

Carl Sandburg College – Community College District 518 Galesburg, Illinois

Comprehensive Annual Financial Report
For the fiscal years ended June 30, 2020 and 2019

Prepared by: Finance Department
Cory Gall, Associate Vice President of
Administrative Services



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INTRODUCTORY SECTION



President's Letter

September 18, 2020

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 2020. This document represents a record of the College's financial activities for the year ending June 30, 2020.

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

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

The College is in a strong fiscal position and this has been strengthened by the stabilization in state support. In addition to regular payments to base operating grants, the state has also made available funds for deferred maintenance and capital projects. COVID-19 has had a significant impact on the country and state, but the College is well positioned to navigate what we hope will be a short-term disruption.

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



Transmittal Letter

September 18, 2020

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, 2020, 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, 2020. 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 2019, the College enrolled 1,860 students, with an average age of 23 years. Women represented 65 percent of the student body and 55 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

-V-

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sandburg.edu

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

Fiscal Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Fall College enrollment	2,200	2,082	1,927	1,947	1,860	1,925
Annual Full-time equivalents	1,436	1,258	1,229	1,201	1,177	1,177
Continuing Education Credit Hours	660	517	430	673	718	428
<u>Total Annual Credit Hours</u>	43,090	37,748	36,863	36,020	35,282	35,308

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

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

The College’s Mission

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

Core Values

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

Our Vision Statement

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

Major Goals and Objectives

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

- Creativity**
- Collaboration**
- Communication**
- Quality**
- Inclusivity**

FINANCIAL INFORMATION

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

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

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

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

ECONOMIC CONDITION

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, but the blending of compressed courses, online delivery, and the use of technology means that the College is prepared to respond to the changing trends. Carl Sandburg College District 518 is experiencing growth and expansion in some areas including 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):

Fund Type	2020	2019	2018	2017	2016
Current:					
Education	0.2405	0.2412	0.2497	0.2463	0.2181
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1250	0.1202	0.1191	0.1162	0.1199
Audit	0.0050	0.0050	0.0050	0.0050	0.0050
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security/Medicare	0.0081	0.0100	0.0100	0.0101	0.0100
Bond and Interest	0.1660	0.1713	0.1757	0.1547	0.2103
Plant:					
Operations and Maintenance (Restricted) – Life Safety	0.0500	0.0500	0.0500	0.0494	0.0059
Total	0.0645	0.6478	0.6595	0.6317	0.6192

The College District's 2019 tax levy base of \$1,929,078,300 increased by 6.0% over the 2019 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2020, local property taxes accounted for approximately 37% of total revenues.

Debt. Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds.

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 2020 included investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication and security equipment.

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

PROSPECTS FOR THE FUTURE

Carl Sandburg College District 518 maintains a favorable financial position. Fund reserves used during the impasse have been repaid. Budget goals for fiscal year 2020 were met and the College continues to enjoy the favorable bond rating of AA (stable outlook). The future is not without potential challenges; political changes, pension reform and growing costs will all affect how Carl Sandburg College District 518 is able to serve students and the community. Carl Sandburg College District 518 will continue to adapt to changing fiscal outlook and looks forward to a promising future.

AWARDS AND ACKNOWLEDGEMENTS

The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the seventeenth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Cory J. Gall
Associate Vice President of Administrative Services

**Illinois Community College District No. 518
Principal Officials as of June 30, 2020**

Board of Trustees

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

Officers of the College

Dr. Seamus Reilly	President
Ms. Carrie Hawkinson	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services
Mr. Cory Gall	Associate Vice President of Administrative Services /Treasurer
Ms. Misty Lyon	Associate Vice President of Academic and Student Planning

Administrative Staff

Mr. Jason Stalides	Director of TRIO Upward Bound
Mr. Kip Canfield	Director of Public Safety
Ms. Zoe Kudla-Polay	Director of Recruitment
Mr. Rick Eddy	Director of Admissions & Records
Ms. Brittany Grimes	Director of Marketing & Public Relations
Ms. Lisa Hanson	Director of Financial Aid
Ms. Ellen Henderson-Gasser	Director of Branch Campus
Ms. Emily Webel	Director of Advancement
Ms. Michelle Johnson	Dean of Institutional Planning
Ms. Gina Krupps	Director of Human Resources
Ms. Kristina Gray	Dean of Health Professions
Ms. Stacey Rucker	Director of Corporate & Leisure College
Ms. Autumn Scott	Director of TRIO SSS
Mr. Robert Stevens	Director of Technology Services
Ms. Stephanie Woodard	Director of TRIO Upward Bound Math & Science

