expenses year over year.

Net non-operating revenue decreased \$0.6 million. This is the net result of increases in interest expenses and federal grants and contracts combined with decreases in other non-operating revenues from State on-behalf revenues.

# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

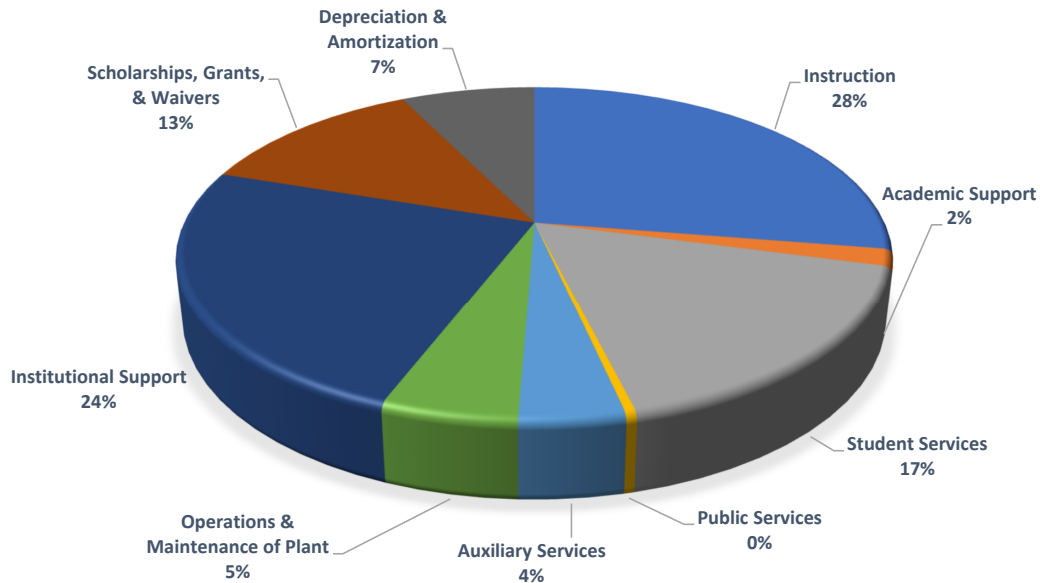
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### Operating Expenses For the Year Ended June 30, (in millions)

Operating expense	2023	2022*	Increase (Decrease) 2022-2021	2021*	Increase (Decrease) 2022-2021
Instruction	\$6.8	\$8.5	(\$1.7)	\$9.6	(\$1.1)
Academic support	0.4	0.5	(0.1)	0.5	0.0
Student services	4.2	4.5	(0.3)	4.8	(0.3)
Public services	0.1	0.1	0.0	0.2	(0.1)
Auxiliary services	1.0	0.9	0.1	0.8	0.1
Operations & maintenance of plant	1.3	1.5	(0.2)	1.6	(0.1)
Institutional support	6.0	7.3	(1.3)	7.3	0.0
Scholarships, grants, waivers	3.1	5.5	(2.4)	4.0	1.5
Depreciation and amortization	1.8	1.6	0.2	1.6	0.0
<b>Total</b>	<b>\$24.7</b>	<b>\$30.4</b>	<b>(\$5.7)</b>	<b>\$30.4</b>	<b>\$0.0</b>

\* Fiscal year 2021 was restated due to implementation of GASB Statement No. 87 *Leases*. Fiscal year 2022 was restated due to implementation of GASB Statement No. 96 *Subscription-Based IT Arrangements*

### Operating Expenses Fiscal Year Ended June 30, 2023



# Carl Sandburg College - Community College District 518

## Management Discussion and Analysis

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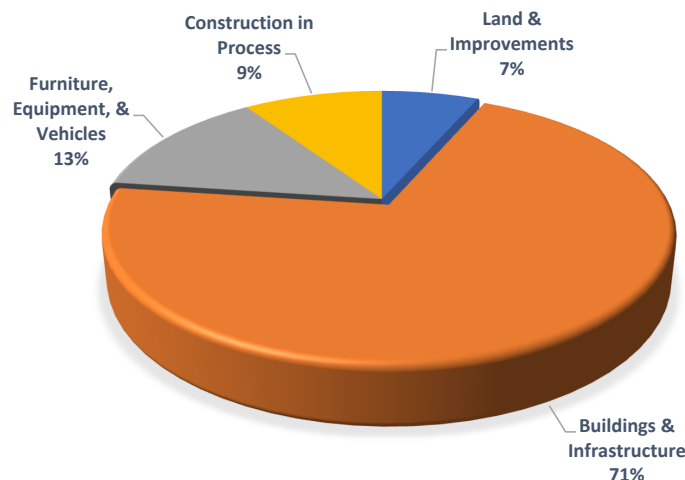
### Capital Assets, Net June 30, (in millions)

	2023	2022*	Increase (Decrease) 2023-2022	2021*	Increase (Decrease) 2022-2021
Capital assets					
Land & improvements	\$3.2	\$3.2	\$0.0	\$2.7	\$0.5
Buildings & infrastructure	34.2	35.9	(1.7)	35.9	0.0
Furniture, equipment, & vehicles	6.5	6.2	0.3	6.9	(0.7)
Construction in progress	4.6	1.3	3.3	0.2	1.1
Lease assets – equipment & vehicles	0.4	0.5	(0.1)	0.1	0.4
Subscription assets	0.4	0.4	0.0	0.0	0.4
<b>Total</b>	<b>49.3</b>	<b>47.5</b>	<b>1.8</b>	<b>45.8</b>	<b>1.7</b>
Less accumulated depreciation and amortization	(31.0)	(31.1)	(0.1)	(30.3)	0.8
<b>Net capital assets</b>	<b>\$18.3</b>	<b>\$16.4</b>	<b>\$1.9</b>	<b>\$15.5</b>	<b>\$0.9</b>

\* Fiscal year 2021 was restated due to implementation of GASB Statement No. 87 *Leases*. Fiscal year 2022 was restated due to implementation of GASB Statement No. 96 *Subscription-Based IT Arrangements*

During Fiscal Year 2023, total Capital Assets increased \$1.8M or 3.8% and Net Capital Assets increased \$1.9M or 11.6% due to the ongoing construction of the new Science & Technology building coupled with ongoing Health Life Safety projects offset partially by the demolition of Building B. The current bonding strategy continues to allow the College to invest in additional facilities, technology, and improvements to meet the changing needs of students, faculty, staff, and the communities supported. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Financial Statements.

### Capital Assets as of June 30, 2023



# Carl Sandburg College - Community College District 518

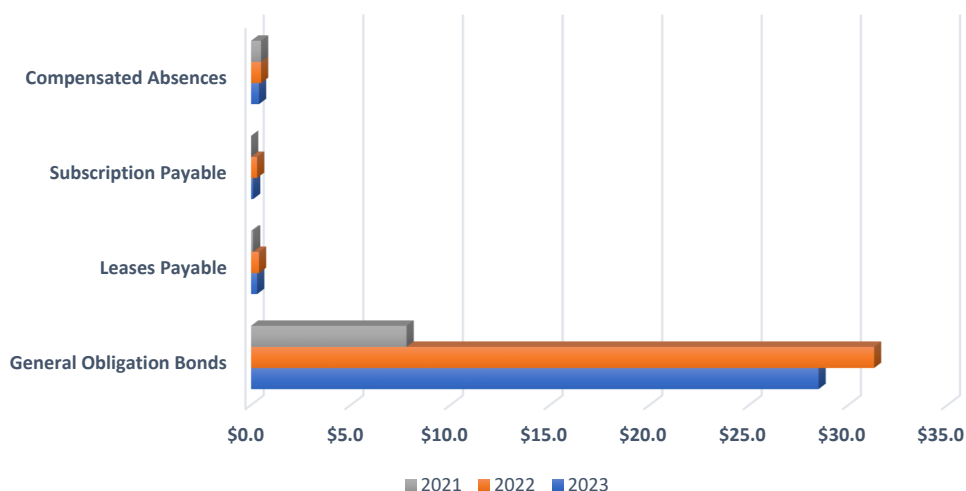
## Management Discussion and Analysis

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	Debt June 30, (in millions)				
	2023	2022*	Increase (Decrease) 2023-2023	2021*	Increase (Decrease) 2022-2021
General obligation bonds	\$28.5	\$31.3	(\$2.8)	\$7.8	\$23.5
Leases	0.3	0.4	(0.1)	0.1	0.3
Subscriptions	0.1	0.3	(0.2)	0.0	0.3
Compensated absences	0.4	0.5	(0.1)	0.5	0.0
<b>Total</b>	<b>\$29.3</b>	<b>\$32.5</b>	<b>(\$3.2)</b>	<b>\$8.4</b>	<b>\$24.1</b>

\* Fiscal year 2021 was restated due to implementation of GASB Statement No. 87 *Leases*. Fiscal year 2022 was restated due to implementation of GASB Statement No. 96 *Subscription-Based IT Arrangements*

### Debt Composition Trend



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

During fiscal year 2023, the College paid \$2.8 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 Financial Statements.

#### **Fiscal Year 2022 Compared to 2021**

During fiscal year 2022, the College paid \$3.2 million in bond payments funded through the tax levy. In addition, the College issued \$30 million in general obligation bonds. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to 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 Dr. Seamus Reilly, President, 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401.

# **Basic Financial Statements**

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# Carl Sandburg College - Community College District 518

## Statements of Net Position

<i>As of June 30</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 25,161,920	\$ 22,103,999
Short-term investments	37,572,849	41,087,715
Property tax receivable	11,644,297	9,190,381
Government receivables	976,808	2,914,469
Student tuition receivables, net of allowance	62,429	15,958
Other receivables	202,093	40,018
Prepaid items	198,703	204,734
<b>Total current assets</b>	<b>75,819,099</b>	<b>75,557,274</b>
Noncurrent assets:		
Non-depreciable capital assets	4,897,771	1,638,556
Depreciable capital assets	44,495,083	45,915,884
Accumulated depreciation and amortization	(31,017,514)	(31,085,953)
Long-term investments	8,419,979	7,200,043
<b>Total noncurrent assets</b>	<b>26,795,319</b>	<b>23,668,530</b>
<b>Total assets</b>	<b>102,614,418</b>	<b>99,225,804</b>
<b>Deferred outflow of resources</b>		
Deferred pension	45,165	47,730
Deferred OPEB	228,743	304,336
<b>Total deferred outflow of resources</b>	<b>273,908</b>	<b>352,066</b>

# Carl Sandburg College - Community College District 518

## Statements of Net Position (Continued)

<i>As of June 30</i>	<b>2023</b>	<b>2022</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 395,861	\$ 615,662
Accrued liabilities	130,303	47,557
Unearned tuition and fees	530,492	424,515
Accrued interest	-	499,004
Accrued compensated absences, current	262,909	312,321
Lease obligations, current	101,514	93,490
Subscription liability, current	81,798	153,769
Bonds payable, current	3,252,816	3,388,582
Total current liabilities	4,755,693	5,534,900
Noncurrent liabilities:		
Accrued compensated absences	129,492	153,830
Lease obligations	177,722	284,342
Subscription liability	47,837	129,635
Bonds payable, net	28,528,409	31,781,225
Net OPEB liability	3,116,559	8,071,050
Total noncurrent liabilities	32,000,019	40,420,082
Total liabilities	36,755,712	45,954,982
<b>Deferred inflow of resources</b>		
Deferred property taxes	13,351,331	12,922,124
Deferred grant revenue	818,008	536,479
Deferred OPEB	5,820,752	2,356,927
Total deferred inflow of resources	19,990,091	15,815,530
<b>Net position</b>		
Net investment in capital assets	9,459,425	9,792,189
Restricted - expendable:		
Debt service	272,213	620,968
Grants and scholarships	2,581,487	2,348,161
Working cash	8,586,954	8,475,563
Unrestricted	25,242,444	16,570,477
Total net position	\$ 46,142,523	\$ 37,807,358

See Accompanying Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

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

<i>Years ended June 30</i>	<b>2023</b>	<b>2022</b>
<b>Operating revenues:</b>		
Student tuition and fees, net of scholarship allowance	\$ 4,109,889	\$ 4,912,991
Auxiliary enterprises revenue	225,281	154,913
<b>Total operating revenues</b>	<b>4,335,170</b>	<b>5,067,904</b>
<b>Operating expenses:</b>		
Instruction	6,835,528	8,495,505
Academic support	401,497	454,203
Student services	4,153,043	4,520,513
Public services	145,864	84,391
Auxiliary services	1,004,916	931,400
Operations and maintenance	1,317,079	1,465,790
Institutional support	5,952,722	7,302,011
Scholarships, student grants, and waivers	3,148,931	5,582,180
Depreciation and amortization expense	1,771,345	1,553,413
<b>Total operating expenses</b>	<b>24,730,925</b>	<b>30,389,406</b>
<b>Operating (loss)</b>	<b>(20,395,755)</b>	<b>(25,321,502)</b>
<b>Non-operating revenues (expenses)</b>		
Property taxes	13,371,052	12,745,112
Replacement taxes	915,614	877,326
Other state sources	3,524,282	2,772,837
On-behalf payments	3,242,238	5,433,680
Federal government	5,715,210	9,675,435
Facilities revenue	4,940	4,480
Investment income	2,084,011	(97,183)
Nongovernmental grants and gifts	67,832	47,618
Other revenue	325,700	286,210
Gain (loss) on disposal of assets	(32,052)	(298)
Interest, service charges, and issuance costs	(487,907)	(642,648)
<b>Total non-operating revenues (expenses)</b>	<b>28,730,920</b>	<b>31,102,569</b>
<b>Capital contributions</b>	<b>-</b>	<b>361,298</b>
<b>Change in net position</b>	<b>8,335,165</b>	<b>6,142,365</b>
Net position, beginning of year	37,807,358	31,661,179
Prior period adjustment	-	3,814
<b>Net position, beginning of year, as restated</b>	<b>37,807,358</b>	<b>31,664,993</b>
<b>Net position, end of year</b>	<b>\$ 46,142,523</b>	<b>\$ 37,807,358</b>

See Accompanying Notes to the Financial Statements.



# Carl Sandburg College - Community College District 518

## Statements of Cash Flows

<i>Years ended June 30</i>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Tuition and fees	\$ 6,407,662	\$ 6,310,188
Payments to suppliers	(7,979,182)	(7,597,925)
Payments to employees	(10,206,511)	(10,146,530)
Payments to students for scholarships	(5,387,198)	(6,888,452)
Auxiliary enterprise changes	224,077	182,785
Other	(160,871)	-
Net cash used in operating activities	(17,102,023)	(18,139,934)
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	11,346,343	13,835,352
Proceeds from personal property replacement taxes	915,614	-
Proceeds from grants	11,526,514	13,302,723
Other	330,640	-
Net cash provided by non-capital financing activities	24,119,111	27,138,075
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	(3,712,783)	(1,922,815)
Principal paid on long-term debt	(3,019,832)	(3,205,076)
Proceeds from issuance of long-term debt	-	30,829,953
Interest paid on long-term debt	(1,605,493)	(180,594)
Net cash used in capital and related financing activities	(8,338,108)	25,521,468
<b>Cash flows from investing activities:</b>		
Interest received	1,041,254	3,180,838
Proceeds from maturities of investment securities	(1,219,936)	9,259,283
Purchases of investment securities	4,557,623	(42,344,864)
Net cash provided by investing activities	4,378,941	(29,904,743)
Net increase (decrease) in cash and cash equivalents	3,057,921	4,614,866
Cash and cash equivalents, beginning of year	22,103,999	17,489,133
Cash and cash equivalents, end of year	\$ 25,161,920	\$ 22,103,999

# Carl Sandburg College - Community College District 518

## Statements of Cash Flows (Continued)

<i>Years ended June 30</i>	<b>2023</b>	<b>2022</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (20,395,755)	\$ (25,321,502)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,771,345	1,553,413
State on-behalf payments for fringe benefits	3,242,238	5,433,680
Change in assets and liabilities:		
Receivables	(208,546)	157,017
Other assets	6,031	37,959
Deferred outflow of resources	78,158	(168,055)
Accounts payable	(219,801)	148,010
Accrued liabilities	82,746	(7,288)
Accrued compensated absences	(73,750)	6,551
Unearned tuition and fees	105,977	(60,582)
Other unearned revenue		22,362
OPEB liability	(4,954,491)	(206,648)
Deferred inflows of resources	3,463,825	265,149
	<b>\$ (17,102,023)</b>	<b>\$ (18,139,934)</b>
<b>Noncash investing, capital, and financial:</b>		
Increase (decrease) in fair value of investments and amortization/accretion	\$ 1,097,409	\$ (3,279,220)
Lease acquisition	52,896	97,714
IT Subscription acquisition	0	447,307
Contributions of capital assets	0	361,298
Disposal of assets	(32,052)	(298)
State on-behalf payments for pension and OPEB plans	4,533,722	5,433,680

See Accompanying Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

## Component Unit - Carl Sandburg College Foundation

### Statements of Financial Position

<i>As of June 30</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 115,037	\$ 160,546
Investments	22,334,837	20,403,327
Pledges receivable	12,316	15,281
Beneficial interest in perpetual trust	317,919	314,784
<b>Total assets</b>	<b>\$ 22,780,109</b>	<b>\$ 20,893,938</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 2,705	\$ 1,957
Scholarships payable	187,400	169,400
<b>Total liabilities</b>	<b>190,105</b>	<b>171,357</b>
<b>Net assets</b>		
Without donor restrictions	4,694,910	4,144,670
With donor restrictions	17,895,094	16,577,911
<b>Total net assets</b>	<b>22,590,004</b>	<b>20,722,581</b>
<b>Total liabilities and net assets</b>	<b>\$ 22,780,109</b>	<b>\$ 20,893,938</b>

