

Carl Sandburg College Foundation

Financial Report

Year Ended June 30, 2024



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Carl Sandburg College Foundation

Year Ended June 30, 2024

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Independent Auditor's Report

Board of Directors and Management of
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, 2024, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Carl Sandburg College Foundation as of June 30, 2024, 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 ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 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 Carl Sandburg College Foundation's ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

A handwritten signature in black ink that reads "Wipfli LLP". The script is cursive and fluid.

Wipfli LLP

Sterling, Illinois
August 27, 2024

Carl Sandburg College Foundation

Statement of Financial Position

As of June 30, 2024

ASSETS

Cash	\$ 431,739
Investments	24,459,130
Pledges receivable	197,479
Beneficial interest in perpetual trust	333,320

Total assets	\$ 25,421,668
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LIABILITIES AND NET ASSETS

Accounts payable	\$ 28,556
Scholarships payable	192,480

Total liabilities	221,036
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Net assets:

Without donor restriction	5,222,535
With donor restrictions	19,978,097

Total net assets	25,200,632
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Total liabilities and net assets	\$ 25,421,668
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See accompanying notes to financial statements.

Carl Sandburg College Foundation

Statement of Activities

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 133,781	\$ 374,938	\$ 508,719
Contributed nonfinancial assets	90,310	-	90,310
Interest and dividends	188,328	655,169	843,497
Net unrealized gain (loss) on investments	342,268	871,858	1,214,126
Net realized gain (loss) on investments	535,473	546,436	1,081,909
Unrealized gain (loss) on beneficial interest in trusts	-	15,402	15,402
Net assets released from restrictions	380,800	(380,800)	-
Total revenue, gains, and other support received	1,670,960	2,083,003	3,753,963
Expenses:			
Program services:			
Scholarships and grants	603,355	-	603,355
Total program services	603,355	-	603,355
Management and general:			
Professional services	162,843	-	162,843
In-kind services	83,465	-	83,465
In-kind goods and facilities	6,845	-	6,845
Conference and meeting expense	22,158	-	22,158
Dues	1,321	-	1,321
Office supplies	119,314	-	119,314
Printing	25,879	-	25,879
Travel	5,370	-	5,370
Other	50,956	-	50,956
Total management and general	478,151	-	478,151
Fundraising:			
Supplies and mailings	48,724	-	48,724
Donor gift and entertainment	13,105	-	13,105
Total fundraising	61,829	-	61,829
Total expenses	1,143,335	-	1,143,335
Changes in net assets	527,625	2,083,003	2,610,628
Net assets, beginning of year	4,694,910	17,895,094	22,590,004
Net assets, end of year	\$ 5,222,535	\$ 19,978,097	\$ 25,200,632

See accompanying notes to financial statements.

Carl Sandburg College Foundation

Statement of Cash Flows

Year Ended June 30, 2024

Change in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets \$ 2,610,628

Adjustments to reconcile change in net assets to cash flows from operating activities:

Unrealized (gains) losses of investments (1,214,126)

Changes in operating assets and liabilities:

Accounts receivable (185,163)

Change in value of perpetual trust beneficial interest (15,402)

Accounts payable 25,851

Scholarships payable 5,080

Total adjustments (1,383,760)

Net cash flows from operating activities 1,226,868

Cash flows from investing activities:

Realized loss on investments (1,081,935)

Investment income reinvested (828,406)

Proceeds from sale of investments 1,050,125

Collection of loans receivable (49,950)

Net cash flows from investing activities (910,166)

Net changes in cash and cash equivalents 316,702

Cash and cash equivalents, beginning of year 115,037

Cash and cash equivalents, end of year \$ 431,739

See accompanying notes to financial statements.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions and Revenues (Continued)

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

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

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

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

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, 2024, there was \$197,479 of pledged receivables.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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:

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

Carl Sandburg College Foundation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2024, the Foundation received contributed administrative services totaling \$86,310 from Carl Sandburg College - Community College District 518 (the College), a related party.

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 27, 2024, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024, have been incorporated herein. There are no other subsequent events that require disclosure.

Pending Accounting Pronouncements

ASU No. 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, Topic 820 (Fair Value Measurement)* – This standard clarifies that contractual sale restrictions are not considered in measuring an equity security at fair value. The amendments to the standard also clarify that an entity cannot recognize a contractual sale restriction as a separate unit of account and expand the disclosure requirements for equity securities subject to contractual sale restrictions. The amendments under this new accounting standard are applied prospectively with any adjustments from the adoption recognized in earnings and disclosed on the adoption date. This new standard is effective for financial statements issued for annual periods beginning after December 15, 2024, including interim periods within those annual years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Foundation does not believe this new standard will have a significant impact on its financial statements.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Pending Accounting Pronouncements (Continued)

ASU No. 2023-02, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method, Topic 323 (Investments—Equity Method and Joint Ventures)* – This standard permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the income tax credits and other income tax benefits received and recognizes the net amortization and income tax credits and other income tax benefits in the income statement as a component of income tax expense (benefit). This new standard is effective for financial statements issued for annual periods beginning after December 15, 2024, including interim periods within those annual years. Early adoption is permitted for both interim and annual financial statements. The Foundation does not believe this new standard will have a significant impact on its financial statements.

ASU No. 2023-08, *Accounting for and Disclosure of Crypto Assets, Subtopic 350-60 (Intangibles - Goodwill and Other - Crypto Assets)* - This standard requires reporting entities to subsequently measure assets that meet those criteria at fair value with changes recognized in net income each reporting period. The amendments in this Update also require that an entity present (1) crypto assets measured at fair value separately from other intangible assets in the balance sheet and (2) changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement (or statement of activities for not-for-profit entities). This new standard is effective for financial statements issued for annual periods beginning after December 15, 2024, including interim period within those annual years. The Foundation does not believe this new standard will have a significant impact on its financial statements.