Official Issuing Report

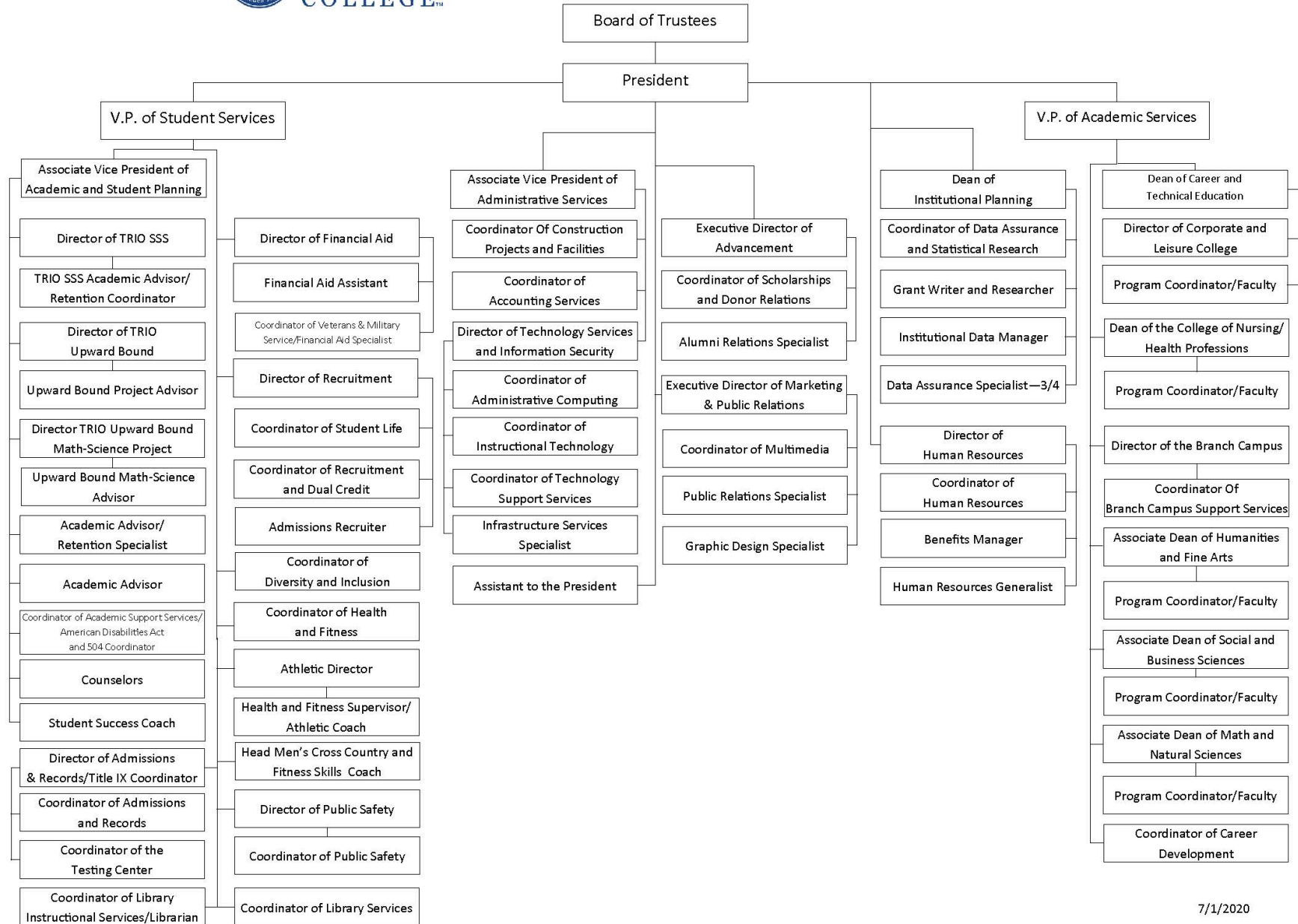
Mr. Cory Gall, Associate Vice President of Administrative Services/Treasurer

Department Issuing Report

Finance Office



ORGANIZATIONAL CHART



7/1/2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Carl Sandburg College
Community College District 518
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the years then ended in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the College adopted new accounting guidance GASB Statement No. 84 *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The introductory section, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the annual federal financial compliance section and the supplemental financial information listed under the special reports section of the table of contents are fairly presented in all material respects in relation to the financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2020, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Sterling, Illinois
September 18, 2020

Carl Sandburg College – Community College District 518

Management Discussion and Analysis

This section of Carl Sandburg College – Community College District 518’s (the “College”) Comprehensive Annual Financial Report presents management’s discussion and analysis of the College’s financial activity during the fiscal years ended June 30, 2020 and 2019. Since this management’s discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter,

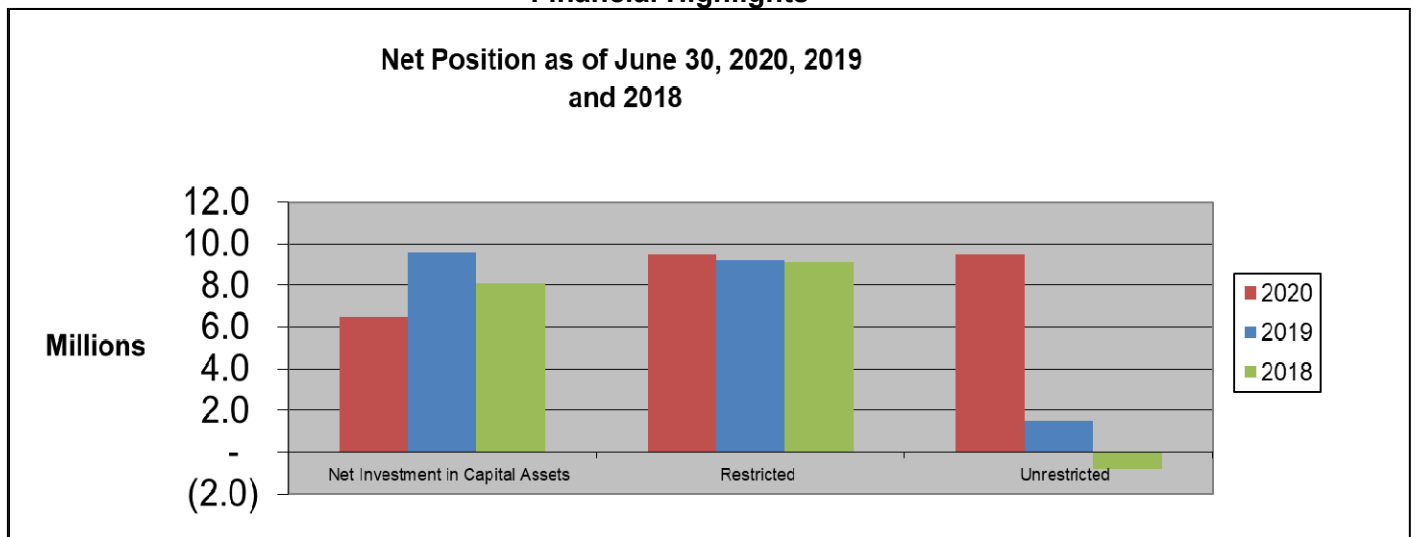
Using This Annual Report

The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total.