See Accompanying Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

## Component Unit - Carl Sandburg College Foundation

### Statements of Activities

Years ended June 30	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains, and other support:</b>			
Contributions	\$ 72,197	\$ 227,553	\$ 299,750
Contributed nonfinancial assets	93,668	-	93,668
Interest and dividends	124,762	531,979	656,741
Net unrealized gain (loss) on investments	728,297	788,513	1,516,810
Net realized gain (loss) on investments	2,237	109,621	111,858
Change in value of beneficial interest in trust	-	3,135	3,135
Net asset released from restrictions	343,618	(343,618)	-
<b>Total support and revenue</b>	<b>1,364,779</b>	<b>1,317,183</b>	<b>2,681,962</b>
<b>Expenses:</b>			
<b>Program services</b>			
Scholarships and grants	487,755	-	487,755
<b>Total program services</b>	<b>487,755</b>	<b>-</b>	<b>487,755</b>
<b>Supporting services:</b>			
Management and general	-	-	-
Professional services	123,550	-	123,550
In-kind services	81,075	-	81,075
In-kind goods and facilities	12,593	-	12,593
Conference and meeting expense	5,419	-	5,419
Dues	1,837	-	1,837
Office supplies	5,937	-	5,937
Printing	11,198	-	11,198
Travel	1,375	-	1,375
Other	36,698	-	36,698
<b>Total management and general</b>	<b>279,682</b>	<b>-</b>	<b>279,682</b>
<b>Fundraising</b>			
Supplies and mailings	30,818	-	30,818
Donor gift and entertainment	16,284	-	16,284
<b>Total fund raising</b>	<b>47,102</b>	<b>-</b>	<b>47,102</b>
<b>Total expenses</b>	<b>814,539</b>	<b>-</b>	<b>814,539</b>
Changes in net assets	550,240	1,317,183	1,867,423
Net assets, beginning of year	4,144,670	16,577,911	20,722,581
<b>Net assets, end of year</b>	<b>\$ 4,694,910</b>	<b>\$ 17,895,094</b>	<b>\$ 22,590,004</b>

See Accompanying Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

## Component Unit - Carl Sandburg College Foundation

### Statements of Activities (Continued)

<i>Years ended June 30</i>	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains, and other support:</b>			
Contributions	\$ 142,261	\$ 91,866	\$ 234,127
Contributed nonfinancial assets	66,761	-	66,761
Interest and dividends	605,826	871,205	1,477,031
Net unrealized gain (loss) on investments	(2,438,150)	(3,135,986)	(5,574,136)
Net realized gain (loss) on investments	28,731	99,132	127,863
Change in value of beneficial interest in trust	-	(72,849)	(72,849)
Net asset released from restrictions	282,207	(282,207)	-
<b>Total support and revenue</b>	<b>(1,312,364)</b>	<b>(2,428,839)</b>	<b>(3,741,203)</b>
<b>Expenses:</b>			
<b>Program services</b>			
Scholarships and grants	352,595	-	352,595
<b>Total program services</b>	<b>352,595</b>	<b>-</b>	<b>352,595</b>
<b>Supporting services:</b>			
Management and general	-	-	-
Professional services	109,823	-	109,823
In-kind services	63,063	-	63,063
In-kind goods and facilities	3,698	-	3,698
Conference and meeting expense	854	-	854
Office supplies	2,010	-	2,010
Printing	932	-	932
Other	28,020	-	28,020
<b>Total management and general</b>	<b>208,400</b>	<b>-</b>	<b>208,400</b>
<b>Fundraising</b>			
Supplies and mailings	2,853	-	2,853
Donor gift and entertainment	764	-	764
<b>Total fund raising</b>	<b>3,617</b>	<b>-</b>	<b>3,617</b>
<b>Total expenses</b>	<b>564,612</b>	<b>-</b>	<b>564,612</b>
Changes in net assets	(1,876,976)	(2,428,839)	(4,305,815)
Net assets, beginning of year	6,021,646	19,006,750	25,028,396
Net assets, end of year	\$ 4,144,670	\$ 16,577,911	\$ 20,722,581

See Accompanying Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

Carl Sandburg College - Community College District 518 (the "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 discretely presented 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 12) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### **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 and Basis of Accounting**

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.

#### **New Accounting Pronouncement**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The statement enhances the relevance and consistency of reporting for the College's subscription activities by establishing requirements for subscription accounting based on the principle that subscription are financings of underlying right-to-use assets. A subscription recipient is required to recognize a subscription liability and a right-to-use subscription asset, and a subscription originator is required to recognize a subscription receivable and deferred inflow of resources. The College adopted this guidance retroactively for the year ended June 30, 2023. The adoption of this guidance resulted in a restatement of the beginning net position for the year ended June 30, 2022. See Note 11 for the details of the restatement.

#### **Cash and 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.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### **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.

#### **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 \$267,764 and \$300,000 as of June 30, 2023 and 2022, respectively.

#### **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 2021 property tax levies passed on December 16, 2021 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2022 property tax levy which was passed on November 21, 2022. In addition, property taxes receivable represents the remaining 2022 property tax levy to be collected in fiscal year 2024.

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.



# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 classifications. Such reclassifications in the accompanying financial statements had no effect on previously reported change in net position.

#### 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 related 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.

	<b>Years</b>
Buildings and building improvements	10-40 years
Infrastructure	10 years
Furniture and equipment	3-5 years
Land improvements	10 years
Vehicles	3 years
Software	3-15 years

#### Unearned Tuition and Fee Revenue

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

#### 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.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### **Compensated Absences**

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

#### **Lease Accounting**

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

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

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

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

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

For leases or groups of leases whose net present value is less than \$25,000, the College has elected to recognize the payments as an expense in the period incurred.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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

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

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

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

For all underlying classes of assets, the College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

#### **Other Post-Employment ("OPEB") Obligations**

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

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

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### **Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the statement of net position will sometimes report separate sections, deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets 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, 2023.

#### **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 2023 and 2022, the state made contributions of \$3,242,238 and \$5,433,680, respectively (Note 5 and 7).

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS 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.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### **Pensions (Continued)**

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.

#### **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.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 2: Cash and Investments

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

Cash and deposits consist of the following:

<i>As of June 30</i>	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 4,902	\$ 5,021
Deposits with financial institutions	25,157,018	22,098,978
<b>Total</b>	<b>\$ 25,161,920</b>	<b>\$ 22,103,999</b>

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.

Investments consist of the following:

<i>As of June 30</i>	<b>2023</b>	<b>2022</b>
Money market	\$ 27,847,064	\$ 30,707,084
Certificate of deposit	8,700,678	7,349,947
U.S. government agency securities	9,445,086	10,230,727
<b>Total</b>	<b>\$ 45,992,828</b>	<b>\$ 48,287,758</b>

#### 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.

Information about the sensitivity of the fair values of the College's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the College's investments by maturity.

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

	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>	<b>More than 10</b>
Money market	\$ 27,847,064	\$ 27,847,064	\$ -	\$ -	-
Certificate of deposit	8,700,678	3,580,357	5,120,321	-	-
U.S. government agency securities	9,445,086	6,145,428	3,299,658	-	-
<b>Total</b>	<b>\$ 45,992,828</b>	<b>\$ 37,572,849</b>	<b>\$ 8,419,979</b>	<b>\$ -</b>	<b>-</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

As of June 30, 2022, the College had the following investments with stated maturities:

	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Money market	\$ 30,707,084	\$ 30,707,084	\$ -	\$ -	\$ -
Certificates of deposit	7,349,947	5,694,357	1,655,590	-	-
U.S. government agency securities	10,230,727	4,686,274	5,544,453	-	-
<b>Total</b>	<b>\$ 48,287,758</b>	<b>\$ 41,087,715</b>	<b>\$ 7,200,043</b>	<b>\$ -</b>	<b>\$ -</b>

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year end for the external investment pool investment type.

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

	<u>Total</u>	<u>Investment Ratings by Standard &amp; Poor's</u>		
		<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Money market	\$ 27,847,064	\$ 27,847,064	\$ -	\$ -
Certificate of deposit	8,700,678	-	-	8,700,678
U.S. government agency securities	9,445,086	-	9,445,086	-
<b>Total</b>	<b>\$ 45,992,828</b>	<b>\$ 27,847,064</b>	<b>\$ 9,445,086</b>	<b>\$ 8,700,678</b>

As of June 30, 2022, the College had the following investments with stated ratings:

	<u>Total</u>	<u>Investment Ratings by Standard &amp; Poor's</u>		
		<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Money market	\$ 30,707,084	\$ 30,707,084	\$ -	\$ -
Certificate of deposit	7,349,947	-	-	7,349,947
U.S. government agency securities	10,230,727	-	10,230,727	-
<b>Total</b>	<b>\$ 48,287,758</b>	<b>\$ 30,707,084</b>	<b>\$ 10,230,727</b>	<b>\$ 7,349,947</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

#### Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$25,157,018 and the bank balance was \$25,945,519. Of the bank balance, \$695,266 was covered by federal depository insurance; \$25,250,253 was collateralized with securities held by the pledging institution's trust department or agent in the College's name.

#### 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.

The Illinois Funds is a State of Illinois investment pool acting on behalf of local governments including School Districts, Community Colleges, and Educational Service Regions.

#### Fair Value Measurement

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

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets.

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 quotes 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.



# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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, 2023:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets measured at fair value on a recurring basis:				
Certificate of deposit	\$ 8,700,678	\$ -	\$ 8,700,678	\$ -
U.S. government agency securities	9,445,086	-	9,445,086	-
<b>Total investments</b>	<b>\$ 18,145,764</b>	<b>\$ -</b>	<b>\$ 18,145,764</b>	<b>\$ -</b>

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, 2022:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets measured at fair value on a recurring basis:				
Certificate of deposit	\$ 7,349,947	\$ -	\$ 7,349,947	\$ -
U.S. government agency securities	10,230,727	-	10,230,727	-
<b>Total investments</b>	<b>\$ 17,580,674</b>	<b>\$ -</b>	<b>\$ 17,580,674</b>	<b>\$ -</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Balance 7/1/2022	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2023
Capital assets, not being depreciated:					
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	1,292,431	3,264,895	-	(5,680)	4,551,646
Total capital assets, not being depreciated	1,638,556	3,264,895	-	(5,680)	4,897,771
Capital assets, being depreciated:					
Buildings and additions	32,391,483	9,451	(1,681,968)	-	30,718,966
Infrastructure	3,511,179	-	-	-	3,511,179
Furniture and equipment	6,023,104	418,225	(138,016)	5,680	6,308,993
Land improvements	2,835,950	20,214	-	-	2,856,164
Vehicles	218,696	-	-	-	218,696
Total capital assets, being depreciated	44,980,412	447,890	(1,819,984)	5,680	43,613,998
Accumulated depreciation:					
Buildings and additions	21,155,193	799,518	(1,649,450)	-	20,305,261
Infrastructure	3,105,636	109,084	-	-	3,214,720
Furniture and equipment	5,185,276	388,540	(136,696)	-	5,437,120
Land improvements	1,144,721	211,492	-	-	1,356,213
Vehicles	213,197	-	-	-	213,197
Total accumulated depreciation	30,804,023	1,508,634	(1,786,146)	-	30,526,511
Total capital assets, being depreciated, net	14,176,389	(1,060,744)	(33,838)	5,680	13,087,487
Lease assets:					
Equipment	283,168	-	-	-	283,168
Vehicles	204,997	52,896	(107,283)	-	150,610
Total lease assets, being amortized	488,165	52,896	(107,283)	-	433,778
Accumulated amortization:					
Equipment	51,914	56,634	-	-	108,548
Vehicles	69,927	45,991	(53,641)	-	62,277
Total accumulated amortization	121,841	102,625	(53,641)	-	170,825
Total lease assets, net	366,324	(49,729)	(53,642)	-	262,953
Subscription-based information technology arrangement assets:					
Subscription-based information technology arrangement assets	447,307	-	-	-	447,307
Accumulated amortization:					
Subscription-based information technology arrangement assets	160,089	160,089	-	-	320,178
Total subscription-based information technology arrangement assets being amortized, net	287,218	(160,089)	-	-	127,129
Capital assets, net	\$ 16,468,487	\$ 1,994,333	\$ (87,480)	\$ -	\$ 18,375,340

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 3: Capital Assets (Continued)

Changes in the various capital asset categories during the year ended June 30, 2022 are as follows:

	Balance 7/1/2021	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2022
Capital assets, not being depreciated:					
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	146,276	1,166,954	-	(20,799)	1,292,431
Total capital assets, not being depreciated	492,401	1,166,954	-	(20,799)	1,638,556
Capital assets, being depreciated:					
Buildings and additions	32,391,483	-	-	-	32,391,483
Infrastructure	3,503,858	7,321	-	-	3,511,179
Furniture and equipment	6,657,986	230,648	(886,329)	20,799	6,023,104
Land improvements	2,337,940	498,308	(298)	-	2,835,950
Vehicles	268,499	-	(49,803)	-	218,696
Total capital assets, being depreciated	45,159,766	736,277	(936,430)	20,799	44,980,412
Accumulated depreciation:					
Buildings and additions	20,350,429	804,764	-	-	21,155,193
Infrastructure	2,996,552	109,084	-	-	3,105,636
Furniture and equipment	5,740,594	331,011	(886,329)	-	5,185,276
Land improvements	922,247	222,474	-	-	1,144,721
Vehicles	263,000	-	(49,803)	-	213,197
Total accumulated depreciation	30,272,822	1,467,333	(936,132)	-	30,804,023
Total capital assets, being depreciated, net	14,886,944	(731,056)	(298)	20,799	14,176,389
Lease assets:					
Equipment	-	283,168	-	-	283,168
Vehicles	107,283	97,714	-	-	204,997
Total right of use assets	107,283	380,882	-	-	488,165
Accumulated amortization:					
Equipment	-	51,914	-	-	51,914
Vehicles	35,761	34,166	-	-	69,927
Total accumulated amortization	35,761	86,080	-	-	121,841
Total lease assets, net	71,522	294,802	-	-	366,324
Subscription-Based Information Technology Arrangement Assets:					
Subscription-Based Information Technology Arrangement Assets	-	447,307	-	-	447,307
Accumulated amortization:					
Subscription-Based Information Technology Arrangement Assets	-	160,089	-	-	160,089
Total subscription-based information technology arrangement assets being amortized, net	-	287,218	-	-	287,218
Capital assets, net	\$ 15,450,867	\$ 1,017,918	\$ (298)	\$ -	\$ 16,468,487

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### 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, 2023:

	Balance 7/1/2022	Increases	Decreases	Balance 6/30/2023	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 31,365,000	-	\$ 2,770,000	\$ 28,595,000	\$ 2,855,000	\$ 25,740,000
Bond premiums and deferred funding (discounts)	3,804,807	-	618,582	3,186,225	397,816	2,788,409
Leases	377,832	52,896	151,492	279,236	101,514	177,722
SBITAs	283,404	-	153,769	129,635	81,798	47,837
Compensated absences	466,151	104,635	178,385	392,401	262,909	129,492
OPEB	8,071,050	-	4,954,491	3,116,559	-	3,116,559
<b>Totals</b>	<b>\$ 44,368,244</b>	<b>\$ 157,531</b>	<b>\$ 8,826,719</b>	<b>\$ 35,699,056</b>	<b>\$ 3,699,037</b>	<b>\$ 32,000,019</b>

The following is a summary of the College's long-term and short-term debt transactions for the year ended June 30, 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2023	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 7,845,000	\$ 26,650,000	\$ 3,130,000	\$ 31,365,000	\$ 2,770,000	\$ 28,595,000
Bond premiums and deferred funding (discounts)	16,044	3,799,071	10,308	3,804,807	618,582	3,186,225
Leases	72,026	380,882	75,076	377,832	93,490	284,342
SBITAs	-	447,307	163,903	283,404	153,769	129,635
Compensated absences	459,600	297,395	290,844	466,151	312,321	153,830
OPEB	8,277,698	-	206,648	8,071,050	-	8,071,050
<b>Totals</b>	<b>\$ 16,670,368</b>	<b>\$ 31,574,655</b>	<b>\$ 3,876,779</b>	<b>\$ 44,368,244</b>	<b>\$ 3,948,162</b>	<b>\$ 40,420,082</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 4: Debt (Continued)

Details on the debt as of June 30, 2023 are as follows:

- 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 (17.34%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 140,000	\$ 2,800	\$ 142,800

- 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 (13.74%) were used for the purchase of capital assets. These bonds were fully paid off during fiscal year 2023.

