



# **CARL SANDBURG COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

*CPAs / ADVISORS*



**CARL SANDBURG COLLEGE FOUNDATION**

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JUNE 30, 2025 AND 2024

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
Carl Sandburg College Foundation  
Galesburg, Illinois

### Opinion

We have audited the accompanying financial statements of Carl Sandburg College Foundation (the "Foundation"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 the Foundation'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.

*Blue & Co., LLC*

Seymour, Indiana

October 8, 2025

# CARL SANDBURG COLLEGE FOUNDATION

## STATEMENT OF FINANCIAL POSITION JUNE 30, 2025

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### ASSETS

Cash	\$	169,668
Investments		26,902,470
Pledges receivable		140,996
Prepaid expenses		76,652
Beneficial interest in perpetual trust		<u>333,286</u>
	\$	<u>27,623,072</u>

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable and accrued liabilities	\$	29,758
Scholarships payable		<u>219,750</u>
Total liabilities		249,508

#### Net assets

Without donor restrictions		5,103,151
With donor restrictions		<u>22,270,413</u>
Total net assets		<u>27,373,564</u>
	\$	<u>27,623,072</u>

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*See accompanying notes to financial statements.*

## CARL SANDBURG COLLEGE FOUNDATION

### STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Contributions			
Cash and other financial assets	\$ 45,336	\$ 220,461	\$ 265,797
Nonfinancial assets	111,385	-0-	111,385
Administrative fees	65,252	-0-	65,252
Investment return, net	750,180	2,602,233	3,352,413
Change in split interest agreement	-0-	3,131	3,131
Net assets released from restrictions	533,509	(533,509)	-0-
Total support and revenues	<u>1,505,662</u>	<u>2,292,316</u>	<u>3,797,978</u>
<b>Expenses</b>			
Program services:			
Scholarships and grants	982,396	-0-	982,396
Administrative fees	65,252	-0-	65,252
Salaries and wages	59,152	-0-	59,152
In-kind services	34,776	-0-	34,776
Total program services	<u>1,141,576</u>	<u>-0-</u>	<u>1,141,576</u>
Management and general			
Salaries and wages	44,364	-0-	44,364
Professional services	110,964	-0-	110,964
In-kind goods and facilities	24,445	-0-	24,445
Conference and meeting expense	13,392	-0-	13,392
Dues	2,013	-0-	2,013
Office supplies and mailings	66,512	-0-	66,512
Printing	22,748	-0-	22,748
Travel	19,970	-0-	19,970
Other	30,907	-0-	30,907
Total management and general	<u>335,315</u>	<u>-0-</u>	<u>335,315</u>
Fundraising and development			
Salaries and wages	44,364	-0-	44,364
In-kind services	52,164	-0-	52,164
Supplies and mailings	34,195	-0-	34,195
Donor gift and entertainment	17,432	-0-	17,432
Total fundraising	<u>148,155</u>	<u>-0-</u>	<u>148,155</u>
Total expenses	<u>1,625,046</u>	<u>-0-</u>	<u>1,625,046</u>
Change in net assets	(119,384)	2,292,316	2,172,932
<b>Net assets, beginning of year</b>	<u>5,222,535</u>	<u>19,978,097</u>	<u>25,200,632</u>
<b>Net assets, end of year</b>	<u>\$ 5,103,151</u>	<u>\$ 22,270,413</u>	<u>\$ 27,373,564</u>

*See accompanying notes to financial statements.*

# CARL SANDBURG COLLEGE FOUNDATION

## STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2025

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<b>Operating activities</b>	
Change in net assets	\$ 2,172,932
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Change in split interest agreement	(3,131)
Reinvested interest and dividends received on investments	(721,687)
Realized and unrealized gains on investments	(2,630,726)
Restricted contributions for endowment	(72,563)
Changes in assets and liabilities:	
Pledges receivable	56,483
Prepaid expenses	(76,652)
Accounts payable and accrued liabilities	1,202
Scholarships payable	27,270
Net cash flows from operating activities	(1,246,872)
<b>Investing activities</b>	
Purchases of investments	(436,591)
Proceeds from sales of investments	1,345,664
Net cash flows from investing activities	909,073
<b>Financing activities</b>	
Distributions received from perpetual trust	3,165
Restricted contributions for endowment	72,563
Net cash flows from financing activities	75,728
Net change in cash	(262,071)
<b>Cash, beginning of year</b>	431,739
<b>Cash, end of year</b>	\$ 169,668

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*See accompanying notes to financial statements.*

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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### 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

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 – Community College District 518 (the "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 the taxes on unrelated income.

#### Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Foundation are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use. The Foundation maintains net assets without donor restrictions as follows:

Undesignated – used to fund current operations of the Foundation

Board designated reserves – used to fund future scholarships, college programs or projects, or operations of the Foundation as determined by the Board

*Net assets with donor restrictions:* Net assets subject to donor stipulations for specific purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term to support operations or specific purposes. The Foundation maintains net assets with donor restrictions as follows:

Restricted due to time – all contributions of the Foundation with donor restrictions that will be met by the passage of time

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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Restricted for specified purpose – all contributions to the Foundation with the intention of the donor to be held in a donor restricted non-endowed fund for a specific scholarship, program, or other purpose

Restricted in perpetuity – endowment – all contributions to the Foundation with the intention of the donor that the assets be held in perpetuity and managed in accordance with the Foundation's spending policy

Restricted subject to the Foundation's spending policy – investment earnings on assets restricted in perpetuity – endowment and managed in accordance with the Foundation's spending policy

### Investments and Investment Return

The Foundation carries its investments at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the Statement of Activities and Functional Expenses in the periods in which such changes occur.

Interest and dividend income and net unrealized and realized gains and losses on investments are recognized as net assets with or without donor restrictions based upon the existence or absence of donor imposed restrictions or the related fund classification in accordance with the Foundation's spending policy.

### Pledge Receivables

Unconditional promises to give cash and other assets to the Foundation are reported at fair value at the date the promise is received. Management estimates an allowance for doubtful pledges based on an evaluation of historical losses, current economic conditions, and other factors unique to the Foundation's donors. Management has determined that no allowance for its pledges receivable is necessary at June 30, 2025.

### Support, Revenues and Expense Recognition

Contributions are recognized as revenues in the period the contribution is received or the promise is made. Contributions received with donor imposed restrictions are reported as restricted support and increase net assets with donor restrictions.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in either net assets with or without donor restrictions in accordance with the classification of the fund.

All other revenue is recorded when earned.

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# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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### Administrative Fees

Administrative fees are expensed from the funds to support the operations of the Foundation and are considered program expenses. Administrative fees from all funds are reflected as revenue on the Statements of Activities and Functional Expenses.

### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report expenses that are attributed to more than one program or supporting function. These expenses include salaries and wages which are allocated on the basis of estimates of time and effort. While this method of allocation is considered appropriate, other methods could produce different results.

### Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of June 30, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

As such, the Foundation is generally exempt from income taxes. However, the Foundation is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### Subsequent Events

The Foundation has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is October 8, 2025.

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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### 2. INVESTMENTS

Investments at June 30, 2025 consist of the following:

Cash and cash equivalents	\$	381
Equity mutual funds		
Small/mid		414,850
Large cap		20,135,643
Fixed income mutual funds		
Short term		1,079,112
Intermediate core		4,444,948
World		827,536
		<u>827,536</u>
	\$	<u>26,902,470</u>

### 3. RISKS AND UNCERTAINTIES

The Foundation holds investments (Note 2), which are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

### 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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 (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

- *Mutual funds*: Valued at the daily closing price as reported by the funds. Mutual funds held by the Foundation are registered with the Securities and Exchange Commission. These mutual funds are required to publish their daily net asset value ("NAV") and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.
- *Beneficial interest in perpetual trust*: Fair value is determined by calculating the Foundation's share of the underlying investments in the trust.

The following table sets forth by level, within the hierarchy, the Foundation's assets measured at fair value on a recurring basis as of June 30, 2025:

	Fair Value	Level 1	Level 2	Level 3
Assets:				
Mutual funds	\$ 26,902,089	\$ 26,902,089	\$ -0-	\$ -0-
Beneficial interest in perpetual trust	333,286	-0-	-0-	333,286

The progression of beneficial interest in perpetual trust during the year ended June 30, 2025 is as follows:

Beginning balance	\$ 333,320
Change in split interest agreement	3,131
Distribution	<u>(3,165)</u>
	<u>\$ 333,286</u>

**CARL SANDBURG COLLEGE FOUNDATION**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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**5. PLEDGE RECEIVABLES**

Unconditional pledges receivable consist of the following at June 30, 2025:

Amounts due in:		
Less than one year	\$	51,000
One to five years		<u>100,290</u>
Total pledges receivable		151,290
Less present value effect		<u>10,294</u>
Total pledges receivable, net	\$	<u><u>140,996</u></u>

Pledge receivables have been discounted at a rate of 6.157%.

**6. BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Foundation is the sole beneficiary of an irrevocable perpetual trust under which distributions of 4% of the average fair market value of assets of the preceding three years are made to the Foundation. The principal is to be held for perpetuity with the investment earning to be used for student scholarships. The Foundation is not the trustee of the trust, but has recorded the entire fair value of the trust assets in the Statement of Financial Position which represents the present value of annual amounts to be received in the future. The Foundation has recognized its interest in this perpetual trust as part of net assets with donor restrictions. The Organization's interest under this trust was \$333,286 at June 30, 2025.