The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user’s analysis of the cost of various College services to students and the public.

The College’s financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the College as a whole. The financial statements presented here encompass the College and its discretely presented component unit, the Carl Sandburg College Foundation. Information regarding this component unit is summarized in Note (9) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

Financial Highlights



Carl Sandburg College – Community College District 518

Management Discussion and Analysis

	Net Position As of June 30, (in millions)		Increase (Decrease)		Increase (Decrease)
	2020*	2019	2020-2019	2018	2019-2018
Current assets	\$37.0	\$34.1	\$2.9	\$31.2	\$2.9
Non-current assets					
Capital assets, net of depreciation	15.9	16.5	(0.6)	16.4	0.1
Other	7.8	7.4	0.4	8.0	(0.6)
Total assets	60.7	58.0	2.7	55.6	2.4
Total deferred outflows of resources	0.2	0.3	(0.1)	0.1	0.2
Total assets and deferred outflows of resources	60.9	58.3	2.6	55.7	2.6
Current liabilities	4.2	4.2	0.0	3.9	0.3
Non-current liabilities	16.8	20.0	(3.2)	22.8	(2.8)
Total liabilities	21.0	24.2	(3.2)	26.7	(2.5)
Total deferred inflows of resources	14.4	13.7	0.7	12.6	1.1
Total liabilities and deferred inflows of resources	35.4	37.9	(2.5)	39.3	(1.4)
Net position					
Net investment in capital assets	6.5	9.6	(3.1)	8.1	1.5
Restricted	9.5	9.2	0.3	9.1	0.1
Unrestricted	9.5	1.6	7.9	(0.8)	2.4
Total	\$25.5	\$20.4	\$5.1	\$16.4	\$4.0

* - Fiscal year 2020 was restated due to implementation of GASB Statement No. 84 *Fiduciary Activities*. Fiscal years 2019 and 2018 were not restated due to the implementation. See Note 12 for prior year restatement footnote.

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

Carl Sandburg College – Community College District 518

Management Discussion and Analysis

Fiscal Year 2020 Compared to 2019

Current assets increased \$2.9 million due to an increase in cash and equivalents held by the College.

Non-current assets decreased \$0.2 million due to a decrease in non-depreciable capital assets.

Current liabilities remained steady year over year at \$4.2 million. Increases in bonds payable and accrued compensated absences were roughly matched by decreases in accounts payable, accrued liabilities, unearned tuition and fees and capital leases.

Non-current liabilities decreased \$3.2 million due to payments made on outstanding bonds.

Deferred inflows of resources increased \$0.7 million with changes to other post-employment benefits and deferred property taxes.

Total net position at June 30, 2020 increased by \$5.2 million. The restricted net assets are restricted for \$9.5 million of debt service payments and working cash reserves.

Fiscal Year 2019 Compared to 2018

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

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

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

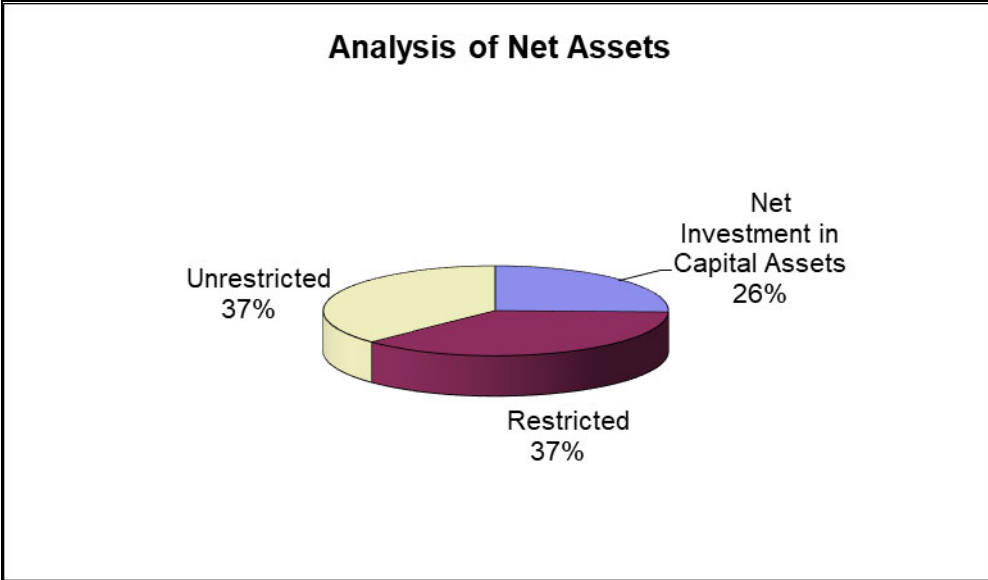
Non-current liabilities decreased \$2.8 million due to payments made on outstanding bonds.