- 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 (85.38%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 1,690,000	\$ 18,167	\$ 1,708,167

- 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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 255,000	\$ 3,391	\$ 258,391

- The general obligation bonds, Series 2020, bear interest at 0.85 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, 2025. 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:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 25,000	\$ 4,102	\$ 29,102
2025	470,000	1,998	471,998
Total	\$ 495,000	\$ 6,100	\$ 501,100

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 4: Debt (Continued)

6. The general obligation bonds, Series 2021, bear interest at 3.00 to 4.00 percent, which is due on December 30 and June 30 of each year, while principal amounts mature serially on December 30 of each year, with final maturity on December 30, 2040. A portion of the bond proceeds (65.21%) spent by June 30, 2023, were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 745,000	\$ 960,450	\$ 1,705,450
2025	2,430,000	896,950	3,326,950
2026	2,270,000	802,950	3,072,950
2027	2,400,000	709,550	3,109,550
2028	1,330,000	634,950	1,964,950
2029 - 2033	6,435,000	2,398,850	8,833,850
2034 - 2038	6,455,000	1,134,375	7,589,375
2038 - 2041	3,950,000	178,800	4,128,800
<b>Total</b>	<b>\$ 26,015,000</b>	<b>\$ 7,716,875</b>	<b>\$ 33,731,875</b>

7. Lease agreement dated July 2021 in the original principal amount of \$97,714, due in monthly installments of \$1,888, including imputed interest at 6.19%, collateralized by 2 buses (lease assets). The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 19,170	\$ 3,486	\$ 22,656
2025	20,391	2,265	22,656
2026	21,690	966	22,656
2027	3,747	29	3,776
<b>Total</b>	<b>\$ 64,998</b>	<b>\$ 6,746</b>	<b>\$ 71,744</b>

8. Lease agreement dated July 2021 in the original principal amount of \$283,168, due in monthly installments of \$5,747, including imputed interest at 8.04%, collateralized by 17 copiers (lease assets). The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 55,896	\$ 13,068	\$ 68,964
2025	60,560	8,405	68,965
2026	65,612	3,352	68,964
2027	5,722	38	5,760
<b>Total</b>	<b>\$ 187,790</b>	<b>\$ 24,863</b>	<b>\$ 212,653</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 4: Debt (Continued)

9. Lease agreement dated Sept 2022 in the original principal amount of \$52,896, due in annual installments of \$26,448 from Sept 2022 through Sept 2023 and final payment of \$29,114 from Sept 2023 through Sept 2024, including imputed interest at 10.08%, collateralized by 2 buses (lease assets). The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 26,448	\$ 2,666	\$ 29,114

10. Open LMS subscription agreement dated July 2021 in the original principal amount of \$110,247, due in annual installments of \$38,910, including imputed interest at 6.00%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 36,707	\$ 2,202	\$ 38,909

11. Technolutions subscription agreement dated May 2020 in the original principal amount of \$180,757, due in bi-annual installments of \$25,000, including imputed interest at 6.00%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2024	\$ 45,091	\$ 4,909	\$ 50,000
2025	47,837	2,163	50,000
<b>Total</b>	<b>\$ 92,928</b>	<b>\$ 7,072</b>	<b>\$ 100,000</b>

12. Microsoft Office subscription agreement dated October 2020 in the original principal amount of \$53,152, due in annual installments of \$27,350, including imputed interest at 6.00%. This agreement expired in 2023.

13. EAB Global subscription agreement dated March 2021 in the original principal amount of \$103,151, due in annual installments of \$52,316 from March 2022 through March 2023 and final payment of \$53,885 from March 2023 through March 2024, including imputed interest at 6.0%. This agreement expired in 2023.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 4: Debt (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	Leases	SBITAs	Total Principal	Interest	Total Principal and Interest
2024	\$ 2,855,000	\$ 262,909	\$ 101,514	\$ 81,798	\$ 3,301,221	\$ 1,016,388	\$ 4,317,609
2025	2,900,000	129,492	80,951	47,837	3,158,280	913,002	4,071,282
2026	2,270,000	-	87,302	-	2,357,302	807,268	3,164,570
2027	2,400,000	-	9,469	-	2,409,469	709,617	3,119,086
2028	1,330,000	-	-	-	1,330,000	634,950	1,964,950
2029 - 2033	6,435,000	-	-	-	6,435,000	2,398,850	8,833,850
2034 - 2038	6,455,000	-	-	-	6,455,000	1,134,375	7,589,375
2039 - 2043	3,950,000	-	-	-	3,950,000	178,800	4,128,800
<b>Total</b>	<b>\$28,595,000</b>	<b>\$ 392,401</b>	<b>\$ 279,236</b>	<b>\$ 129,635</b>	<b>\$9,396,272</b>	<b>\$ 7,793,250</b>	<b>\$ 37,189,522</b>

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2023, is \$65,997,428. General obligation debt, leases, and SBITAs at June 30, 2023 total \$32,190,096 resulting in a legal debt margin of \$33,807,332.

### Note 5: Defined Benefit Pension Plans

#### General Information about the Pension Plan

*Plan description* – The College’s 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](http://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 whether to participate in the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022 can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.



# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

*Contributions* - The State 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 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

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

#### *Net Pension Liability*

The net pension liability (NPL) was measured as of June 30, 2022 and June 30, 2021. SURS reported a net pension liability (NPL) of \$29,078,053,857 at June 30, 2022 and \$28,528,477,079 at June 30, 2021.

#### *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 2022 is \$0 and for fiscal year 2021 it was . The proportionate share of the State’s net pension liability associated with the College at June 30, 2022 is \$68,063,001 or 0.2341% and at June 30, 2021 is \$65,513,365 or 0.2296%. This amount is not recognized in the College's financial statement. The College's proportionate share changed by 0.0044% from 0.2296% since the last measurement date of June 30, 2021. The amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2022 was determined based on the June 30, 2021 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021.

#### *Defined Benefit Pension Expense*

For the years ending June 30, 2022 and June 30, 2021, SURS defined benefit plan reported a collective net pension expense of \$1,903,314,699 and \$2,342,460,058, respectively.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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

The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2021 and 2020, respectively. As a result, the College recognized revenue and defined benefit pension expense of \$4,455,089 and \$5,379,272 from this special funding situation during the years ended June 30, 2023 and June 30, 2022.

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

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflow of Resources</b>
<i>Fiscal year ended June 30, 2021 (measurement date)</i>		
Difference between expected and actual experience	\$ 113,467,689	\$ -
Changes in assumption	776,968,084	-
Net difference between projected and actual earnings on pension plan investments	-	2,283,514,660
<b>Total</b>	<b>\$ 890,435,773</b>	<b>\$ 2,283,514,660</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (332,941,204)
2025	(528,966,820)
2026	(249,290,775)
2027	442,534,804
Total	\$ (668,663,995)

### College's Deferral of Fiscal Year 2023 Contributions

The College paid \$45,165 and \$47,730 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2023 and June 30, 2022, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and June 30, 2021, and are recognized as deferred outflows of resources as of June 30, 2023 and June 30, 2022.

### Assumptions and Other Inputs

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 through June 30, 2020. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50% beginning with the actuarial valuation as of June 30, 2021

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
<b>Traditional Growth</b>		
Global Public Equity	38.0 %	7.62 %
<b>Stabilized Growth</b>		
Credit Fixed Income	9.0 %	4.20 %
Core Real Assets	4.5 %	4.98 %
Options Strategies	2.5 %	4.91 %
Private Credit	1.0 %	7.45 %
<b>Non-Traditional Growth</b>		
Private Equity	10.5 %	11.91 %
Non-Core Real Assets	2.5 %	9.43 %
<b>Inflation Sensitive</b>		
U.S. TIPS	5.0 %	1.23 %
<b>Principal Protection</b>		
Core Fixed Income	8.0 %	1.79 %
<b>Crisis Risk Offset</b>		
Systematic Trend Following	10.0 %	4.33 %
Alternative Risk Premia	5.0 %	3.59 %
Long Duration	4.0 %	2.16 %
<b>Total</b>	<b>100 %</b>	<b>6.08 %</b>
<b>Inflation</b>		<b>2.25 %</b>
<b>Expected Arithmetic Return</b>		<b>8.33 %</b>

*Discount Rate.* A single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2021, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and 6.50% at June 30, 2022 and June 30, 2021, and a municipal bond rate of 3.69% and 1.92% at June 30, 2022 and June 30, 2021, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022 and June 30, 2021, respectively). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

*Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39% and 6.12% at June 30, 2022 and June 30, 2021, as well as what the State's NPL net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

June 30, 2022		
1% Decrease 5.39%	Current Single Discount Rate Assumption 6.39%	1% Increase 7.39%
\$ 35,261,802,968	\$ 29,078,053,857	\$ 23,928,731,076

June 30, 2021		
1% Decrease 5.12%	Current Single Discount Rate Assumption 6.12%	1% Increase 7.12%
\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

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

### Note 6: Defined Contribution Pension Plan

#### General Information about the Pension Plan

*Plan Description.* The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, 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 governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org). The RSP and its benefit terms were established and may be amended by the State's General Assembly.

*Benefits Provided.* A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2021, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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

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

### **Pension Expense Related to Defined Contribution Pensions**

#### *Defined Contribution Pension Expense*

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

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

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. The College's share of pensionable contributions was 0.0876%. As a result, the College recognized revenue and defined contribution pension expense of \$78,633 from this special funding situation during the year ended June 30, 2023, of which \$7,768 constituted forfeitures.

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

*Plan Administration* - The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

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

*Benefit Provisions* - A summary of other post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the CCHISF's financial statements of the Department may be obtained by accessing the website at [www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp](http://www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp).

*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 1971 (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.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### **Note 7: 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, 2022 and June 30, 2021. CIP reported a net OPEB liability at June 30, 2022 of \$684,560,152 and at June 30, 2021 of \$1,735,532,863.

##### *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 2023 is \$3,116,559 or 0.4553%, and for fiscal year 2022 it was \$8,071,050 or 0.4650%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0098%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2022 and June 30, 2021 was \$3,116,559 or 0.4553% and \$8,071,050 or 0.4650%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2022 and June 30, 2021 was \$6,233,118 and \$16,142,100, respectively. The net OPEB liability and total OPEB liability as of June 30, 2022 was determined based on the June 30, 2021 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 2022.

##### *OPEB Expense*

At June 30, 2022 and June 30, 2021, CIP reported a collective net OPEB expense (income) of \$(287,349,940) and \$(8,291,172), 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 2022 and 2021, respectively. As a result, the College recognized on-behalf revenue of \$(1,291,484) and \$(66,634) for the fiscal year ended June 30, 2022 and June 30, 2021, respectively. Additionally, the College recognized OPEB expense of \$(1,415,073) and \$(107,751) for the fiscal year ended June 30, 2022 and June 30, 2021.



# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflow of Resources</b>
<i>Fiscal year ended June 30, 2022 (measurement date)</i>		
Difference between expected and actual experience	\$ 24,620	\$ 1,298,144
Changes in assumption	0	4,201,025
Net difference between projected and actual earnings on OPEB plan investments	0	161
Changes in proportion and differences between employer contributions and share of contributions	159,918	321,422
<b>Total deferred amounts to be recognized in pension expense in future periods</b>	<b>184,538</b>	<b>5,820,752</b>
OPEB contributions made subsequent to the measurement date	44,205	0
<b>Total</b>	<b>\$ 228,743</b>	<b>\$ 5,820,752</b>

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflow of Resources</b>
<i>Fiscal year ended June 30, 2021 (measurement date)</i>		
Difference between expected and actual experience	\$ 51,077	\$ 589,898
Changes in assumption	0	1,541,826
Net difference between projected and actual earnings on OPEB plan investments	0	233
Changes in proportion and differences between employer contributions and share of contributions	210,325	224,970
<b>Total deferred amounts to be recognized in pension expense in future periods</b>	<b>261,402</b>	<b>2,356,927</b>
OPEB contributions made subsequent to the measurement date	42,934	0
<b>Total</b>	<b>\$ 304,336</b>	<b>\$ 2,356,927</b>

The College reported \$44,205 and \$42,934 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2024 and June 30, 2023, 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:

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (939,369)
2025	(939,369)
2026	(939,369)
2027	(939,369)
2028	(939,369)
2029	(939,369)
<b>Total</b>	<b>\$ (5,636,214)</b>

#### Assumptions and Other Inputs

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increases includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend used fiscal year end 2023 based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2024 and decrease gradually to an ultimate rate of 4.25% in 2039. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033 and 5.86% in 2034, declining gradually to an ultimate rate of 4.25% in 2039.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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

*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 3.69% as of June 30, 2022 and 1.92% as of June 30, 2021.

The decrease in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to increase by approximately \$119.2 million from 2021 to 2022.

#### 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 3.69% and 1.92% at June 30, 2022 and June 30, 2021, 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:

<b>Sensitivity of Net OPEB Liability as of June 30, 2022 to the Single Discount Rate Assumption</b>			
	<b>1% Decrease (2.69%)</b>	<b>Current Single Discount Rate Assumption (3.69%)</b>	<b>1% Increase (4.69%)</b>
Net OPEB liability	\$ 3,411,629	\$ 3,116,559	\$ 2,864,232

<b>Sensitivity of Net OPEB Liability as of June 30, 2021 to the Single Discount Rate Assumption</b>			
	<b>1% Decrease (0.92%)</b>	<b>Current Single Discount Rate Assumption (1.92%)</b>	<b>1% Increase (2.92%)</b>
Net OPEB liability	\$ 9,195,297	\$ 8,071,050	\$ 7,100,160

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 7: 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.

Sensitivity of Net OPEB Liability as of June 30, 2022 to the Healthcare Cost Trend Rate Assumption				
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)	
Net OPEB liability	\$ 2,785,123	\$ 3,116,559	\$ 3,521,546	

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

Sensitivity of Net OPEB Liability as of June 30, 2021 to the Healthcare Cost Trend Rate Assumption				
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)	
Net OPEB liability	\$ 6,650,417	\$ 8,071,050	\$ 9,973,698	

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### **Note 8: Risk Management**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. 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 9: Commitments and Contingencies**

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.* In May 2022, the College entered into a professional services agreement with Farnsworth Group, Inc. architecture services related to the construction of a new Science and Technology Center for \$2,298,000. As of June 30, 2023, total costs incurred are approximately \$270,000. The estimated completion date for this project is June 2024.

In February 2023, the College entered into a professional services agreement with NE Finch Co. related to the construction of a new Science and Technology Center for \$642,000. As of June 30, 2023, total costs incurred are approximately \$597,000. The estimated completion date for this project is June 2024.

### **Note 10: Impact of Pending Accounting Principles**

GASB Statement No. 99, Omnibus 2022, improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and 2023. The College has not determined the effect of this Statement.

GASB Statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting for accounting changes in error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The College has not determined the effect of this Statement.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### Note 10: Impact of Pending Accounting Principles (Continued)

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

### Note 11: Prior Year Restatement

During the fiscal year, the College made a prior period adjustment to the financial statements to implement GASB Statement No. 96 related to SBITAs in compliance with accounting principles generally accepted in the United States.

<i>Years Ended June 30, 2023 and 2022</i>	<b>Statement of Net Position</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
Net position, beginning of year, as previously reported	\$ 37,807,358	\$ 31,661,179
GASB statement No. 96 implementation	-	3,814
Net position, beginning of year, as restated	\$ 37,807,358	\$ 31,664,993

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### Note 12: Component Unit

#### 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 presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States ("GAAP").

#### Net Assets

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

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

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

#### Contributions and Revenues

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

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

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### **Note 12: Component Unit (Continued)**

#### **Contributions and Revenues (Continued)**

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

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

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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, 2023, there was \$12,316 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 highly liquid debt instruments with an original maturity of three months or less to be cash and cash equivalents.



# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### Note 12: Component Unit (Continued)

#### 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.

#### 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:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>
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%

#### Contributed Nonfinancial Assets

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed services are recognized in the financial statements, if the services (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. These amounts are included in the financial statements as contributed nonfinancial asset revenues and expenses.

The Foundation also receives contributed services generally in the form of contributed time by volunteers. However, these contributed services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

For the year ended June 30, 2023, the Foundation received contributed administrative services totaling \$83,845 from Carl Sandburg College - Community College District 518 (the College), a related party.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### Note 12: Component Unit (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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Subsequent Events

The Foundation have evaluated subsequent events through August 29, 2023, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2023 have been incorporated herein. There are no other subsequent events that require disclosure.

#### Pending Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for periods beginning December 15, 2022. Management is currently evaluating the impact of adoption of this ASU on the financial statements and the related notes to the financial statements.

#### 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, 2023, reduced by amounts not available for general expenditures:

Total financial assets	\$ 22,780,109
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	17,577,175
Board designated endowment funds	276,032
Perpetual endowments	317,919
<hr/>	
Financial assets available to meet cash needs for general expenditures within the one year	\$ 4,608,983
<hr/> <hr/>	

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 12: Component Unit (Continued)

#### 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 value. The investments at June 30, 2023 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Mutual funds - equity	\$ 19,815,079	\$16,385,617	\$ 3,429,462
Mutual funds - bonds	2,519,758	2,897,100	(377,342)
<b>Total investments measured at fair value</b>	<b>\$ 22,334,837</b>	<b>\$19,282,717</b>	<b>\$ 3,052,120</b>

#### Endowment Funds

The Foundation's endowment consists of approximately 110 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, 2023 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 17,895,094	\$ 17,895,094
Unrestricted endowment funds:			
Board-designated	276,032	-	276,032
Unrestricted	4,418,878	-	4,418,878
	<b>\$ 4,694,910</b>	<b>\$ 17,895,094</b>	<b>\$ 22,590,004</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 12: Component Unit (Continued)

#### Endowment Funds (Continued)

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 4,144,670	\$ 16,577,911	\$ 20,722,581
Contributions	72,197	227,553	299,750
Interest and dividend income	124,762	531,979	656,741
Net unrealized gain(loss) on investments	728,297	788,513	1,516,810
Net realized gain(loss) on investments	2,237	109,621	111,858
Donated goods, services, facilities	93,668	-	93,668
Change in value of beneficial interest in trust	-	3,135	3,135
Amounts appropriated for expenditure	(814,539)	-	(814,539)
Amounts released from restriction	343,618	(343,618)	-
Endowment net assets, end of year	\$ 4,694,910	\$ 17,895,094	\$ 22,590,004

#### Beneficial Interest in Perpetual Trusts

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 with the investment earnings to be used for student scholarships. The beneficial interest in the perpetual trust is recorded at 100% of the trust's fair value. The recorded value was \$317,919 as of June 30, 2023. The change in fair value is recorded on the statement of activities.