**7. CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets as of June 30, 2025 consist of the following:

Services	\$	86,940
Goods		21,523
Facilities		<u>2,922</u>
	\$	<u><u>111,385</u></u>

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.

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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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 value 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 the Foundation's local real estate market.

### 8. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, 2025 were as follows:

Undesignated	\$	2,985,107
Board designated		
College programs		229,393
Emergency fund		114,898
Reserves for future needs		<u>1,773,753</u>
	\$	<u>5,103,151</u>

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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### 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2025:

Restricted due to time	\$	474,282
Restricted for specified purposes		
Scholarships		12,315,108
College programs		23,915
Restricted in perpetuity - endowment		5,778,214
Restricted in perpetuity - subject to the Foundation's spending policy		<u>3,678,894</u>
	\$	<u>22,270,413</u>

### 10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions for the year ended June 30, 2025 were as follows:

Purpose restrictions related to:		
Time restrictions expired	\$	59,983
Scholarships		260,418
College programs		50,689
Funds appropriated for expenditure for various purposes based on fund agreements		<u>162,419</u>
	\$	<u>533,509</u>

### 11. ENDOWMENT

Many of the Foundation's funds consist of donor-restricted endowed funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of

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# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

From time to time, due to unfavorable market fluctuations, the fair value of assets associated with the individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation has a policy that permits the Board of Directors to reduce the spending rate of the endowment fund when such a rate would take a fund below its historic gift value; thereby, not allowing spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Foundation must use for a donor specified purpose. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. The Foundation expects its endowment funds, over time, to provide a sufficient rate of return to support the spending policy. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

The Foundation has a policy of appropriating for distribution each year a percentage of its endowment funds' fair value as voted upon annually by the Board of Directors, which typically is between 2.5% to 5%. In establishing this policy, the Foundation considers the long-term expected return on its endowment.

# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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Donor restricted endowment funds are classified as net assets with donor restrictions. Changes in donor-restricted endowment funds for the year ending June 30, 2025 were as follows:

Endowment net assets, beginning of year	\$	8,508,609
Contributions and other revenue		90,744
Investment return, net		1,230,772
Interfund, net		(150,614)
Appropriation of endowment assets for expenditure		<u>(222,403)</u>
Endowment net assets, end of year	\$	<u>9,457,108</u>

### 12. LIQUIDITY AND AVAILABILITY

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its awarded grants, general expenditures and other obligations become due. The Foundation invests cash in excess of daily requirements in other short-term investments.

Financial assets available for general expenditures within one year of the Statement of Financial Position date (operating and board designated reserves) are comprised of the following as of June 30, 2025:

Financial assets at year end:		
Cash	\$	169,668
Investments		26,902,470
Pledges receivable		<u>140,996</u>
Total financial assets		27,213,134
Less amounts not available to be used within one year:		
Net assets with donor restrictions		22,270,413
Less net assets with time restrictions to be met in less than a year		<u>(51,000)</u>
		<u>22,219,413</u>
Financial assets available to meet general expenditures over the next year	\$	<u>4,993,721</u>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor restricted endowments is restricted for specific purposes with the exception of the

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# CARL SANDBURG COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

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amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. The Foundation has a formal grant approval process. This process includes evaluating a number of factors relative to the spending rate to be applied to the Foundation's fund balances in accordance with its spending policy. Once the Foundation's Board approves the spending rate, the related dollar amount of the funds becomes available for grants and scholarships to be awarded.

While not subject to the Foundation's spending policy, expenditures from donor-restricted non-endowed funds must be approved by the Board and, therefore, are not available for general expenditure until that time. Non-endowed funds are held in cash or liquid investments and are made available upon appropriation.

The Foundation also relies on the administrative fees it charges its endowed funds annually a 2% of fund balance to fund operational expenditures.

### **13. RELATED PARTY TRANSACTIONS**

The Foundation is a component unit of the 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 \$111,385 of services, goods, and facilities to the Foundation during the year ended June 30, 2025. The Foundation paid to the College \$982,396 for scholarships and grants for projects during the year ended June 30, 2025. The Foundation also paid the College \$147,880 to reimburse for salaries of College faculty used during the year ended June 30, 2025. In addition, there is a payable to the College for scholarships awarded for Fall 2025 in the amount of \$219,750 as of June 30, 2025.

### **14. CONCENTRATIONS**

The Foundation maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these accounts at June 30, 2025.

Marketable securities and money market funds are maintained with one investment firm. Such balances exceed the Securities Investor Protection Corporation insured limits of up to \$500,000.