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

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

Carl Sandburg College – Community College District 518

Management Discussion and Analysis



Carl Sandburg College – Community College District 518

Management Discussion and Analysis

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

	As Restated 2020*	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Operating revenue					
Tuition and fees	\$6.0	\$5.1	\$0.9	\$5.3	\$(0.2)
Auxiliary	0.2	0.2	0.0	0.2	0.0
Total operating revenue	6.2	5.3	0.9	5.5	(0.2)
Less operating expenses	30.6	28.0	2.6	28.0	0.0
Operating loss	(24.4)	(22.7)	(1.7)	(22.5)	(0.2)
Non-operating revenue					
State grants and contracts	2.5	2.3	0.2	2.3	0.0
Federal grants and contracts	6.0	5.5	0.5	5.4	0.1
Property taxes	12.2	11.8	0.4	11.1	0.7
Investment income	0.9	0.6	0.3	0.3	0.3
Other	8.3	6.9	1.4	6.4	0.5
Gain (loss) on disposal of assets	(0.2)	0.0	(0.2)	0.0	0.0
Interest expense	(0.3)	(0.4)	0.1	(0.5)	0.1
Total net non-operating revenues	29.4	26.7	2.7	25.0	1.7
Increase (decrease) in net position	5.0	4.0	1.0	2.5	1.5
Net position, beginning of year, as restated	20.5	16.4	4.1	13.9	2.5
Net position, end of year	\$25.5	\$20.4	\$5.1	\$16.4	\$4.0

* - Fiscal year 2020 was restated due to implementation of GASB Statement No. 84 *Fiduciary Activities*. Fiscal years 2019 and 2018 were not restated due to the implementation. See Note 12 for prior year restatement footnote.

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2020 were \$35.6 million and \$30.6 million, respectively. Fiscal year 2019 total revenues and expenses (Operating and Non-Operating) were \$32 million and \$28 million, respectively. Fiscal year 2018 total revenues and expenses (Operating and Non-Operating) were \$30.5 million and \$28 million, respectively.

Carl Sandburg College – Community College District 518

Management Discussion and Analysis

Fiscal Year 2020 Compared to 2019

Operating revenue increased \$0.9 million over the prior year due to an increase in tuition revenue.

Operating expenses increased \$2.5 million over the prior year due to an increase in instruction expenses.

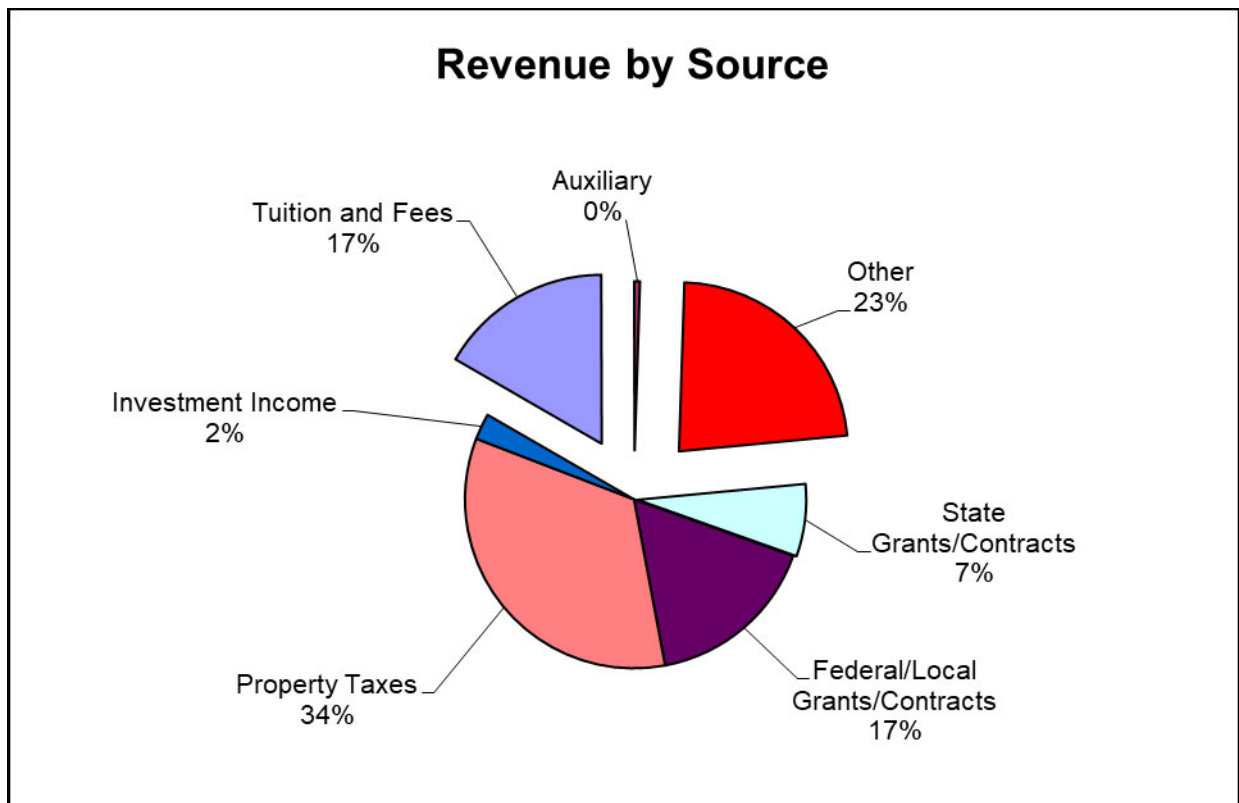
Net non-operating revenue increased \$2.7 million due to increases in property taxes and other non-operating revenues.

Fiscal Year 2019 Compared to 2018

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

Operating expenses remained consistent with the prior year.