#### Net Assets with Donor Restriction

Net assets with donor restrictions consist of the following as of June 30, 2023:

Subject to expenditure for specified purpose:	
Student scholarships	\$ 12,316,883
Endowment subject to spending policy and appropriation	5,260,292
Perpetual endowments	317,919
Net assets with donor restrictions	\$ 17,895,094

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, 2023, totaling \$343,618.

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 12: Component Unit (Continued)

#### Fair Value Measurement

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

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

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

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

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

The following table presents the Foundation's fair value hierarchy for the assets measured at fair value on a recurring basis as of as of June 30, 2023:

		<u>Fair Value Measurements at</u>		
		<u>Reporting Date Using</u>		
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<b>Assets measured at fair value on a recurring basis:</b>				
Mutual funds - equity	\$19,815,079	\$19,815,079	\$ -	\$ -
Mutual funds - bonds	2,519,758	2,519,758	-	-
Beneficial interest in perpetual trust	317,919	-	-	317,919
<b>Total</b>	<b>\$22,652,756</b>	<b>\$22,334,837</b>	<b>\$ -</b>	<b>\$ 317,919</b>

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 12: Component Unit (Continued)

#### Fair Value Measurement (Continued)

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.

The following table reconciles the Foundation's beginning to ending balance of its beneficial interest in a perpetual trust measured at fair value using significant unobservable inputs (Level 3) during the year ended June 30, 2023:

<b>Beneficial interest in perpetual trust:</b>	
Balance, beginning of year	\$ 314,784
Changes in fair value of trust assets	3,135
Balance, end of year	\$ 317,919

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

	Total	Nonrecurring Fair Value Measurements at Reporting Date		
		Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a nonrecurring basis:</b>				
Contributed nonfinancial assets:				
Services	\$ 81,075	\$ -	\$ -	\$ 81,075
Goods	9,823	-	-	9,823
Facilities	2,770	-	-	2,770
Total	\$ 93,668	\$ -	\$ -	\$ 93,668

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

### Note 12: Component Unit (Continued)

#### Fair Value Measurement (Continued)

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

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trusts	\$343,618	Market approach	Fair value of assets contributed to trust	N/A
Contributed nonfinancial assets:			Fair value of assets contributed to	
Services	81,075	Market approach	Foundation	N/A
Goods	9,823	Market approach	Fair value of assets contributed to Foundation	N/A
Facilities	2,770	Market approach	Fair value of assets contributed to Foundation	N/A
Total	\$437,286			

#### 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 \$83,845 of services, goods, and facilities to the Foundation during the year ended June 30, 2023. The Foundation paid the College \$421,916 for scholarships and grants for projects during the year ended June 30, 2023. In addition, there is a payable to the College for scholarships awarded for Fall 2023 in the amount of \$187,400 as of June 30, 2023.

#### 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, 2023, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

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

# Carl Sandburg College - Community College District 518

## Notes to Financial Statements

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### Note 12: Component Unit (Continued)

#### Income Taxes (Continued)

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.

#### Contributed Nonfinancial Assets

Contributed nonfinancial assets as of June 30, 2023 consist of the following:

Services	\$	81,075
Goods		9,823
Facilities		2,770
<hr/>		
Total contributed nonfinancial assets	\$	93,668

The Foundation recognizes contributed nonfinancial assets within revenue, including contributed administrative services, fundraising goods, and office space. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise of professional services from the College relating to payroll of Foundation management, along with marketing and public relations services. Foundation management are considered College employees and the management services are valued using the salary that the College pays management. Contributed marketing services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar marketing services.

Contributed goods were utilized for the College's fundraising, cultivation and donor stewardship. Contributed goods are valued and are reported at the estimated fair value in the financial statements based on estimates of wholesale values that would be received for selling similar products in the United States.

Contributed facilities relates to office space used for general and administrative activities of the Foundation located within the College. In valuing the contributed facilities, the Foundation estimated the fair value on the basis of recent comparable rental prices in Foundation's local real estate market.



## **Required Supplementary Information**

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# Carl Sandburg College - Community College District 518

## Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Portion of non-employer contributing entities' total proportion of collective net pension liability associated with the College	\$ 68,063,001	\$ 65,513,365	\$ 70,491,548	\$ 67,377,287	\$ 65,574,518	\$ 61,129,173	\$ 63,441,840	\$ 57,324,387	\$ 55,045,220	
Employer covered payroll	\$ 8,716,514	\$ 8,750,555	\$ 8,562,352	\$ 8,507,917	\$ 8,551,157	\$ 8,496,436	\$ 8,852,780	\$ 8,838,527	\$ 9,217,229	
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	780.85 %	748.68 %	823.27 %	791.94 %	766.85 %	719.47 %	716.63 %	648.57 %	597.20 %	
SURS plan net position as a percentage of total pension liability	43.65 %	45.45 %	39.05 %	40.71 %	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.

# Carl Sandburg College - Community College District 518

## Schedule of Pension Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Federal, trust, grant and other contribution	\$ 45,165	\$ 47,730	\$ 45,927	\$ 49,241	\$ 45,406	\$ 40,245	\$ 33,300	\$ 41,768	\$ 38,128	\$ 34,477
Contribution in relation to required contribution	45,165	47,730	45,927	49,241	45,406	40,245	33,300	41,768	38,128	34,477
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer covered payroll	\$ 8,827,052	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377	\$ 9,945,359	\$ 10,504,206
Contribution as a percentage of covered payroll	0.51 %	0.55 %	0.52 %	0.57 %	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 Ten Fiscal Years

(schedule to be built prospectively from 2018)

Measurement Date June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion percentage of the collective net OPEB liability	0.46 %	0.47 %	0.45 %	0.46 %	0.47 %	0.48 %	0.47 %			
Proportion amount of the collective net OPEB liability	\$ 3,116,559	\$ 8,071,050	\$ 8,277,698	\$ 8,660,087	\$ 8,844,364	\$ 8,671,841	\$ 8,603,553			
Portion of non-employer contributing entities' total proportion of collective net OPEB liability associated with the College	\$ 3,116,559	\$ 8,071,050	\$ 8,277,698	\$ 8,660,087	\$ 8,844,364	\$ 8,557,627	\$ 8,964,170			
Total collective net OPEB liability associated with the College	\$ 6,233,118	\$ 16,142,100	\$ 16,555,396	\$ 17,320,174	\$ 17,688,728	\$ 17,229,468	\$ 17,567,723			
College's covered payroll	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377			
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	71.38 %	182.54 %	190.95 %	179.74 %	185.10 %	181.36 %	177.39 %			
College insurance plan net position as a percentage of total OPEB liability	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(3.54)%	(2.87)%	(2.87)%			

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.

# Carl Sandburg College - Community College District 518

## Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2014)

Fiscal Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 44,205	\$ 42,934	\$ 43,240	\$ 41,765	\$ 41,163	\$ 40,968	\$ 41,255	\$ 42,845		
Contribution in relation to the required statutorily	44,205	42,934	43,240	41,765	41,163	40,968	41,255	42,845		
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0		
District's covered payroll	\$ 8,827,052	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377		
Contribution as a percentage of covered payroll	0.50 %	0.49 %	0.49 %	0.48 %	0.43 %	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.

# Carl Sandburg College - Community College District 518

## Notes to Required Supplementary Information

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### Note 1: Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2023.

### Note 2: Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017 to June 30, 2020 was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 30, 2022, actuarial valuation.

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

### Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2023.

# Carl Sandburg College - Community College District 518

## Notes to Required Supplementary Information (Continued)

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### Note 4: Changes of OPEB Assumptions

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

- Per capita claim costs for plan year end June 30, 2022, were updated based on projected claim and enrollment experience through June 30, 2022, and updated premium rates through plan year end 2023;
- Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to \$42 per member per month in calendar year 2028, and increases ratably to \$102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2022, and expectation of future trend increases after June 30, 2022;
- Healthcare plan participation and lapse rates were updated based on observed experience; and
- The discount rate was changed from 1.92 percent at June 30, 2021, to 3.69 percent at June 30, 2022.

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

## **Statistical Section**

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# Carl Sandburg College - Community College District 518

## Statistical Section

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This section of the College's Annual Comprehensive 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	74 - 75
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	76 - 79
<b>Debt Capacity</b> 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.	80 - 83
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	84 - 85
<b>Operating Information</b> 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.	86 - 88

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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

	2023	As Restated 2022****	As Restated 2021****	As Restated 2020***	2019	2018	As Restated 2017**	2016	As Restated 2015	2014
Net investment in capital assets	\$9,459	\$9,792	\$9,265	\$9,312	\$9,596	\$8,138	\$8,008	\$8,096	\$10,958	\$9,793
Restricted - expendable:										
Debt Service	272	621	572	453	483	390	362	323	234	279
Grants and scholarships	2,581	2,348	504	538	420	425	425	0	0	0
Working cash	8,587	8,476	8,528	8,467	8,346	8,254	8,232	8,195	8,163	8,184
Unrestricted	25,243	16,570	12,793	6,693	1,546	(786)	(3,085)	3,457	2,815	2,961
<b>Total net position</b>	<b>\$46,142</b>	<b>\$37,807</b>	<b>\$31,662</b>	<b>\$25,463</b>	<b>\$16,421</b>	<b>\$13,942</b>	<b>\$20,071</b>	<b>\$22,170</b>	<b>\$21,217</b>	<b>\$19,093</b>

\*\*Implementation of GASB 75

\*\*\*Implementation of GASB 84

\*\*\*\*Implementation of GASB 87

\*\*\*\*\*Implementation of GASB 96

See Accompanying Independent Auditor's Report.

# 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)

	2023	As Restated 2022****	As Restated 2021***	2020	2019	2018	As Restated 2017**	2016	As Restated 2015	2014	TABLE B
Operating expenses:											
Instruction	\$6,836	\$8,496	\$9,688	\$9,556	\$8,669	\$5,613	\$5,823	\$6,074	\$6,753	\$6,605	
Academic support	401	454	539	614	560	404	391	408	453	475	
Student services	4,153	4,521	4,761	4,447	4,250	2,989	2,825	2,727	2,669	2,610	
Public services	146	84	173	179	184	126	135	182	260	364	
Auxiliary services	1,005	931	832	984	758	616	631	618	686	1,096	
Operation and maintenance of plant	1,317	1,466	1,566	1,651	1,667	1,323	1,366	1,464	1,586	1,527	
Institutional support	5,953	7,302	7,268	6,703	6,993	11,509	20,054	9,981	9,300	8,505	
Scholarships, student grants, and waivers	3,149	5,582	4,010	4,876	3,669	4,068	2,815	2,654	3,108	3,316	
Depreciation	1,771	1,553	1,563	1,558	1,303	1,305	1,385	1,378	1,254	1,355	
<b>Total operating expenses</b>	<b>24,731</b>	<b>30,389</b>	<b>30,400</b>	<b>30,568</b>	<b>28,053</b>	<b>27,953</b>	<b>35,425</b>	<b>25,486</b>	<b>26,069</b>	<b>25,853</b>	
Operating revenues:											
Charges for services:											
Student tuition and fees	4,110	4,913	4,807	5,970	5,140	5,303	4,524	4,498	4,338	4,003	
Chargeback revenue											
Auxiliary enterprise	225	155	171	173	173	161	180	216	202	600	
<b>Total operating revenue</b>	<b>4,335</b>	<b>5,068</b>	<b>4,978</b>	<b>6,143</b>	<b>5,313</b>	<b>5,464</b>	<b>4,704</b>	<b>4,714</b>	<b>4,540</b>	<b>4,603</b>	
<b>Operating loss</b>	<b>(20,396)</b>	<b>(25,321)</b>	<b>(25,422)</b>	<b>(24,425)</b>	<b>(22,740)</b>	<b>(22,489)</b>	<b>(30,721)</b>	<b>(20,772)</b>	<b>(21,529)</b>	<b>(21,250)</b>	
Nonoperating revenues (expenses):											
Property taxes	13,371	12,745	12,520	12,187	11,849	11,142	10,542	10,055	9,884	9,467	
Replacement taxes	916	877	406	291	269	242	294	266	291	270	
Other state sources	3,524	2,773	2,712	2,599	2,298	2,320	2,675	1,035	3,162	3,912	
On-behalf payments	3,242	5,434	0	0	0	0	0	0	0	0	
Federal grants	5,715	9,675	7,530	5,963	5,482	5,416	5,219	5,067	5,959	6,274	
Facilities revenue	5	4	0	0	0	0	0	0	0	0	
Investment income	2,084	(97)	384	851	636	308	153	483	402	382	
Nongovernmental grants and gifts	68	48	23	75	24	32	52	150	12	20	
Other revenue	326	286	8,125	7,963	6,594	6,020	6,517	5,102	4,646	4,042	
Gain (loss) on disposal of assets	(32)	0	0	(207)	0	(1)	(288)	(2,776)	(785)	0	
Interest expense	(488)	(643)	(81)	(312)	(445)	(511)	(572)	(709)	(1,090)	(992)	
<b>Net nonoperating revenues</b>	<b>28,731</b>	<b>31,102</b>	<b>31,619</b>	<b>29,410</b>	<b>26,707</b>	<b>24,968</b>	<b>24,592</b>	<b>18,673</b>	<b>22,481</b>	<b>23,375</b>	
Capital contribution	0	361	0	0	0	0	0	0	0	0	
<b>Change in net position</b>	<b>\$8,335</b>	<b>\$6,142</b>	<b>\$6,197</b>	<b>\$4,985</b>	<b>\$3,967</b>	<b>\$2,479</b>	<b>(\$6,129)</b>	<b>(\$2,099)</b>	<b>\$952</b>	<b>\$2,125</b>	

\*\*Implementation of GASB 75

\*\*\*Implementation of GASB 87

\*\*\*\*Implementation of GASB 96

See Accompanying Independent Auditor's Report.

## Carl Sandburg College - Community College District 518

Assessed and Estimated Actual Value of Taxable Property

Last Ten Tax Levy Years

TABLE C

Year of Levy	Farm	Residential	Commercial	Industrial	Mineral	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2022	\$921,816,272	\$889,853,432	\$285,721,994	\$29,447,694	\$22,138,504	\$146,584,808	\$2,295,562,704	\$6,886,688,112	0.5908
2021	861,226,834	829,051,994	268,504,118	28,686,857	21,503,733	132,919,789	2,141,893,325	6,425,679,975	0.6044
2020	798,044,586	788,968,732	263,206,332	27,267,353	2,560,065	112,347,384	1,992,394,452	5,977,183,356	0.6429
2019	779,779,282	804,163,481	266,067,573	30,396,977		97,100,458	1,977,507,771	5,932,523,313	0.6594
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

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

See Accompanying Independent Auditor's Report.