Note 2: 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, 2024, reduced by amounts not available for general expenditures:

Total financial assets	\$ 25,421,668
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	19,644,777
Board designated endowment funds	314,824
Perpetual endowments	333,320
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Financial assets available to meet cash needs for general expenditures within the one year	\$ 5,128,747

Carl Sandburg College Foundation

Notes to Financial Statements

Note 3: 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, 2024 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Mutual funds - equity	\$ 21,080,894	\$ 17,173,029	\$ 3,907,865
Mutual funds - bonds	3,378,124	3,019,852	358,272
Money market fund	112	112	-
Total investments measured at fair value	\$ 24,459,130	\$ 20,192,993	\$ 4,266,137

Note 4: Endowment Funds

The Foundation's endowment consists of approximately 120 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, 2024 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$ -	\$ 19,978,097	\$ 19,978,097
Unrestricted endowment funds:			
Board-designated	314,824	-	314,824
Unrestricted	4,907,711	-	4,907,711
	\$ 5,222,535	\$ 19,978,097	\$ 25,200,632

Carl Sandburg College Foundation

Notes to Financial Statements

Note 4: Endowment Funds (Continued)

Changes in endowment net assets as of June 30, 2024 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$ 4,694,910	\$ 17,895,094	\$ 22,590,004
Contributions	133,781	374,938	508,719
Interest and dividend income	188,328	655,169	843,497
Net unrealized gain(loss) on investments	342,268	871,858	1,214,126
Net realized gain(loss) on investments	535,473	546,436	1,081,909
Donated goods, services, facilities	90,310	-	90,310
Change in value of beneficial interest in trust	-	15,402	15,402
Amounts appropriated for expenditure	(1,143,335)	-	(1,143,335)
Amounts released from restriction	380,800	(380,800)	-
Endowment net assets, end of year	\$ 5,222,535	\$ 19,978,097	\$ 25,200,632

Note 5: 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 \$333,320 as of June 30, 2024. The change in fair value is recorded on the statement of activities.

Note 6: Net Assets with Donor Restriction

Net assets with donor restrictions consist of the following as of June 30, 2024:

Subject to expenditure for specified purpose:	
Student scholarships	\$ 13,823,087
Endowment subject to spending policy and appropriation	5,821,690
Perpetual endowments	333,320
Net assets with donor restrictions	\$ 19,978,097

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, 2024, totaling \$380,800.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 7: Pledges Receivable

Unconditional promises are included in the financial statements as pledge receivables and revenue of the appropriate net asset category. The present value of pledges receivable as of June 30, 2024 is as follows:

	Unconditional Pledges Receivable
Due in one year or less	\$ 60,025
Due in one to five years	151,291
Total Contribution Receivables	211,316
Less discount to present value at a 5% rate	(13,837)
Total net pledges receivable	\$ 197,479

Note 8: 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.

Carl Sandburg College Foundation

Notes to Financial Statements

Note 8: Fair Value Measurement (Continued)

The following table presents the Foundation's fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2024:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Mutual funds - equity	\$ 21,080,894	\$ 21,080,894	\$ -	\$ -
Mutual funds - bonds	3,378,124	3,378,124	-	-
Money market fund	112	112	-	-
Beneficial interest in perpetual trust	333,320	-	-	333,320
Total	\$ 24,792,450	\$ 24,459,130	\$ -	\$ 333,320

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, 2024:

Beneficial interest in perpetual trust:	
Balance, beginning of year	\$ 317,919
Changes in fair value of trust assets	15,401
Balance, end of year	\$ 333,320

Carl Sandburg College Foundation

Notes to Financial Statements

Note 8: Fair Value Measurement (Continued)

Information regarding the fair value of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2024 follows:

		Nonrecurring Fair Value Measurements at Reporting Date Using				
		Total	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value on a nonrecurring basis:						
Contributed nonfinancial assets:						
Services	\$	83,465	\$	-	\$	83,465
Goods		4,000		-		4,000
Facilities		2,845		-		2,845
Total	\$	90,310	\$	-	\$	90,310

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	\$ 380,800	Market approach	Fair value of assets contributed to trust	N/A
Contributed nonfinancial assets:				
Services	83,465	Market approach	Fair value of assets contributed to Foundation	N/A
Goods	4,000	Market approach	Fair value of assets contributed to Foundation	N/A
Facilities	2,845	Market approach	Fair value of assets contributed to Foundation	N/A
Total	\$ 471,110			

Carl Sandburg College Foundation

Notes to Financial Statements

Note 9: 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 \$86,310 of services, goods, and facilities to the Foundation during the year ended June 30, 2024. The Foundation paid the College \$627,382 for scholarships and grants for projects during the year ended June 30, 2024. The Foundation also paid the College \$43,726 for P-card payments during the year ended June 30, 2024. In addition, there is a payable to the College for scholarships awarded for Fall 2024 in the amount of \$192,480 as of June 30, 2024.

Note 10: 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, 2024, 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.

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.

Note 11: Contributed Nonfinancial Assets

Contributed nonfinancial assets as of June 30, 2024 consist of the following:

Services	\$	83,465
Goods		4,000
Facilities		2,845
		<hr/>
Total contributed nonfinancial assets	\$	90,310

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

Note 11: Contributed Nonfinancial Assets (Continued)

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.