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



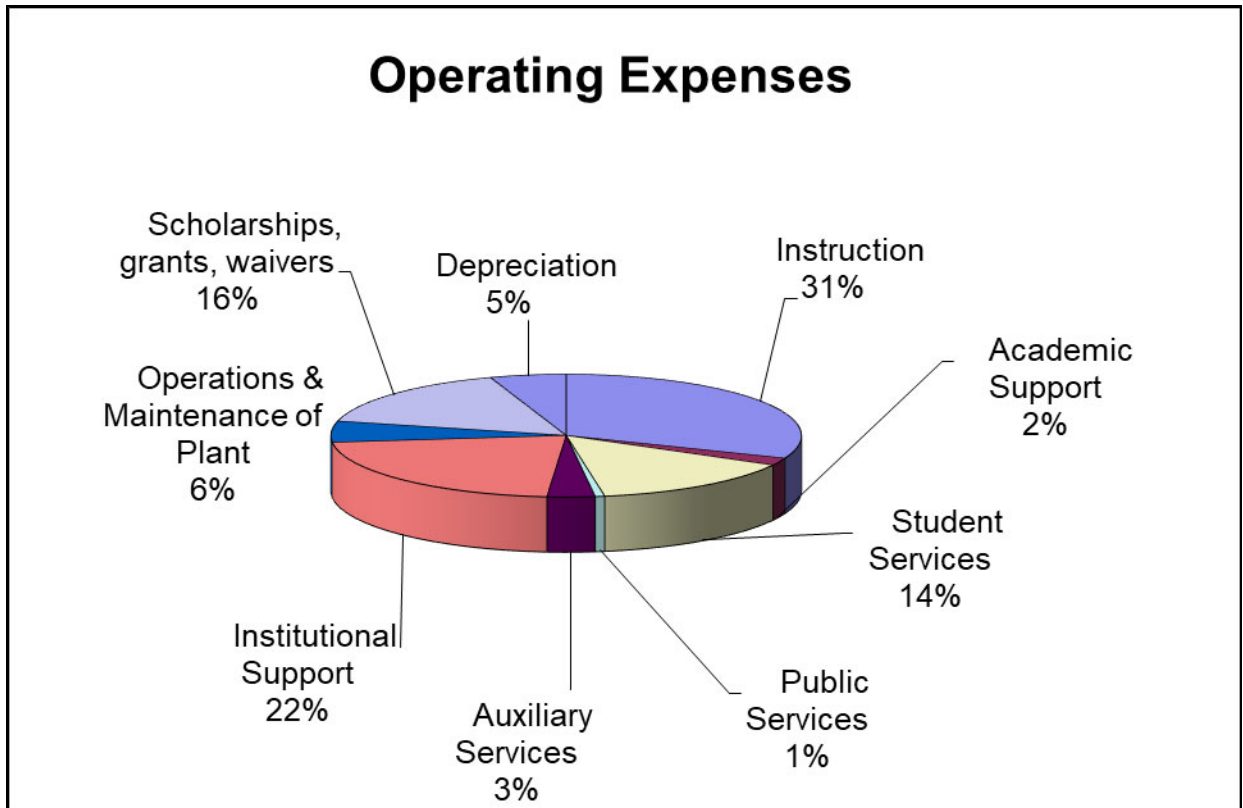
Carl Sandburg College – Community College District 518

Management Discussion and Analysis

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

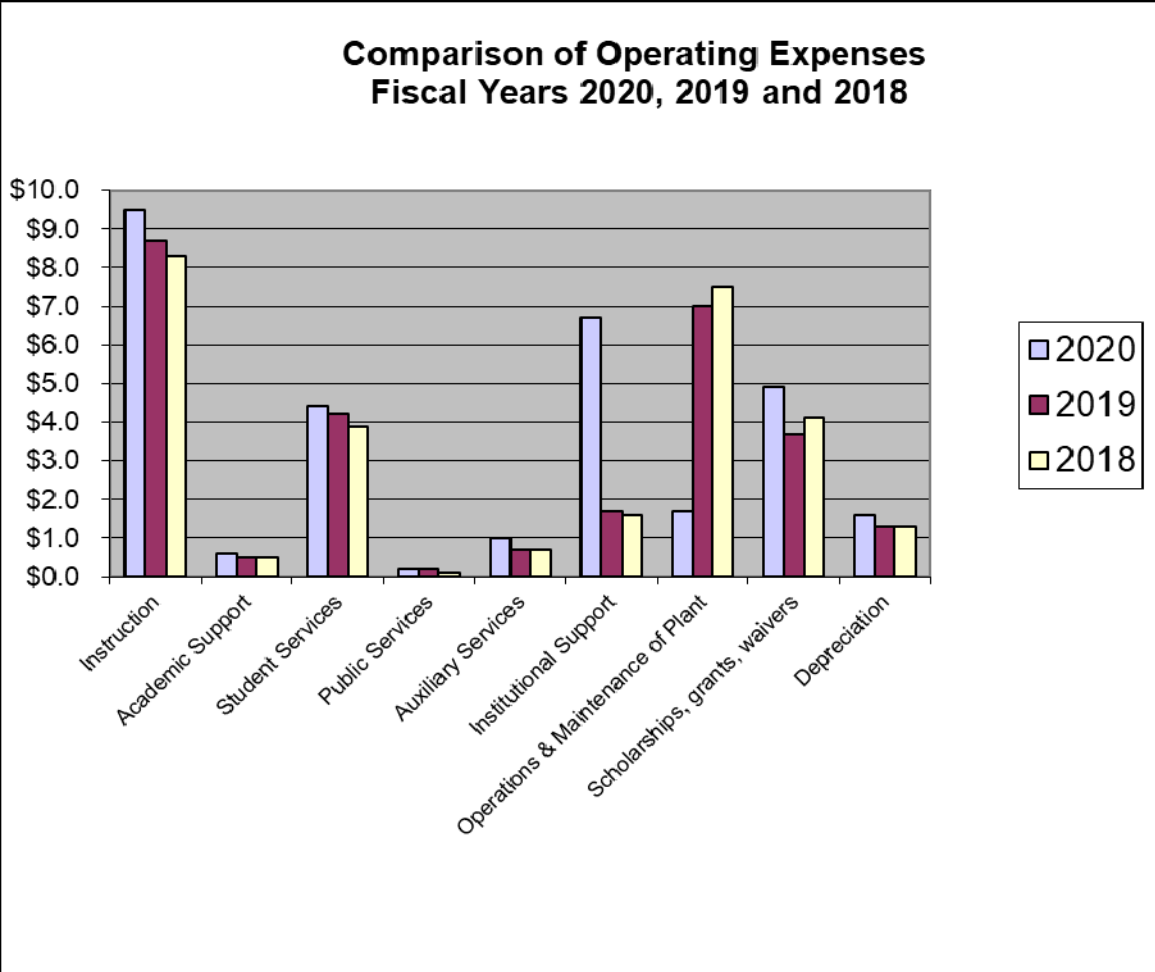
Operating expense	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Instruction	\$9.5	\$8.7	\$0.8	\$8.3	\$0.4
Academic support	0.6	0.5	0.1	0.5	0.0
Student services	4.4	4.2	0.2	3.9	0.3
Public services	0.2	0.2	0.0	0.1	0.1
Auxiliary services	1.0	0.7	0.3	0.7	0.0
Operations & maintenance of plant	1.7	1.7	0.0	1.6	0.1
Institutional support	6.7	7.0	(0.3)	7.5	(0.5)
Scholarships, grants, waivers	4.9	3.7	1.2	4.1	(0.4)
Depreciation	1.6	1.3	0.3	1.3	0.0
Total	\$30.6	\$28.0	\$2.6	\$28.0	\$0.0