# 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
2022	2023	\$13,369,775	\$1,682,304	12.58%	\$0	\$1,682,304	12.58%
2021	2022	12,948,710	3,691,242	28.51%	0	13,095,536	101.13%
2020	2021	13,025,772	12,966,008	99.54%	0	12,966,008	99.54%
2019	2020	12,774,131	12,627,505	98.85%	0	12,627,505	98.85%
2018	2019	12,327,157	12,101,802	98.17%	0	12,101,802	98.17%
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%

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Galesburg	1.5132	1.5957	1.5197	1.5080	1.5632	1.6006	1.7039	1.7828	1.6135	1.5472
Township of the City of Galesburg	0.1332	0.1444	0.1460	0.1438	0.1472	0.1512	0.1528	0.1574	0.1599	0.1614
Galesburg Unit School District 205	4.7066	4.7399	4.9021	4.8897	4.8344	4.8344	4.9576	4.7018	4.5915	4.4671
Knox County	0.1297	1.2899	1.2878	1.3150	1.3180	1.3631	1.3294	1.3245	1.3185	1.3157
Knox County Soil & Water Conservation	0.0005	0.0006	0.0005	0.0006	0.0006	0.0006	0.0007	0.0000	0.0000	0.0000
Galesburg City Fire	0.9323	1.0428	1.0807	1.1467	1.1224	1.1176	1.0424	0.9500	0.9647	0.9425
Galesburg Sanitary District	0.3036	0.3134	0.3101	0.3057	0.3060	0.2986	0.3103	0.0000	0.3143	0.3125
<b>Total Overlapping Rate</b>	<b>7.7191</b>	<b>9.1267</b>	<b>9.2469</b>	<b>9.3095</b>	<b>9.2918</b>	<b>9.3660</b>	<b>9.4971</b>	<b>8.9165</b>	<b>8.9622</b>	<b>8.7464</b>
Carl Sandburg College Dist. 518										
Educational	0.2252	0.2281	0.2377	0.0000	0.2387	0.2444	0.2757	0.2463	0.2181	0.2146
Building	0.0487	0.0478	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.1721	0.1815	0.1641	0.1707	0.1713	0.1757	0.1661	0.1547	0.2103	0.2187
Audit	0.0049	0.0048	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1197	0.1223	0.1278	0.1297	0.1202	0.1191	0.1104	0.1162	0.1199	0.1205
Protection, Health, and Safety	0.0122	0.0120	0.0500	0.0500	0.0500	0.0500	0.0500	0.0494	0.0059	0.0058
Social Security and Medicare	0.0081	0.0079	0.0083	0.0085	0.0079	0.0081	0.0101	0.0101	0.0100	0.0106
<b>Total</b>	<b>0.5908</b>	<b>0.6044</b>	<b>0.6429</b>	<b>0.4139</b>	<b>0.6431</b>	<b>0.6524</b>	<b>0.6673</b>	<b>0.6317</b>	<b>0.6192</b>	<b>0.6228</b>
<b>Total rate</b>	<b>8.3099</b>	<b>9.7311</b>	<b>9.8898</b>	<b>9.7234</b>	<b>9.9349</b>	<b>10.0184</b>	<b>10.1644</b>	<b>9.5482</b>	<b>9.5814</b>	<b>9.3692</b>
Carl Sandburg College										
Percentage of Total	7.11%	6.21%	6.50%	4.26%	6.47%	6.51%	6.57%	6.62%	6.46%	6.65%

(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

Taxpayer	Type of Business	2023			2014		
		Taxable Assessed Value (approx.)	Percent District's Total EAV	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV	Percent District's Total EAV
Burlington Northern & Santa Fe Railway Co	Railway	\$143,990,158	1	6.72%	40,005,881	1	2.55%
Cardinal Point LLC	Wind Farm	18,837,520	2	0.88%			
Union Electric	Electric	13,527,628	3	0.63%	13,066,633	2	0.83%
Monmouth Property Dev LLC	Manufacturing	8,797,170	4	0.41%			
Smithfield Fresh Meats Corp	Manufacturing	8,099,450	5	0.38%			
Consolidated Grain & Barge	Grain Elevator	7,990,949	6	0.37%	4,699,211	5	0.30%
Galesburg Hospital Corp	Hospital	7,534,000	7	0.35%	7,035,440	3	0.45%
Wal-Mart Real Estate Bus	Retailer	4,181,340	8	0.20%	4,055,460	6	0.26%
Menard Inc	Retailer	3,100,000	9	0.14%	3,035,810	7	0.19%
Y&O Galesburg LLC ETAL	Retailer	2,696,660	10	0.13%			
The Villas at Carl Sandburg LLC	Commercial Housing				2,446,530	8	0.16%
KC Acquisition Inc	Retailer				5,083,600	4	0.32%
HyVee Food Stores Inc	Processing Plant				2,390,470	9	0.15%
OSF St Francis Inc	Hospital				2,347,920	10	0.15%
		\$218,754,875		10.21%	\$84,166,955		5.36%

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	Leases	SBITA	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
2023	\$31,781,225	\$279,236	\$129,635	\$32,060,461	\$6,886,688,112	0.466%	104,753	303	\$5,363,354	0.60%
2022	35,169,807	377,832	283,404	35,547,639	6,425,679,975	0.553%	104,993	335	3,648,443	0.97%
2021	7,861,044	0	0	7,861,044	5,932,523,313	0.133%	100,791	78	2,566,441	0.31%
2020	10,996,528	34,574	0	11,031,102	5,785,200,486	0.191%	101,418	108	2,618,004	0.42%
2019	13,946,049	78,052	0	14,024,101	5,459,121,093	0.257%	102,634	136	2,613,342	0.54%
2018	16,581,320	118,687	0	16,700,007	5,289,801,759	0.316%	103,711	160	2,697,834	0.62%
2017	18,950,394	156,666	0	19,107,060	4,999,136,199	0.382%	103,711	183	2,697,834	0.71%
2016	20,934,468	192,162	0	21,126,630	4,865,543,589	0.434%	105,748	198	2,464,246	0.86%
2015	23,525,374	0	0	23,525,374	4,703,257,503	0.500%	105,790	222	2,439,200	0.96%
2014	25,912,657	0	0	25,912,657	4,595,016,903	0.564%	100,165	259	2,386,531	1.09%

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

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.



# 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
2023	\$31,781,225	\$6,886,688,112	104,753	0.461%	\$303
2022	35,169,807	6,425,679,975	104,993	0.547%	335
2021	7,861,044	5,932,523,313	100,791	0.133%	78
2020	10,996,528	5,785,200,486	101,418	0.190%	108
2019	13,946,049	5,459,121,093	102,634	0.255%	136
2018	16,581,320	5,289,801,759	103,711	0.313%	160
2017	18,950,394	4,999,136,199	103,711	0.379%	183
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

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

Sources: Knox County Clerk's Office  
College records

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Computation of Direct and Overlapping Bonded Debt

June 30, 2023

TABLE I

Overlapping Agencies	Outstanding Debt (2)	Percent (1)	Amount
McDonough County	\$1,355,000	42.48%	\$575,590
Macomb Airport Authority	300,000	0.35%	1,044
City of Galesburg	24,710,000	100.00%	24,710,000
City of Monmouth	35,553,485	100.00%	35,553,485
Roseville-Swan-Point Pleasant-Ellison Fire	815,000	80.90%	659,327
VIT CUSD Number 2	2,288,800	0.08%	1,739
Mendon CUSD Number 4	5,380,000	19.30%	1,038,125
West Prairie CUSD Number 103	3,845,000	98.44%	3,784,980
BPC CUSD Number 170	2,358,000	72.87%	1,718,180
Macomb CUSD Number 185	2,445,000	0.03%	632
Knoxville CUSD Number 202	3,625,000	98.65%	3,576,026
Galesburg CUSD Number 205	57,630,000	100.00%	57,630,000
ROWVA CUSD Number 208	7,610,000	99.81%	7,595,465
Alwood CUSD Number 225	465,000	100.00%	465,000
West Central CUSD Number 235	1,004,000	90.83%	911,953
Farmington CUSD Number 265	340,000	20.90%	71,057
Abingdon-Avon CUSD Number 276	999,900	81.66%	816,548
Monmouth-Roseville CUSD Number 238	8,742,000	85.55%	7,479,131
United CUSD Number 304	8,055,000	78.86%	6,352,495
Elmwood CUSD Number 322	8,845,000	0.14%	12,383
Warsaw CUSD Number 316	240,000	100.00%	240,000
Peoria Heights CUSD Number 325	1,000,000	86.37%	863,690
LaHarpe School District Number 347	1,365,000	73.03%	996,887
Dallas CUSD Number 336	100,000	100.00%	100,000
Mercer CUSD Number 404	2,725,000	0.40%	10,900
			155,164,637
Community College Dist. #518	<u>\$32,190,096</u>	<u>100.00%</u>	<u>32,190,096</u>
Total Direct & Overlapping General Obligation Bonded Debt			<u><u>\$187,354,733</u></u>

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.

(2) Estimated; as of August 30, 2023

See Accompanying Independent Auditor's Report.

**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
2023	\$65,997,428	\$32,190,096	\$33,807,332	48.775%
2022	61,579,433	32,026,236	29,553,197	52.008%
2021	57,281,340	7,861,044	49,420,296	13.724%
2020	56,853,348	11,031,102	45,822,246	19.403%
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%
Assessed valuation - 2022 levy			<u>\$2,295,562,704</u>	
Debt limit (2.875% of total assessed value)			<u>\$65,997,428</u>	
Debt applicable to limit:				
General obligation bonds			31,781,225	
Leases payable			279,236	
SBITAs payable			<u>129,635</u>	
Total net debt applicable to limit			<u>32,190,096</u>	
Legal debt margin			<u>\$33,807,332</u>	

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

# 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
2023	104,753	\$5,363,354	\$51,207	41.3	23,956	5.1%	1,688	16
2022	104,993	3,648,443	34,749	39.0	26,138	4.5%	1,687	14
2021	100,791	2,566,441	25,463	43.4	26,138	5.2%	1,755	14
2020	101,418	2,618,004	25,814	41.8	22,316	4.9%	1,925	14
2019	102,634	2,613,342	25,463	43.3	28,267	4.4%	1,860	17
2018	103,711	2,697,834	26,013	41.9	19,903	4.4%	1,947	15
2017	103,711	2,697,834	26,013	41.9	30,681	5.9%	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

Sources: U.S. Census Bureau, QuickFacts  
 2008-2012 American Community Survey 5-Year Estimates  
 College records  
 IL Dept. of Employment Security, Economic Information & Analysis Division  
 ICCB Data and Characteristics  
 Esri.com  
 Navteq  
[www.countyoffice.org](http://www.countyoffice.org)  
[http://www.isbe.net/research/htmls/fall\\_housing.htm](http://www.isbe.net/research/htmls/fall_housing.htm)

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Principal Employers Current Year and Nine Years Ago

TABLE L

Employer	2023			2014		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Smithfield/Farmland Foods Inc	1,504	1	1.50%	1,400	1	2.28%
BNSF	1,031	2	1.03%	1,115	2	1.81%
OSF St Marys/OSF Holy Family	962	3	0.96%	1,100	3	1.79%
Galesburg Cust #205	645	4	0.64%	594	4	0.97%
HyVee	578	5	0.58%	574	5	0.93%
Dick Blick	558	6	0.56%	530	6	0.86%
Knox College	476	7	0.48%			
Knox County	427	8	0.43%	420	10	0.68%
Carl Sandburg College	334	9	0.33%	430	9	0.70%
Bridgeway/Bridgeway Training	324	10	0.32%	450	8	0.73%
Galesburg Cottage Hospital				500	7	0.81%
<b>Total</b>	<b>6,839</b>		<b>6.83%</b>	<b>7,113</b>		<b>11.55%</b>

Sources:

- <http://www.knoxpartnership.com/top-employers/>
- <https://cityofmonmouth.com/index.php/for-business/community-profile/232-major-employers>
- <https://www.census.gov/quickfacts/>
- [https://www2.illinois.gov/ides/lmi/Pages/Worforce\\_Availability\\_Information.aspx](https://www2.illinois.gov/ides/lmi/Pages/Worforce_Availability_Information.aspx)
- <https://illinois.virtuallmi.com/>

Dun & Bradstreet listing from DCEO.

First Stop Business Information Center

Communications with the following employers:

- Galesburg Cust #205
- Smithfield/Farmland Foods Inc
- HyVee
- Monmouth College
- Knox College
- Carl Sandburg College

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Full-Time Equivalent Employees

### Last Ten Fiscal Years

**TABLE M**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction-Faculty	72	78	79	86	71	81	86	83	95	109
Full-time	40	39	40	39	39	39	47	50	51	54
Part-time	32	39	39	47	32	42	39	33	44	55
Administrative Staff	31	26	23	21	23	22	22	22	23	23
Full-time	31	26	23	21	22	21	21	22	23	23
Part-time	0	0	0	0	1	1	1	0	0	0
Other Non-Teaching Professional	68	64	59	62	63	66	56	58	57	64
Full-time	68	64	59	62	47	47	56	56	56	62
Part-time	0	0	0	0	16	19	0	2	1	2
Classified Staff	30	26	29	31	46	49	52	51	50	53
Full-time	30	26	29	30	45	48	43	43	47	51
Part-time	0	0	0	1	1	1	9	8	3	2
<b>Total</b>	<b>201</b>	<b>194</b>	<b>190</b>	<b>200</b>	<b>203</b>	<b>218</b>	<b>216</b>	<b>214</b>	<b>225</b>	<b>249</b>

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Operating Indicators

### Last Ten Fiscal Years

TABLE N

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction: <sup>1</sup>										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	1,510	1,511	1,734	2,107	2,118	2,183	1,950	1,837	1,972	2,326
Vocational	0	0	0	0	0	2	0	0	0	0
Occupational	462	462	548	572	582	557	581	662	686	932
ABE	0	0	0	0	0	0	0	15	72	123
ASE	0	0	0	0	0	0	0	23	62	94
ESL	0	0	0	0	0	0	0	15	80	118
General Studies	0	0	0	0	0	0	0	0	0	0
General Associates	342	324	291	357	363	310	469	407	428	115
<b>Total</b>	<b>2,314</b>	<b>2,297</b>	<b>2,573</b>	<b>3,036</b>	<b>3,063</b>	<b>3,052</b>	<b>3,000</b>	<b>2,959</b>	<b>3,300</b>	<b>3,708</b>
Annual FTE Students <sup>2</sup>	921	908	1,002	1,177	1,176	1,201	1,229	1,258	1,339	1,450
Total Reimbursable Credit Hours <sup>3</sup>	27,638	27,229	30,065	35,308	35,282	36,020	36,863	37,748	40,172	43,511
Degrees awarded: <sup>4</sup>										
Associate (transfer)	218	219	239	248	203	204	231	206	178	167
Associate in applied science	90	93	134	115	159	154	106	135	135	134
Career & technical certificates	76	78	118	117	105	125	143	150	222	236
Average annual faculty salary <sup>5</sup>	\$56,554	\$59,721	\$59,487	\$59,275	\$60,419	\$58,761	\$56,853	\$56,285	\$54,159	\$54,670
Students per faculty <sup>6</sup>	16	15	12	14	14	15	17	17	15	15
Institutional support: <sup>7</sup>										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.04	1.07	1.05	1.05	1.15	1.23	1.23	1.29	1.25	1.29

<sup>1</sup>Source: ICCB A1 Annual Student Enrollment and Completion

<sup>2</sup>Source: Total Reimbursable Credit Hours / 15 / 2

<sup>3</sup>Source: ICCB SU SR for each semester

<sup>4</sup>Source: ICCB A1 Annual Student Enrollment and Completion

<sup>5</sup>Source: ICCB C1 Faculty, Staff, Salary Data

<sup>6</sup>Source: IPEDS Fall Enrollment

<sup>7</sup>Source: ICCB Tax Revenue and Budget Information Survey

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Capital Asset Statistics

### Last Ten Fiscal Years

**TABLE O**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Building - acres	6.1	6.2	6.2	6.2	6.2	6.2	6.2	6.4	6.9	6.9
Classroom - sq. ft.	42,043	44,975	44,975	44,975	44,975	44,975	44,975	43,938	48,340	45,898
Lab - sq. ft.	55,286	57,585	57,585	57,585	57,585	57,585	57,585	58,585	57,471	66,251
Academic support:										
Support - sq. ft.	3,754	4,268	4,268	4,268	4,268	4,268	4,268	4,284	3,595	3,763
Study - sq. ft.	15,115	17,184	17,184	17,184	17,184	17,184	17,184	17,654	18,044	18,760
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.	12,894	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694
General administration:										
Office - sq. ft.	29,974	31,133	31,133	31,133	31,133	31,133	31,133	32,840	33,528	36,954
Institutional support:										
Landscaped grounds - acres	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.7	37.9	37.9
Parking lots - acres	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	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: Acres - ICCB R3

See Accompanying Independent Auditor's Report.