The following is a graphic illustration of operating expenses for the year ended June 30, 2020.



Carl Sandburg College – Community College District 518

Management Discussion and Analysis

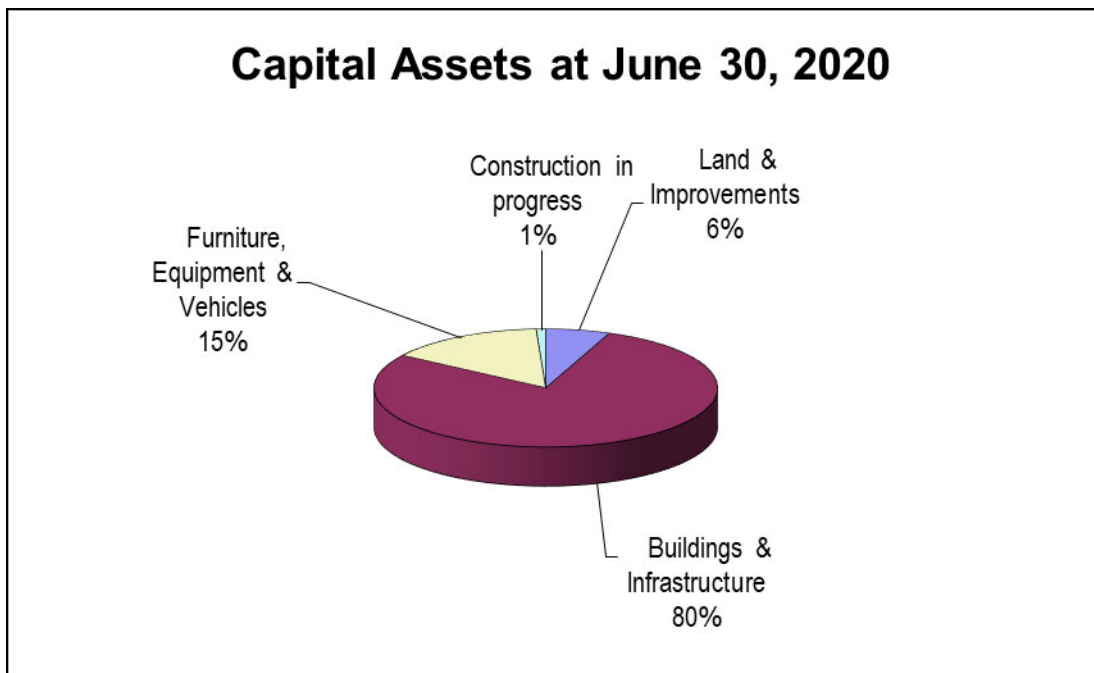


Carl Sandburg College – Community College District 518

Management Discussion and Analysis

Capital Assets, Net June 30, (in millions)

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Capital assets					
Land & improvements	\$2.7	\$1.3	\$1.4	\$1.3	\$0.0
Buildings & infrastructure	34.9	34.8	0.1	34.8	0.0
Furniture, equipment, & vehicles	6.6	6.5	0.1	5.6	0.9
Construction in progress	0.4	1.1	(0.7)	0.6	0.5
Total	44.6	43.7	0.9	42.3	1.4
Less accumulated depreciation	(28.7)	(27.2)	(1.5)	(25.9)	(1.3)
Net capital assets	\$15.9	\$16.5	(\$0.6)	\$16.4	(\$0.1)



Carl Sandburg College – Community College District 518

Management Discussion and Analysis

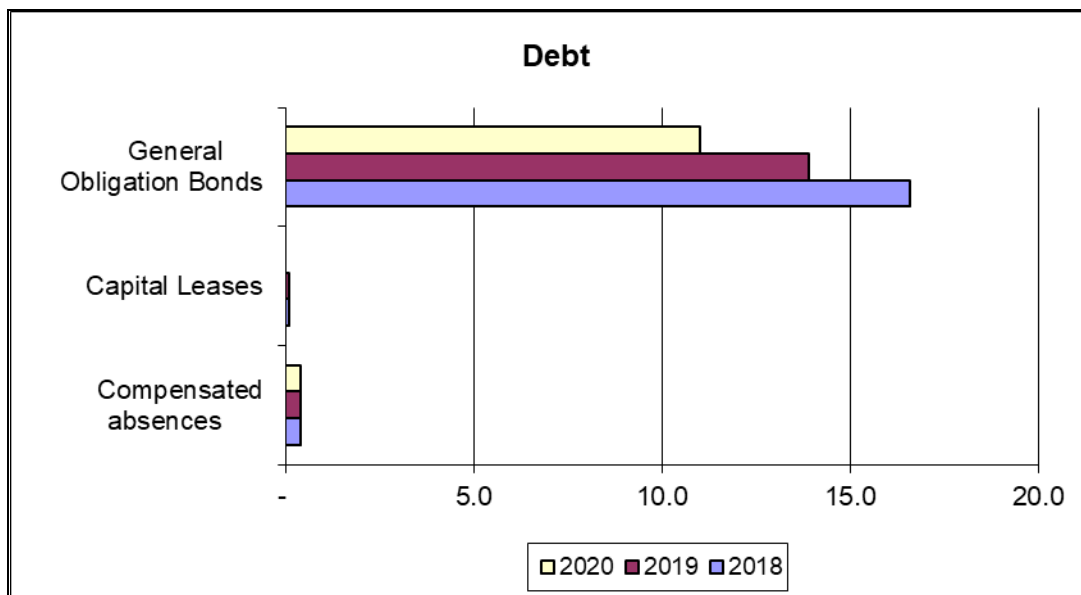
Fiscal Year 2020 Compared to 2019

As of June 30, 2020, the College had recorded \$44.6 million invested in capital assets, \$28.7 million in accumulated depreciation, and \$15.9 million in net capital assets. The College started construction on a new sidewalk to the Center for Manufacturing Excellence (CME), a new roof for the CME and vestibule replacements at several main entrances. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements.

Fiscal Year 2019 Compared to 2018

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

	Debt June 30, (in millions)		Increase (Decrease)		Increase (Decrease)	
	2020	2019	2020-2019	2018	2019-2018	
General obligation bonds	\$11.0	\$13.9	(\$2.9)	\$16.6	(\$2.7)	
Capital leases	0.0	0.1	(0.1)	0.1	0.0	
Compensated absences	0.4	0.4	0.0	0.4	0.0	
Total	\$11.4	\$14.4	(\$3.0)	\$17.1	(\$2.7)	



Carl Sandburg College – Community College District 518

Management Discussion and Analysis

Fiscal Year 2020 Compared to 2019

During fiscal year 2020, the College paid \$2.9 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Fiscal Year 2019 Compared to 2018

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

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of the College's financial position. Questions concerning this report or requests for additional information should be directed to Cory Gall, Associate Vice President of Administrative Services, 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401.

Basic Financial Statements

Carl Sandburg College - Community College District 518

Statements of Net Position

June 30, 2020 and 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$14,393,418	\$11,720,157
Deposits	564,083	556,599
Short-term investments	9,859,589	9,823,670
Property taxes receivable	10,943,520	11,190,763
Other receivables, net	1,021,835	612,452
Prepaid items	203,740	205,700
Inventories	6,900	7,700
Total current assets	36,993,085	34,117,041
Noncurrent assets:		
Long-term investments	7,828,915	7,362,042
Non-depreciable capital assets	721,507	1,387,612
Depreciable capital assets	43,867,872	42,349,765
Less accumulated depreciation	(28,727,894)	(27,170,349)
Total noncurrent assets	23,690,400	23,929,070
Total assets	60,683,485	58,046,111
DEFERRED OUTFLOW OF RESOURCES		
SURS pension contribution	49,241	45,406
College insurance plan OPEB	171,069	205,005
Total deferred outflows of resources	220,310	250,411
Total assets and deferred outflows of resources	60,903,795	58,296,522
LIABILITIES		
Current liabilities:		
Accounts payable	341,963	327,155
Accrued liabilities	37,636	95,051
Unearned tuition and fees	494,751	558,085
Accrued compensated absences	289,360	246,431
Capital lease payable	34,574	43,378
Bonds payable, net of unamortized premiums (discounts)	3,045,493	2,949,521
Total current liabilities	4,243,777	4,219,621
Noncurrent liabilities:		
Accrued compensated absences	142,521	121,377
Capital lease payable	0	34,674
OPEB Liability	8,660,087	8,844,364
Bonds payable, net of unamortized premiums (discounts)	7,951,035	10,996,528
Total noncurrent liabilities	16,753,643	19,996,943
Total liabilities	20,997,420	24,216,564
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	12,525,970	12,316,199
Deferred grant revenue	238,082	140,512
Deferred OPEB	1,679,172	1,232,493
Total deferred inflows of resources	14,443,224	13,689,204
Total liabilities and deferred inflows of resources	35,440,644	37,905,768
NET POSITION		
Net investment in capital assets	6,549,285	9,595,848
Restricted - expendable:		
Debt service	453,488	483,245
Grants and scholarships	537,974	419,770
Working cash	8,466,703	8,345,598
Unrestricted	9,455,701	1,546,293
Total net position	\$25,463,151	\$20,390,754

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$1,313,057 and \$2,022,052, respectively	\$5,970,144	\$5,140,036
Auxiliary enterprises revenue	172,979	172,767
Total operating revenue	6,143,123	5,312,803
Operating expenses:		
Instruction	9,556,104	8,668,663
Academic support	613,922	560,457
Student services	4,447,261	4,250,093
Public services	179,226	183,560
Auxiliary services	983,914	757,985
Operation and maintenance of plant	1,650,756	1,666,509
Institutional support	6,702,842	6,992,777
Scholarships, student grants, and waivers	4,875,693	3,669,356
Depreciation	1,557,545	1,302,797
Total operating expenses	30,567,263	28,052,197
Operating loss	(24,424,140)	(22,739,394)
Nonoperating revenues and (expenses):		
State grants	2,598,992	2,298,121
Federal grants	5,962,569	5,482,391
Property taxes	12,187,057	11,848,563
Personal property replacement tax	291,222	269,328
Local grants	75,407	24,471
Investment income	851,394	636,346
Other nonoperating revenues	7,963,058	6,594,415
Gain (loss) on disposal of assets	(206,830)	0
Interest expense	(311,833)	(444,576)
Net nonoperating revenues and (expenses)	29,411,036	26,709,059
Change in net position	4,986,896	3,969,665
Net position, beginning of year, as restated	20,476,255	16,421,089
Net position, end of year	\$25,463,151	\$20,390,754