## **SPECIAL REPORTS SECTION**

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## **Supplemental Financial Information**

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# Carl Sandburg College - Community College District 518

## Supplemental Financial Information Section

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### **Uniform Financial Statements**

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

The Uniform Financial Statements include the following:

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

### **Certificate of Chargeback Reimbursement**

- No. 6 - Certificate of Chargeback Reimbursement

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2023</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund	Auxiliary Enterprises Fund
Fund balance, beginning of year	\$ 11,185,445	\$ 3,041,633	\$ 705,670	\$ 620,968	\$ 362,184
<b>Revenues:</b>					
Local tax revenue	5,645,910	1,548,061	264,978	3,988,731	-
ICCB Grants	1,581,985	124,753	-	-	-
All other State revenue	15,000	-	-	-	-
Federal revenue	12,392	-	-	-	-
Student tuition and fees	5,891,379	483,410	-	-	-
On-Behalf CIP	-	-	-	-	-
On-Behalf SURS	-	-	-	-	-
All other revenue	768,545	10,240	1,426	261	272,615
<b>Total revenues</b>	<b>13,915,211</b>	<b>2,166,464</b>	<b>266,404</b>	<b>3,988,992</b>	<b>272,615</b>
<b>Expenditures:</b>					
Instruction	5,708,833	-	-	-	-
Academic support	368,830	-	-	-	-
Student services	2,545,678	-	-	-	-
education	120,993	-	-	-	-
Auxiliary services	-	-	-	-	794,110
Operations and maintenance	-	1,293,918	-	-	-
Institutional support	2,789,253	143,748	221,824	4,337,747	49,104
Scholarships, grants, waivers	188,252	-	-	-	-
Depreciation	-	-	-	-	2,024
<b>Total expenditures</b>	<b>11,721,839</b>	<b>1,437,666</b>	<b>221,824</b>	<b>4,337,747</b>	<b>845,238</b>
Transfers in	447,146	32,000	-	-	630,000
Transfers out	(583,084)	-	-	-	-
<b>Net transfers</b>	<b>(135,938)</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>630,000</b>
Fund balance, end of year	\$ 13,242,879	\$ 3,802,431	\$ 750,250	\$ 272,213	\$ 419,561

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2023</i>	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund
Fund balance, beginning of year	\$ 2,348,161	\$ 8,475,563	\$ 45,884	\$ 4,227,871
<b>Revenues:</b>				
Local tax revenue	-	-	125,317	2,713,669
ICCB Grants	468,750	-	-	-
All other State revenue	1,333,794	-	-	-
Federal revenue	5,702,818	-	-	-
Student tuition and fees	-	-	-	-
On-Behalf CIP	(1,291,484)	-	-	-
On-Behalf SURS	4,533,722	-	-	-
All other revenue	193,191	205,216	-	89,261
Total revenues	10,940,791	205,216	125,317	2,802,930
<b>Expenditures:</b>				
Instruction	2,130,986	-	-	-
Academic support	58,993	-	-	-
Student services	1,872,119	-	-	-
Public service/continuing education	35,415	-	-	-
Auxiliary services	247,315	-	-	-
Operations and maintenance	145,937	-	-	-
Institutional support	1,002,786	-	103,066	2,517,467
Scholarships, grants, waivers	5,205,414	-	-	-
Depreciation	-	-	-	-
Total expenditures	10,698,965	-	103,066	2,517,467
Transfers in	-	-	-	-
Transfers out	(8,500)	(93,825)	-	-
Net transfers	(8,500)	(93,825)	-	-
Fund balance, end of year	\$ 2,581,487	\$ 8,586,954	\$ 68,135	\$ 4,513,334

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2023</i>	<b>Building Bonds</b>	<b>Capital Endowment</b>	<b>Sandburg Initiates Life-changing Opportunities</b>	<b>Total</b>
Fund balance, beginning of year	\$ 29,314,745	\$ 7,024,614	\$ 1,118,992	\$ 68,471,730
<b>Revenues:</b>				
Local tax revenue	-	-	-	14,286,666
ICCB Grants	-	-	-	2,175,488
All other State revenue	-	-	-	1,348,794
Federal revenue	-	-	-	5,715,210
Student tuition and fees	-	-	-	6,374,789
On-Behalf CIP	-	-	-	(1,291,484)
On-Behalf SURS	-	-	-	4,533,722
All other revenue	1,041,254	90,592	35,163	2,707,764
<b>Total revenues</b>	<b>1,041,254</b>	<b>90,592</b>	<b>35,163</b>	<b>35,850,949</b>
<b>Expenditures:</b>				
Instruction	-	-	-	7,839,819
Academic support	-	-	-	427,823
Student services	-	-	-	4,417,797
Public service/continuing education	-	-	-	156,408
Auxiliary services	-	-	-	1,041,425
Operations and maintenance	-	-	-	1,439,855
Institutional support	3,141,628	-	-	14,306,623
Scholarships, grants, waivers	-	-	-	5,393,666
Depreciation	-	-	-	2,024
<b>Total expenditures</b>	<b>3,141,628</b>	<b>-</b>	<b>-</b>	<b>35,025,440</b>
Transfers in	-	-	-	1,109,146
Transfers out	-	(405,055)	(18,682)	(1,109,146)
<b>Net transfers</b>	<b>-</b>	<b>(405,055)</b>	<b>(18,682)</b>	<b>-</b>
Fund balance, end of year	\$ 27,214,371	\$ 6,710,151	\$ 1,135,473	\$ 69,297,239

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #2

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

<i>Year Ended June 30, 2023</i>	<b>Balance</b>					<b>Balance</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassification</b>		<b>June 30, 2023</b>
<b>Capital assets:</b>						
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	1,292,431	3,264,895	-	(5,680)	-	4,551,646
Furniture and equipment	6,023,104	418,225	138,016	5,680	-	6,308,993
Land improvements	2,835,950	20,214	-	-	-	2,856,164
Buildings and additions	32,391,483	9,451	1,681,968	-	-	30,718,966
Vehicles	218,696	-	-	-	-	218,696
Infrastructure	3,511,179	-	-	-	-	3,511,179
Lease assets	488,165	52,896	107,283	-	-	433,778
SBITA assets	447,307	-	-	-	-	447,307
<b>Total capital assets</b>	<b>47,554,440</b>	<b>3,765,681</b>	<b>1,927,267</b>	<b>-</b>	<b>-</b>	<b>53,247,388</b>
<b>Accumulated depreciation</b>	<b>31,085,953</b>	<b>1,771,348</b>	<b>1,839,787</b>	<b>-</b>	<b>-</b>	<b>31,017,514</b>
<b>Total net capital assets</b>	<b>\$ 16,468,487</b>	<b>\$ 1,994,333</b>	<b>\$ 87,480</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,375,340</b>
<b>Long-term debt:</b>						
Bonds payable	\$ 31,365,000	\$ -	\$ 2,770,000	\$ -	\$ -	\$ 28,595,000
Net OPEB liability	8,071,050	-	4,954,491	-	-	3,116,559
Leases payable	377,832	52,896	96,063	(55,429)	-	279,236
SBITA payable	283,404	-	153,769	-	-	129,635
Other fixed liabilities	466,151	104,635	178,385	-	-	392,401
<b>Total long-term debt</b>	<b>\$ 40,563,437</b>	<b>\$ 157,531</b>	<b>\$ 8,152,708</b>	<b>\$ (55,429)</b>	<b>\$ -</b>	<b>\$ 32,512,831</b>

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures

<i>Year Ended June 30, 2023</i>	<b>Education</b>	<b>Operations and Maintenance</b>	<b>Total</b>
<b>Revenues:</b>			
Local government:			
Property taxes	\$ 5,188,103	\$ 1,090,254	\$ 6,278,357
Replacement taxes	457,807	457,807	915,614
<b>Total local government</b>	<b>5,645,910</b>	<b>1,548,061</b>	<b>7,193,971</b>
State government:			
Base operating grants	1,409,068	120,753	1,529,821
Equalization grants	46,000	4,000	50,000
Career and technical education formula grant	126,917	-	126,917
Other state sources	15,000	-	15,000
<b>Total state government</b>	<b>1,596,985</b>	<b>124,753</b>	<b>1,721,738</b>
<b>Total federal government</b>	<b>12,392</b>	<b>-</b>	<b>12,392</b>
Student tuition and fees:			
Tuition	5,608,933	388,647	5,997,580
Student fees	282,446	94,763	377,209
<b>Total tuition and fees</b>	<b>5,891,379</b>	<b>483,410</b>	<b>6,374,789</b>
Other sources:			
Investment income	630,036	2,267	632,303
Facilities revenue	-	4,940	4,940
Nongovernmental grants and gifts	54,533	-	54,533
Other revenue	83,976	3,033	87,009
<b>Total other sources</b>	<b>768,545</b>	<b>10,240</b>	<b>778,785</b>
<b>Total revenue</b>	<b>13,915,211</b>	<b>2,166,464</b>	<b>16,081,675</b>
Less nonoperating items:			
Tuition chargeback	0	0	0
<b>Adjusted revenue</b>	<b>\$ 13,915,211</b>	<b>\$ 2,166,464</b>	<b>\$ 16,081,675</b>



# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures (Continued)

<i>Year Ended June 30, 2023</i>	<b>Education</b>	<b>Operations and Maintenance</b>	<b>Total</b>
<b>Operating expenditures:</b>			
By program:			
Instruction	\$ 5,708,833	\$ -	\$ 5,708,833
Academic support	368,830	-	368,830
Student services	2,545,678	-	2,545,678
Public services	120,993	-	120,993
Operations and maintenance	-	1,293,918	1,293,918
Institutional support	2,789,253	143,748	2,933,001
Scholarships, student grants, and waivers	188,252	-	188,252
<b>Total expenditures</b>	<b>11,721,839</b>	<b>1,437,666</b>	<b>13,159,505</b>
Less nonoperating items:*			
Net transfers	135,938	(32,000)	103,938
<b>Adjusted expenditures</b>	<b>\$ 11,857,777</b>	<b>\$ 1,405,666</b>	<b>\$ 13,263,443</b>
By object:			
Salaries	7,397,806	470,243	7,868,049
Employee benefits	1,177,809	138,126	1,315,935
Contractual services	541,034	198,769	739,803
General materials and supplies	900,672	118,706	1,019,378
Travel, conference and meeting expense	164,679	1,378	166,057
Fixed Charges	3,702	13,197	16,899
Utilities	-	579,552	579,552
Capital outlay	61,786	(97,207)	(35,421)
Principal Retirement	205,361	-	205,361
Interest, service charges, and issuance costs	33,749	-	33,749
Other	1,235,241	14,902	1,250,143
<b>Total expenditures</b>	<b>11,721,839</b>	<b>1,437,666</b>	<b>13,159,505</b>
Less nonoperating items:			
Net transfers	135,938	(32,000)	103,938
<b>Adjusted expenditures</b>	<b>\$ 11,857,777</b>	<b>\$ 1,405,666</b>	<b>\$ 13,263,443</b>

\* 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

Year Ended June 30, 2023

#### Revenue by source:

##### State government:

ICCB - Other	\$ 468,750
Illinois Student Assistance Commission	1,269,130
On-behalf CIP	(1,291,484)
On-behalf SURS	4,533,722
Other	64,664

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Total state government	5,044,782
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##### Federal government:

Department of Education	5,555,722
Department of Health & Human Services	11,492
Other	135,604

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Total federal government	5,702,818
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##### Other sources:

Nongovernmental grants and gifts	654
Other revenue	192,537

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Total other sources	193,191
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Total revenues	\$ 10,940,791
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#### Expenditures by program:

Instruction	2,130,986
Academic support	58,993
Student services	1,872,119
Public services	35,415
Auxiliary services	247,315
Operations and maintenance	145,937
Institutional support	1,002,786
Scholarships, student grants, and waivers	5,205,414

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Total expenditures by program	\$ 10,698,965
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#### Expenditures by object:

Salaries	505,497
Employee benefits	3,373,896
Contractual services	226,756
General materials and supplies	365,729
Travel, conference and meeting expense	67,220
Capital outlay	359,367
Other	5,800,500

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Total expenditures by object	\$ 10,698,965
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# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #5

### Current Funds\* - Expenditures by Activity

Year Ended June 30, 2023

Instruction:	
Program	\$ 6,604,010
Support	1,235,809
<hr/>	
Total instruction	7,839,819
<hr/>	
Academic support:	
LRC	258,712
Instructional Materials Center	58,993
Other Academic Support	110,118
<hr/>	
Total academic support	427,823
<hr/>	
Student services:	
Admissions & Records	162,299
Counseling & Career Guidance	1,302,755
Financial Aid Administration	271,207
Other Student Services	2,681,536
<hr/>	
Total student services	4,417,797
<hr/>	
Public service/continuing education:	
Community Education	61,430
Customized Training	77,029
Community Services	17,590
Other Public Services	359
<hr/>	
Total public service/continuing education	156,408
<hr/>	
Auxiliary	1,092,553
<hr/>	

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #5

### Current Funds\* - Expenditures by Activity (Continued)

*Year Ended June 30, 2023*

Operations and maintenance of plant:

Maintenance	367,605
Custodial	225,503
Grounds	106,805
Plant Utilities	455,879
Other Op & Maint	284,063

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Total operations and maintenance of plant	1,439,855
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Institutional support:

Executive Management	254,941
Fiscal Operations	235,137
Community Relations	450,106
Administrative Support Services	2,272,838
Board of Trustees	42,994
General Institution	935,391
Institutional Research	303,134
Administrative Data Processing	662,342
Other Institutional Support	1,399,437

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Total institutional support	6,556,320
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Scholarships, Grants, Waivers	5,393,666
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Total current funds expenditures	\$ 27,324,241
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\* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

# Carl Sandburg College - Community College District 518

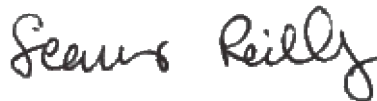
## Certification of Chargeback Reimbursement

*For Fiscal Year 2024*

All fiscal year 2023 noncapital audited operating expenditures from the following funds:

1. Education Fund	11,421,247
2. Operations and Maintenance Fund	1,286,041
4. Bond and Interest Fund	1,107,193
6. Restricted Purposes Fund	10,363,322
7. Audit Fund	103,066
8. Liability, Protection, and Settlement Fund	<u>2,516,052</u>
10. Total noncapital expenditures (sum of lines 1-9)	<u>\$ 26,796,921</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 851,411</u>
12. Total costs included (line 10 plus line 11)	<u>\$ 27,648,332</u>
13. Total certified semester credit hours for FY 2023	<u>27,638</u>
14. Per capita cost (line 12 divided by line 13)	\$ 1,000.37
15. All FY 2021 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 7,176,431</u>
16. FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)	259.66
17. District's average ICCB grant rate (excluding equalization grants) for FY 2024	50.31
18. District's student tuition and fee rate per semester credit hour for FY 2023	<u>175.00</u>
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 515.40</u>

Approved:



\_\_\_\_\_  
President

October 10, 2023

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Date

## **Other Financial Information**

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# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

<i>As of June 30, 2023</i>	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
<b>Assets and Deferred Outflows of Resources</b>				
Cash and cash equivalents	\$ 20,528,124	\$ 187,730	\$ -	-
Short-term investments	-	-	40,196	10,023,081
Property tax receivable	4,436,963	959,191	239,896	-
Government receivables	103,618	72,191	-	-
Student tuition receivables, net of allowance	62,429	-	-	-
Other receivables	344	-	-	20,229
Advances to other funds	-	3,878,515	744,707	-
Prepaid items	198,703	-	-	-
Capital assets	-	-	-	-
Total assets	25,330,181	5,097,627	1,024,799	10,043,310
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 25,330,181	\$ 5,097,627	\$ 1,024,799	\$ 10,043,310
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities:				
Accounts payable	\$ 394,114	-	-	-
Accrued liabilities	130,303	-	-	-
Advances from other funds	6,459,968	-	-	3,333,159
Unearned tuition and fees	-	197,453	-	-
Accrued compensated absences	-	-	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	6,984,385	197,453	-	3,333,159
Deferred inflows of resources				
Deferred property taxes	5,102,917	1,097,743	274,549	-
Deferred grant revenue	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	5,102,917	1,097,743	274,549	-
Fund balance/net position (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	13,242,879	3,802,431	750,250	6,710,151
Total fund balance/net position	13,242,879	3,802,431	750,250	6,710,151
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 25,330,181	\$ 5,097,627	\$ 1,024,799	\$ 10,043,310

# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

<i>As of June 30, 2023</i>	Bond and Interest	Auxiliary	Restricted Purpose	Audit
<b>Assets and Deferred Outflows of Resources</b>				
Cash and cash equivalents	\$ -	\$ 450	\$ -	-
Short-term investments	7,358	-	-	-
Property tax receivable	3,393,241	-	-	95,997
Government receivables	-	-	800,999	-
Student tuition receivables, net of allowance	-	-	-	-
Other receivables	-	1,940	-	-
Advances to other funds	754,999	467,801	2,598,496	82,002
Prepaid items	-	-	-	-
Capital assets	-	19,677	-	-
Total assets	4,155,598	489,868	3,399,495	177,999
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 4,155,598	\$ 489,868	\$ 3,399,495	\$ 177,999
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,747	\$ -	-
Accrued liabilities	-	-	-	-
Advances from other funds	-	-	-	-
Unearned tuition and fees	-	54,118	-	-
Accrued compensated absences	-	14,442	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	-	70,307	-	-
Deferred inflows of resources				
Deferred property taxes	3,883,385	-	-	109,864
Deferred grant revenue	-	-	818,008	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	3,883,385	-	818,008	109,864
Fund balance/net position (deficit):				
Net investment in capital assets	-	19,677	-	-
Restricted	272,213	-	-	-
Unrestricted	-	399,884	2,581,487	68,135
Total fund balance/net position	272,213	419,561	2,581,487	68,135
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 4,155,598	\$ 489,868	\$ 3,399,495	\$ 177,999



# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

<i>As of June 30, 2023</i>	Liability Protection	Sandburg Initiates Life- Changing Opportunities	Nonexpendable Trust/Working Cash
<b>Assets and Deferred Outflows of Resources</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 4,445,616
Short-term investments	4,371,945	-	4,133,856
Property tax receivable	2,519,009	-	-
Government receivables	-	-	-
Student tuition receivables, net of allowance	-	-	-
Other receivables	1,245	-	14,344
Advances to other funds	504,008	1,135,473	-
Prepaid items	-	-	-
Capital assets	-	-	-
Total assets	7,396,207	1,135,473	8,593,816
Deferred outflow of resources:			
Deferred pension	-	-	-
Deferred OPEB	-	-	-
Total deferred outflow of resources	-	-	-
Total assets and deferred outflow of resources	\$ 7,396,207	\$ 1,135,473	\$ 8,593,816
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Advances from other funds	-	-	6,862
Unearned tuition and fees	-	-	-
Accrued compensated absences	-	-	-
Net OPEB liability	-	-	-
Lease obligations	-	-	-
Subscription liability	-	-	-
Bonds payable, net	-	-	-
Total liabilities	-	-	6,862
Deferred inflows of resources			
Deferred property taxes	2,882,873	-	-
Deferred grant revenue	-	-	-
Deferred OPEB	-	-	-
Total deferred inflows of resources	2,882,873	-	-
Fund balance/net position (deficit):			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	4,513,334	1,135,473	8,586,954
Total fund balance/net position	4,513,334	1,135,473	8,586,954
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 7,396,207	\$ 1,135,473	\$ 8,593,816

# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

<i>As of June 30, 2023</i>	<b>Buildings Bonds</b>	<b>Totals</b>
<b>Assets and Deferred Outflows of Resources</b>		
Cash and cash equivalents	\$ -	\$ 25,161,920
Short-term investments	27,416,392	45,992,828
Property tax receivable	-	11,644,297
Government receivables	-	976,808
Student tuition receivables, net of allowance	-	62,429
Other receivables	163,991	202,093
Advances to other funds	-	10,166,001
Prepaid items	-	198,703
Capital assets	-	19,677
Total assets	27,580,383	94,424,756
Deferred outflow of resources:		
Deferred pension	-	-
Deferred OPEB	-	-
Total deferred outflow of resources	-	-
Total assets and deferred outflow of resources	\$ 27,580,383	\$ 94,424,756
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ -	\$ 395,861
Accrued liabilities	-	130,303
Advances from other funds	366,012	10,166,001
Unearned tuition and fees	-	251,571
Accrued compensated absences	-	14,442
Net OPEB liability	-	-
Lease obligations	-	-
Subscription liability	-	-
Bonds payable, net	-	-
Total liabilities	366,012	10,958,178
Deferred inflows of resources		
Deferred property taxes	-	13,351,331
Deferred grant revenue	-	818,008
Deferred OPEB	-	-
Total deferred inflows of resources	-	14,169,339
Fund balance/net position (deficit):		
Net investment in capital assets	-	19,677
Restricted	-	272,213
Unrestricted	27,214,371	69,005,349
Total fund balance/net position	27,214,371	\$ 69,297,239
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 27,580,383	\$ 94,424,756

# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

Government-wide Adjustments				
<i>As of June 30, 2023</i>	General Fixed Assets	Long Term Debt	Other Adjustments	Adjusted Total
<b>Assets and Deferred Outflows of Resources</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	25,161,920
Short-term investments	-	-	-	45,992,828
Property tax receivable	-	-	-	11,644,297
Government receivables	-	-	-	976,808
Student tuition receivables, net of allowance	-	-	-	62,429
Other receivables	-	-	-	202,093
Advances to other funds	-	-	-	10,166,001
Prepaid items	-	-	-	198,703
Capital assets	18,355,663	-	-	18,375,340
<b>Total assets</b>	<b>18,355,663</b>	<b>\$ -</b>	<b>\$ -</b>	<b>112,780,419</b>
<b>Deferred outflow of resources:</b>				
Deferred pension	-	-	45,165	45,165
Deferred OPEB	-	228,743	-	228,743
<b>Total deferred outflow of resources</b>	<b>-</b>	<b>228,743</b>	<b>45,165</b>	<b>273,908</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 18,355,663</b>	<b>\$ 228,743</b>	<b>\$ 45,165</b>	<b>\$ 113,054,327</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	395,861
Accrued liabilities	-	-	-	130,303
Advances from other funds	-	-	-	10,166,001
Unearned tuition and fees	-	-	278,921	530,492
Accrued compensated absences	-	-	377,959	392,401
Net OPEB liability	-	3,116,559	-	3,116,559
Lease obligations	-	279,236	-	279,236
Subscription liability	-	129,635	-	129,635
Bonds payable, net	-	31,781,225	-	31,781,225
<b>Total liabilities</b>	<b>-</b>	<b>35,306,655</b>	<b>656,880</b>	<b>46,921,713</b>
<b>Deferred inflows of resources</b>				
Deferred property taxes	-	-	-	13,351,331
Deferred grant revenue	-	-	-	818,008
Deferred OPEB	-	5,820,752	-	5,820,752
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>5,820,752</b>	<b>-</b>	<b>19,990,091</b>
<b>Fund balance/net position (deficit):</b>				
Net investment in capital assets	18,355,663	(8,915,915)	-	9,459,425
Restricted	-	-	-	272,213
Unrestricted	-	(31,982,749)	(611,715)	36,410,885
<b>Total fund balance/net position</b>	<b>18,355,663</b>	<b>(40,898,664)</b>	<b>(611,715)</b>	<b>\$ 46,142,523</b>
<b>Total liabilities, deferred inflows or resources and fund balance/net position</b>	<b>\$ 18,355,663</b>	<b>\$ 228,743</b>	<b>\$ 45,165</b>	<b>\$ 113,054,327</b>

# Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2023</i>	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
<b>Revenues:</b>				
Local government	\$ 5,645,910	\$ 1,548,061	\$ 264,978	\$ -
Other state sources	1,596,985	124,753	-	-
On-behalf payments	-	-	-	-
Federal government	12,392	-	-	-
Student tuition and fees	5,891,379	483,410	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	4,940	-	-
Investment income	630,036	2,267	1,426	90,592
Nongovernmental grants and gifts	54,533	-	-	-
Other revenue	83,976	3,033	-	-
<b>Total revenues</b>	<b>13,915,211</b>	<b>2,166,464</b>	<b>266,404</b>	<b>90,592</b>
<b>Expenditures/expenses:</b>				
Current:				
Instruction	5,708,833	-	-	-
Academic support	368,830	-	-	-
Student services	2,545,678	-	-	-
Public services	120,993	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	1,293,918	-	-
Institutional support	2,550,143	143,748	221,824	-
Scholarships, student grants, and waivers	188,252	-	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	205,361	-	-	-
Interest, service charges, and issuance costs	33,749	-	-	-
<b>Total expenditures/expenses</b>	<b>11,721,839</b>	<b>1,437,666</b>	<b>221,824</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,193,372</b>	<b>728,798</b>	<b>44,580</b>	<b>90,592</b>
<b>Other financing sources (uses)</b>				
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	447,146	32,000	-	-
Transfers out	(583,084)	-	-	(405,055)
<b>Total other financing sources (uses)</b>	<b>(135,938)</b>	<b>32,000</b>	<b>-</b>	<b>(405,055)</b>
<b>Net change in fund balance/net position</b>	<b>2,057,434</b>	<b>760,798</b>	<b>44,580</b>	<b>(314,463)</b>
<b>Fund balance/net position (deficit), beginning of year</b>	<b>11,185,445</b>	<b>3,041,633</b>	<b>705,670</b>	<b>7,024,614</b>
<b>Fund balance/net position (deficit), end of year</b>	<b>\$ 13,242,879</b>	<b>\$ 3,802,431</b>	<b>\$ 750,250</b>	<b>\$ 6,710,151</b>

# Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2023</i>	<b>Bond and Interest</b>	<b>Auxiliary</b>	<b>Restricted Purpose</b>	<b>Audit</b>
<b>Revenues:</b>				
Local government	\$ 3,988,731	\$ -	\$ -	\$ 125,317
Other state sources	-	-	5,044,782	-
On-behalf payments	-	-	3,242,238	-
Federal government	-	-	5,702,818	-
Student tuition and fees	-	-	-	-
Sales and service fees	-	225,281	-	-
Facilities revenue	-	-	-	-
Investment income	261	-	-	-
Nongovernmental grants and gifts	-	1,180	654	-
Other revenue	-	46,154	(3,049,701)	-
<b>Total revenues</b>	<b>3,988,992</b>	<b>272,615</b>	<b>10,940,791</b>	<b>125,317</b>
<b>Expenditures/expenses:</b>				
Current:				
Instruction	-	-	2,130,986	-
Academic support	-	-	58,993	-
Student services	-	-	1,872,119	-
Public services	-	-	35,415	-
Auxiliary services	-	794,110	247,315	-
Operations and maintenance	-	-	145,937	-
Institutional support	636	-	1,002,786	103,066
Scholarships, student grants, and waivers	-	-	5,205,414	-
Depreciation and amortization expense	-	2,024	-	-
Debt service:				
Principal	2,770,000	44,471	-	-
Interest, service charges, and issuance costs	1,567,111	4,633	-	-
<b>Total expenditures/expenses</b>	<b>4,337,747</b>	<b>845,238</b>	<b>10,698,965</b>	<b>103,066</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(348,755)</b>	<b>(572,623)</b>	<b>241,826</b>	<b>22,251</b>
<b>Other financing sources (uses)</b>				
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	-	630,000	-	-
Transfers out	-	-	(8,500)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>630,000</b>	<b>(8,500)</b>	<b>-</b>
<b>Net change in fund balance/net position</b>	<b>(348,755)</b>	<b>57,377</b>	<b>233,326</b>	<b>22,251</b>
<b>Fund balance/net position (deficit), beginning of year</b>	<b>620,968</b>	<b>362,184</b>	<b>2,348,161</b>	<b>45,884</b>
<b>Fund balance/net position (deficit), end of year</b>	<b>\$ 272,213</b>	<b>\$ 419,561</b>	<b>\$ 2,581,487</b>	<b>\$ 68,135</b>

# Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2023</i>	Liability Protection	Sandburg Initiates Life- Changing Opportunities	Nonexpendable Trust/Working Cash	Buildings Bonds
<b>Revenues:</b>				
Local government	\$ 2,713,669	\$ -	\$ -	\$ -
Other state sources	-	-	-	-
On-behalf payments	-	-	-	-
Federal government	-	-	-	-
Student tuition and fees	-	-	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	-	-	-
Investment income	77,796	35,163	205,216	1,041,254
Nongovernmental grants and gifts	11,465	-	-	-
Other revenue	-	-	-	-
Total revenues	2,802,930	35,163	205,216	1,041,254
<b>Expenditures/expenses:</b>				
Current:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Public services	-	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	-	-	-
Institutional support	2,517,467	-	-	3,141,628
Scholarships, student grants, and waivers	-	-	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, service charges, and issuance costs	-	-	-	-
Total expenditures/expenses	2,517,467	-	-	3,141,628
Excess (deficiency) of revenues over expenditures	285,463	35,163	205,216	(2,100,374)
<b>Other financing sources (uses)</b>				
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(18,682)	(93,825)	-
Total other financing sources (uses)	-	(18,682)	(93,825)	-
Net change in fund balance/net position	285,463	16,481	111,391	(2,100,374)
Fund balance/net position (deficit), beginning of year	4,227,871	1,118,992	8,475,563	29,314,745
Fund balance/net position (deficit), end of year	\$ 4,513,334	\$ 1,135,473	\$ 8,586,954	\$ 27,214,371

# Carl Sandburg College - Community College District 518

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

Year Ended June 30, 2023	Government-wide Adjustments			
	Totals	General Fixed Assets	Long Term Debt	Other Adjustments
<b>Revenues:</b>				
Local government	\$ 14,286,666	\$ -	\$ -	-
Other state sources	6,766,520	-	-	-
On-behalf payments	3,242,238	-	-	-
Federal government	5,715,210	-	-	-
Student tuition and fees	6,374,789	-	-	(2,264,900)
Sales and service fees	225,281	-	-	-
Facilities revenue	4,940	-	-	-
Investment income	2,084,011	-	-	-
Nongovernmental grants and gifts	67,832	-	-	-
Other revenue	(2,916,538)	-	-	-
Total revenues	35,850,949	-	-	(2,264,900)
<b>Expenditures/expenses:</b>				
Current:				
Instruction	7,839,819	(379,124)	(636,923)	11,756
Academic support	427,823	-	(25,747)	(579)
Student services	4,417,797	-	(229,566)	(35,188)
Public services	156,408	-	(12,552)	2,008
Auxiliary services	1,041,425	-	(36,509)	-
Operations and maintenance	1,439,855	(50,764)	(63,694)	(8,318)
Institutional support	9,681,298	(3,282,896)	(403,614)	(42,066)
Scholarships, student grants, and waivers	5,393,666	-	(6,468)	(2,238,267)
Depreciation and amortization expense	2,024	1,769,321	-	-
Debt service:				
Principal	3,019,832	-	(3,019,832)	-
Interest, service charges, and issuance costs	1,605,493	-	(1,117,586)	-
Total expenditures/expenses	35,025,440	(1,943,463)	(5,552,491)	(2,310,654)
Excess (deficiency) of revenues over expenditures	825,509	1,943,463	5,552,491	45,754
<b>Other financing sources (uses)</b>				
Gain (loss) on disposal of assets	-	(87,481)	55,429	-
Transfers in	1,109,146	419,220	-	(1,528,366)
Transfers out	(1,109,146)	-	(419,220)	1,528,366
Total other financing sources (uses)	-	331,739	(363,791)	-
Net change in fund balance/net position	825,509	2,275,202	5,188,700	45,754
Fund balance/net position (deficit), beginning of year	68,471,730	16,080,461	(46,087,364)	(657,469)
Fund balance/net position (deficit), end of year	\$ 69,297,239	\$ 18,355,663	\$(40,898,664)	\$ (611,715)

# Carl Sandburg College - Community College District 518

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

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<i>Year Ended June 30, 2023</i>	<b>Adjusted Total</b>
<b>Revenues:</b>	
Local government	\$ 14,286,666
Other state sources	6,766,520
On-behalf payments	3,242,238
Federal government	5,715,210
Student tuition and fees	4,109,889
Sales and service fees	225,281
Facilities revenue	4,940
Investment income	2,084,011
Nongovernmental grants and gifts	67,832
Other revenue	(2,916,538)
Total revenues	33,586,049
<b>Expenditures/expenses:</b>	
Current:	
Instruction	6,835,528
Academic support	401,497
Student services	4,153,043
Public services	145,864
Auxiliary services	1,004,916
Operations and maintenance	1,317,079
Institutional support	5,952,722
Scholarships, student grants, and waivers	3,148,931
Depreciation and amortization expense	1,771,345
Debt service:	
Principal	-
Interest, service charges, and issuance costs	487,907
Total expenditures/expenses	25,218,832
Excess (deficiency) of revenues over expenditures	8,367,217
<b>Other financing sources (uses)</b>	
Gain (loss) on disposal of assets	(32,052)
Transfers in	-
Transfers out	-
Total other financing sources (uses)	(32,052)
Net change in fund balance/net position	8,335,165
Fund balance/net position (deficit), beginning of year	37,807,358
Fund balance/net position (deficit), end of year	\$ 46,142,523



# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule

<i>June 30, 2023</i>	Education		
	Original and Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$ 4,735,259	\$ 5,188,103	\$ 452,844
Replacement taxes	140,000	457,807	317,807
<b>Total local government</b>	<b>4,875,259</b>	<b>5,645,910</b>	<b>770,651</b>
State government:			
Base operating grants	1,321,172	1,409,068	87,896
Equalization grants	46,000	46,000	-
Career and technical education formula grant	124,521	126,917	2,396
<b>Total state government</b>	<b>1,491,693</b>	<b>1,581,985</b>	<b>90,292</b>
Federal government	-	12,392	12,392
Student tuition and fees	6,000,689	5,891,379	(109,310)
Investment income	21,000	630,036	609,036
Miscellaneous, other	30,500	153,509	123,009
<b>Total revenues</b>	<b>12,419,141</b>	<b>13,915,211</b>	<b>1,496,070</b>
<b>Expenditures:</b>			
Instruction:			
Salaries	5,363,743	4,596,158	767,585
Employee benefits	561,893	516,120	45,773
Contractual services	300,615	187,221	113,394
General materials and supplies	337,231	239,142	98,089
Travel, conference and meeting expense	87,915	64,273	23,642
Capital outlay	76,300	61,786	14,514
Other	223,550	44,133	179,417
<b>Total instruction</b>	<b>6,951,247</b>	<b>5,708,833</b>	<b>1,242,414</b>

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule (Continued)

Years Ended June 30, 2023 and 2022	Education		
	Original and Final Budget	Actual	Variance with Final Budget
<b>Academic support:</b>			
Salaries	207,463	187,304	20,159
Employee benefits	47,829	28,578	19,251
Contractual services	115,095	117,656	(2,561)
General materials and supplies	38,750	33,291	5,459
Travel, conference and meeting expense	1,500	255	1,245
Other	2,000	1,746	254
Total academic support	412,637	368,830	43,807
<b>Student services:</b>			
Salaries	1,406,241	1,258,874	147,367
Employee benefits	229,973	204,808	25,165
Contractual services	80,363	79,885	478
General materials and supplies	54,789	48,586	6,203
Travel, conference and meeting expense	38,153	20,709	17,444
Other	717,369	932,816	(215,447)
Total student services	2,526,888	2,545,678	(18,790)
<b>Public services:</b>			
Salaries	115,080	86,780	28,300
Employee benefits	26,208	9,526	16,682
Contractual services	22,900	17,576	5,324
General materials and supplies	11,175	5,762	5,413
Travel, conference and meeting expense	1,400	623	777
Fixed Charges	700	-	700
Other	1,400	726	674
Total public services	178,863	120,993	57,870
<b>Institutional support:</b>			
Salaries	1,638,063	1,268,690	369,373
Employee benefits	450,122	418,777	31,345
Contractual services	189,525	138,696	50,829
General materials and supplies	700,043	573,891	126,152
Travel, conference and meeting expense	123,330	78,819	44,511
Fixed charges	106,425	3,702	102,723
Principal	-	205,361	(205,361)
Interest, service charges, and issuance costs	-	33,749	(33,749)
Other	116,750	67,568	49,182
Total institutional support	3,324,258	2,789,253	535,005

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule (Continued)

	Education		
Years Ended June 30, 2023 and 2022	Original and Final Budget	Actual	Variance with Final Budget
Scholarships, student grants, and waivers:			
Other	-	188,252	(188,252)
Total scholarships, student grants, and waivers	-	188,252	(188,252)
Total expenditures	13,393,893	11,721,839	1,672,054
Excess (deficiency) of revenues over expenditures	(974,752)	2,193,372	3,168,124
<b>Other financing sources (uses):</b>			
Transfers in	595,000	447,146	(147,854)
Transfers out	(567,572)	(583,084)	(15,512)
Total other financing sources (uses)	27,428	(135,938)	(163,366)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (947,324)</u>	2,057,434	<u>\$ 3,004,758</u>
Fund balance at beginning of year		<u>11,185,445</u>	
Fund balance at end of year		<u>\$ 13,242,879</u>	

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule

<i>June 30, 2023</i>	Operations and Maintenance		
	Original and Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$ 985,354	\$ 1,090,254	\$ 104,900
Replacement taxes	120,000	457,807	337,807
<b>Total local government</b>	<b>1,105,354</b>	<b>1,548,061</b>	<b>442,707</b>
State government:			
Base operating grants	114,885	120,753	5,868
Equalization grants	4,000	4,000	-
<b>Total state government</b>	<b>118,885</b>	<b>124,753</b>	<b>5,868</b>
Student tuition and fees	588,753	483,410	(105,343)
Investment income	-	2,267	2,267
Miscellaneous, other	1,000	7,973	6,973
<b>Total revenues</b>	<b>1,813,992</b>	<b>2,166,464</b>	<b>352,472</b>
<b>Expenditures:</b>			
Operation and maintenance of plant:			
Salaries	622,514	470,243	152,271
Employee benefits	185,000	138,126	46,874
Contractual services	143,500	192,639	(49,139)
General materials and supplies	115,000	105,376	9,624
Travel, conference and meeting expense	3,850	763	3,087
Fixed charges	3,000	13,197	(10,197)
Utilities	494,700	455,879	38,821
Capital outlay	56,000	(97,207)	153,207
Other	82,000	14,902	67,098
<b>Total operation and maintenance of plant</b>	<b>1,705,564</b>	<b>1,293,918</b>	<b>411,646</b>
Institutional support:			
Contractual services	13,500	6,130	7,370
General materials and supplies	14,500	13,330	1,170
Travel, conference and meeting expense	1,500	615	885
Principal	45,000	-	45,000
Utilities	132,500	123,673	8,827
<b>Total institutional support</b>	<b>207,000</b>	<b>143,748</b>	<b>63,252</b>
<b>Total expenditures</b>	<b>1,912,564</b>	<b>1,437,666</b>	<b>474,898</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(98,572)</b>	<b>728,798</b>	<b>827,370</b>

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule (Continued)

	<b>Operations and Maintenance</b>		
Years Ended June 30, 2023 and 2022	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Other financing sources (uses)</b>			
Transfers in	45,000	32,000	(13,000)
Total other financing sources (uses)	45,000	32,000	(13,000)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (53,572)	760,798	\$ 814,370
Fund balance at beginning of year		3,041,633	
Fund balance at end of year		\$ 3,802,431	

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule

<i>June 30, 2023</i>	Auxiliary		
	Original and Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Operating revenues:			
Sales and service fees	168,981	225,281	56,300
Other revenue	52,325	47,334	(4,991)
<b>Total operating revenues</b>	<b>221,306</b>	<b>272,615</b>	<b>51,309</b>
<b>Operating expenses:</b>			
Salaries	278,934	264,771	14,163
Employee benefits	36,505	33,339	3,166
Contractual services	58,800	54,623	4,177
General materials and supplies	240,826	260,889	(20,063)
Travel, conference and meeting expense	71,875	84,358	(12,483)
Capital outlay	28,000	-	28,000
Depreciation and amortization expense	-	2,024	(2,024)
Principal	-	44,471	(44,471)
Interest, service charges, and issuance costs	-	4,633	(4,633)
Other	74,368	96,130	(21,762)
<b>Total operating expenses</b>	<b>789,308</b>	<b>845,238</b>	<b>(55,930)</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(568,002)</b>	<b>(572,623)</b>	<b>(4,621)</b>
<b>Other financing sources (uses):</b>			
Transfers in	567,572	630,000	62,428
<b>Total other financing sources (uses)</b>	<b>567,572</b>	<b>630,000</b>	<b>62,428</b>
<b>Excess (deficiency) of revenues and other financing sources (uses) over expenses</b>	<b>\$ (430)</b>	<b>57,377</b>	<b>\$ 57,807</b>
Net position at beginning of year		<u>362,184</u>	
Net position at end of year		<u>\$ 419,561</u>	

# Carl Sandburg College - Community College District 518

## Schedule of Operating Revenues and Expenses, by Program

### Auxiliary Enterprise Fund

<i>June 30, 2023</i>	Auto Mechanics	Bookstore	Child Care Center	Dental Hygiene	Food Service	Athletics	Student Activities	Total
<b>Operating revenues:</b>								
Sales and service fees	\$ 5,943	\$ -	\$ 157	\$ 23,912	\$ -	191,957	\$ 3,312	\$ 225,281
Other revenue	-	20,334	-	-	14,446	12,554	-	47,334
<b>Total revenues</b>	<b>5,943</b>	<b>20,334</b>	<b>157</b>	<b>23,912</b>	<b>14,446</b>	<b>204,511</b>	<b>3,312</b>	<b>272,615</b>
<b>Operating expenses:</b>								
Current:								
Salaries	-	-	-	-	-	141,915	122,856	264,771
Employee benefits	-	-	-	-	-	33,339	-	33,339
Contractual services	-	-	-	-	-	78,996	(24,373)	54,623
General materials and supplies	5,943	-	-	21,144	458	224,882	8,462	260,889
Travel, conference and meeting expense	-	-	-	-	-	84,358	-	84,358
Capital outlay	-	-	-	-	-	22,656	(22,656)	-
Principal	-	-	-	-	-	-	44,471	44,471
Interest, service charges, and issuance costs	-	-	-	-	-	-	4,633	4,633
Other	-	-	-	-	-	88,579	7,551	96,130
Depreciation and amortization expense	-	-	-	-	-	-	2,024	2,024
<b>Total expenditures</b>	<b>5,943</b>	<b>-</b>	<b>-</b>	<b>21,144</b>	<b>458</b>	<b>674,725</b>	<b>142,968</b>	<b>845,238</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ 20,334</b>	<b>\$ 157</b>	<b>\$ 2,768</b>	<b>\$ 13,988</b>	<b>\$ (470,214)</b>	<b>\$ (139,656)</b>	<b>\$ (572,623)</b>

# Carl Sandburg College - Community College District 518

## Combining Balance Sheets - Liability Protection Funds

<i>As of June 30, 2023 and 2022</i>	<b>Employee Insurance</b>	<b>Liability, Protections, and Settlement</b>	<b>Insurance Reserve</b>	<b>Total</b>
<b>Assets</b>				
Short-term investments	\$	-	\$ 4,371,945	\$ 4,371,945
Property tax receivable		2,519,009	-	2,519,009
Other receivables		-	1,245	1,245
Interfund payables		620,545	-	620,545
<b>Total assets</b>	<b>\$</b>	<b>- \$</b>	<b>\$ 3,139,554</b>	<b>\$ 4,373,190</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Interfund payables		2,524	-	114,013
<b>Total liabilities</b>		<b>2,524</b>	<b>-</b>	<b>114,013</b>
<b>Deferred inflow of resources</b>				
Deferred inflows of resources		-	2,882,873	-
<b>Total deferred inflow of resources</b>		<b>-</b>	<b>2,882,873</b>	<b>-</b>
<b>Fund balances</b>				
Unrestricted fund balance		(2,524)	256,681	4,259,177
<b>Total liabilities, deferred inflows or resources and fund balances</b>	<b>\$</b>	<b>- \$</b>	<b>\$ 3,139,554</b>	<b>\$ 4,373,190</b>



# Carl Sandburg College - Community College District 518

## Combining Statement of Revenues, Expenditures and Changes In Fund Balance - Liability Protection Funds

<i>Years Ended June 30, 2023 and 2022</i>	<b>Employee Insurance</b>	<b>Liability, Protections, and Settlement</b>	<b>Insurance Reserve</b>	<b>Total</b>
<b>Revenues</b>				
Local government	\$ -	\$ 2,713,669	\$ -	\$ 2,713,669
Investment income	-	-	77,796	77,796
Nongovernmental grants and gifts	11,465	-	-	11,465
Total revenues	11,465	2,713,669	77,796	2,802,930
<b>Expenditures</b>				
Current:				
Institutional support	9,675	2,507,792	-	2,517,467
Total expenditures	9,675	2,507,792	-	2,517,467
Net change in fund balance	1,790	205,877	77,796	285,463
Fund balance, beginning of year	(4,314)	50,804	4,181,381	4,227,871
Fund balance (deficit), end of year	\$ (2,524)	\$ 256,681	\$ 4,259,177	\$ 4,513,334

# Carl Sandburg College - Community College District 518

## Budgetary Comparison Schedule

	Buildings Bonds		
<i>Years Ended June 30, 2023 and 2022</i>	Original and Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Investment income	18,000	1,041,254	1,023,254
Total revenues	18,000	1,041,254	1,023,254
<b>Expenditures</b>			
Contractual services	1,905,000	1,624,182	280,818
Capital outlay	1,595,000	1,517,446	77,554
Total expenditures	3,500,000	3,141,628	358,372
Excess (deficiency) of revenues over expenditures	(3,482,000)	(2,100,374)	1,381,626
<b>Other financing sources (uses)</b>			
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ (3,482,000)	(2,100,374)	\$ 1,381,626
Fund balance at beginning of year		29,314,745	
Fund balance at end of year		\$ 27,214,371	

# Carl Sandburg College - Community College District 518

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

<i>Levy Years</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Assessed Valuations:</b>			
Knox County	\$ 966,204,639	\$ 895,537,924	\$ 856,872,968
Fulton County	23,643,446	22,333,550	20,815,978
Hancock County	390,716,970	357,735,040	336,362,497
Henderson County	210,576,460	196,080,843	182,662,984
Henry County	3,694,458	3,609,439	3,742,199
McDonough County	235,632,307	223,503,896	194,150,216
Mercer County	32,679,019	30,793,242	29,036,582
Schuyler County	5,869,384	5,427,244	5,009,530
Stark County	241,193	222,885	206,352
Warren County	426,304,828	406,649,262	363,535,146
<b>Total assessed valuations</b>	<b>\$ 2,295,562,704</b>	<b>\$ 2,141,893,325</b>	<b>\$,992,394,452</b>
<b>Tax Rate (per \$100 assessed valuation):</b>			
Educational Accounts	0.2252	0.2281	0.2377
Operations and Maintenance Accounts	0.0608	0.0598	0.1000
Bond and Interest Fund	0.1721	0.1815	0.1641
Audit Fund	0.0049	0.0048	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1278	0.1302	0.1361
<b>Total tax rate</b>	<b>0.5908</b>	<b>0.6044</b>	<b>0.6429</b>
<b>Tax Extensions:</b>			
Educational Accounts	\$ 5,104,379	\$ 4,896,329	\$ 4,772,003
Operations and Maintenance Accounts	1,372,292	1,276,599	1,992,218
Bond and Interest Fund	3,883,385	3,875,269	3,268,632
Audit Fund	109,865	102,256	99,611
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,882,873	2,779,486	2,712,006
<b>Total tax extensions</b>	<b>\$ 13,352,794</b>	<b>\$ 12,929,939</b>	<b>\$ 12,844,470</b>
<b>Tax Collections to June 30:</b>			
Education Fund	\$ 641,225	\$ 4,942,080	\$ 4,793,934
Operations and Maintenance Fund	138,552	1,036,515	1,008,400
Bond and Interest Fund	490,144	3,933,081	3,308,964
Audit Fund	13,867	103,782	100,840
Protection, Health, Safety	34,652	259,129	1,008,400
Liability, Protection, and Settlement Fund	363,864	2,820,950	2,745,470
<b>Total tax collections</b>	<b>\$ 1,682,304</b>	<b>\$ 13,095,537</b>	<b>\$ 12,966,008</b>
<b>Percent of extensions collected</b>	<b>12.60 %</b>	<b>101.28 %</b>	<b>100.95 %</b>

# **Annual Federal Financial Compliance Section**

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

Board of Trustees  
Carl Sandburg College - Community College District 518  
Galesburg, IL

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit Carl Sandburg College - Community College District 518, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Carl Sandburg College - Community College District 518's basic financial statements, and have issued our report thereon dated October 10, 2023. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Carl Sandburg College Foundation.

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

In planning and performing our audit of the financial statements, we considered the Carl Sandburg College - Community College District 518's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Carl Sandburg College - Community College District 518's internal control. Accordingly, we do not express an opinion on the effectiveness of the Carl Sandburg College - Community College District 518's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Carl Sandburg College - Community College District 518's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Carl Sandburg College - Community College District 518's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Carl Sandburg College - Community College District 518'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 Carl Sandburg College - Community College District 518's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Wipfli LLP

Sterling, Illinois  
October 10, 2023

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

Board of Trustees  
Carl Sandburg College - Community College District 518  
Galesburg, IL

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

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

We have audited Carl Sandburg College - Community College District 518's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2023. Carl Sandburg College - Community College District 518's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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 its major federal program for the year ended June 30, 2023.

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

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

We are required to be independent of Carl Sandburg College - Community College District 518 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Carl Sandburg College - Community College District 518's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Carl Sandburg College - Community College District 518's federal program.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Carl Sandburg College - Community College District 518's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Carl Sandburg College - Community College District 518's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Carl Sandburg College - Community College District 518's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Carl Sandburg College - Community College District 518's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Carl Sandburg College - Community College District 518's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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



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

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

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

*Wipfli LLP*

Wipfli LLP

Sterling, Illinois  
October 10, 2023

# Carl Sandburg College - Community College District 518

## Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Award Notification Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Treasury</b>				
Direct award				
COVID-19 State and Local Fiscal Recovery Fund	21.027	CURES- 51801-22	\$135,604	\$0
<b>Total U.S. Department of Treasury</b>			<b>\$135,604</b>	<b>\$0</b>
<b>U.S. Department of Education:</b>				
Direct award				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants				
	84.007	P007AXX1115	\$79,900	\$0 (m)
Federal Work Study Program	84.033	P033AXX1115	54,977	0 (m)
Federal Pell Grant Program	84.063	P063XXX0511	3,137,528	0 (m)
Federal Direct Loan Program	84.268	P268KXX0511	405,659	0 (m)
<b>Total student financial assistance cluster</b>			<b>3,678,064</b>	<b>0</b>
Direct award				
TRIO Cluster:				
TRIO - Student Support Services	84.042A	P042A200040 - 22	237,743	0
TRIO - Upward Bound:				
Crossing the Bridge to Success	84.047A	P047A220073 - 22	359,284	0
Math & Science	84.047M	P047M220026 - 22	309,862	0
<b>Total TRIO cluster</b>			<b>906,889</b>	<b>0</b>
Pass-through Illinois Community College Board				
Career and Technical Education Programs				
Perkins Postsecondary Grants	84.048	CTE51823	207,152	0
Direct award				
COVID-19 Education Stabilization Fund				
COVID-19 - Higher Education Emergency Relief Fund - Student (m)	84.425E	P425E200624	16,558	0
COVID-19 - Higher Education Emergency Relief Fund - Student (m)	84.425T	P425T220148	239,234	
COVID-19 - Higher Education Emergency Relief Fund - Institutional (r)	84.425F	P425F200869	149,130	0
COVID-19 - Higher Education Emergency Relief Fund - Institutional (r)	84.425T	P425T220148	239,234	
Pass-through Illinois Community College Board				
COVID-19 - Governor's Emergency Education Relief Fund (m)	84.425C	GEER-SAND	0	0
COVID-19 - Governor's Emergency Education Relief Fund (m)	84.425C	GEERII-51822	74,095	0
<b>Total COVID-19 - Education Stabilization Fund</b>			<b>718,251</b>	<b>0</b>
<b>Total U.S. Department of Education</b>			<b>\$5,510,356</b>	<b>\$0</b>
<b>U.S. Department of Health and Human Services</b>				
Direct award				
Child Care and Development Block Grant	93.575	ECE- 51801-22	\$11,492	\$0
<b>Total U.S. Department of Treasury</b>			<b>\$11,492</b>	<b>\$0</b>
<b>Total federal awards expended</b>			<b>\$5,657,452</b>	<b>\$0</b>

(m) Denotes major program

See Notes to the Schedule of Expenditures of Federal Awards

# Carl Sandburg College - Community College District 518

## Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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### **Note 1: General**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Carl Sandburg College - Community College District 518 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Carl Sandburg College - Community College District 518, it is not intended to and does not present the financial position, changes in net position or cash flows of Carl Sandburg College - Community College District 518.

### **Note 2: Basis of Accounting**

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

### **Note 3: Indirect Cost Rate**

Carl Sandburg College - Community College District 518 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 4: Loan Program**

For the year ended June 30, 2023, the College acted a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$405,659.

### **Note 5: Non-Cash Assistance**

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2023.

### **Note 6: Other Federal Award Information**

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2023.

# Carl Sandburg College - Community College District 518

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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

#### Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over major programs:

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

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

Unmodified

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

Yes  No

#### Identification of major programs

<u>AL Number(s)</u>	<u>Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee?

Yes  No

# **Carl Sandburg College - Community College District 518**

## **Schedule of Findings and Questioned Costs**

Year Ended June 30, 2023

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

No findings related to the financial statements.

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

No findings or questioned costs related to federal awards.

# Carl Sandburg College - Community College District 518

## Summary Schedule of Prior Audit Findings

Year Ended June 30, 2023

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### Prior Year Findings:

#### June 30, 2022

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, 2021

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