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows

For the years ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$6,961,461	\$7,223,436
Payments to suppliers	(6,021,616)	(6,246,141)
Payments to employees	(10,132,084)	(9,898,989)
Payments to students for scholarships	(6,188,750)	(5,657,112)
Auxiliary enterprise charges	174,361	169,055
Net cash used in operating activities	(15,206,628)	(14,409,751)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	12,644,071	9,460,673
Proceeds from grants	9,201,387	8,632,312
Net cash provided by noncapital financing activities	21,845,458	18,092,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,058,834)	(1,438,062)
Principal paid on bonds payable	(2,870,000)	(2,620,000)
Interest paid on bonds payable and other long-term obligations	(347,876)	(442,273)
Principal paid on capital lease	(43,478)	(40,635)
Net cash used in capital and related financing activities	(4,320,188)	(4,540,970)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	864,905	2,324,426
Proceeds from maturities of investment securities	9,622,258	8,317,210
Purchases of investment securities	(10,132,544)	(10,465,014)
Net cash provided by investing activities	354,619	176,622
Net increase (decrease) in cash and cash equivalents	2,673,261	(681,114)
CASH AND CASH EQUIVALENTS:		
Beginning of year	11,720,157	12,401,271
End of year	\$14,393,418	\$11,720,157

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows (Continued)

For the years ended June 30, 2020 and 2019

	2020	2019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED		
IN OPERATING ACTIVITIES:		
Operating loss	(\$24,424,140)	(\$22,739,394)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,557,545	1,302,797
State on-behalf payments for fringe benefits	7,663,596	6,445,656
Changes in assets and liabilities:		
Receivables	(257,024)	18,480
Other assets	2,760	15,349
Deferred outflows of resources	30,101	(160,185)
Accounts payable	14,808	(63,826)
Accrued liabilities	(57,415)	67,736
Accrued compensated absences	64,073	6,454
Unearned tuition and fees	(59,299)	37,382
Other unearned revenue	(4,035)	1,774
OPEB liability	(184,277)	172,523
Deferred inflows of resources	446,679	485,502
Net cash used in operating activities	(\$15,206,628)	(\$14,409,752)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Increase (decrease) in fair value of investments and amortization/accretion	(\$903,752)	\$1,719,956
Disposal of assets	(\$206,830)	\$0
Refunding bond deferred charges	\$0	\$48,457
STATE ON-BEHALF PAYMENTS	\$7,663,596	\$6,445,656

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Financial Position

June 30, 2020 and 2019

ASSETS	2020	2019
Assets:		
Cash	\$124,194	\$168,327
Investments	19,671,900	18,297,569
Pledges receivable	28,321	478,073
Beneficial interest in perpetual trust	318,825	324,692
Total assets	\$20,143,240	\$19,268,661
LIABILITIES AND NET ASSETS		
Liabilities:		
Scholarships payable	\$166,699	\$126,443
Accounts payable	2,104	1,219
Total liabilities	168,803	127,662
Net assets:		
Without donor restrictions	4,249,478	3,784,172
With donor restrictions	15,724,959	15,356,827
Total net assets	19,974,437	19,140,999
Total liabilities and net assets	\$20,143,240	\$19,268,661

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities

For the years ended June 30, 2020 and 2019

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues, gains, and other support:			
Contributions	\$86,632	\$111,888	\$198,520
Interest and dividends	188,452	544,231	732,683
Net unrealized gain (loss) on investments	441,017	(119,651)	321,366
Net realized gain (loss) on investments	0	81,306	81,306
Change in value of beneficial interest in trust	0	(5,867)	(5,867)
Donated services	61,990	0	61,990
Donated goods & facilities	8,521	0	8,521
Net assets released from restrictions	243,775	(243,775)	0
Total revenues, gains, and other support	1,030,387	368,132	1,398,519
Expenses:			
Program	370,248	0	370,248
Management and general	184,554	0	184,554
Fundraising	10,279	0	10,279
Total expenses	565,081	0	565,081
Change in net assets	465,306	368,132	833,438
Net assets, beginning of year	3,784,172	15,356,827	19,140,999
Net assets at end of year	\$4,249,478	\$15,724,959	\$19,974,437

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities (Continued)

For the years ended June 30, 2020 and 2019

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

See Notes to Financial Statements.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies:

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

Revenues are substantially generated as a result of taxes assessed and allocated to the College and grants received from other state and federal governmental agencies. The College's revenues are, therefore, primarily dependent upon the availability of funds at the state and federal level and the economy within its territorial boundaries. Industry within the territorial area is primarily retail and agricultural.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on applicable Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Carl Sandburg Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The 16-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are described by FASB issued guidance. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No financial reporting entity for these differences; however, significant note disclosures (see Note 9) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

Reporting Entity (continued)

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

The College is not aware of any entity whose elected officials are financially accountable for the operations of the College which would result in the College being considered a component unit of such entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Nonexchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, and state appropriations. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants and state appropriations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used for the fiscal year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities*. GASB No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. See Note 12 for the restatement of beginning net position.

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

Receivables

Accounts receivable include uncollateralized student obligations, which generally require payment by the first day of class unless a payment plan through a third party has been established. Accounts receivable are stated at the invoice amount.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables was \$207,697 and \$265,000 as of June 30, 2020 and 2019, 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 2018 property tax levies passed on November 29, 2018 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2019 property tax levy which was passed on November 21, 2019. In addition, property taxes receivable represents the remaining 2019 property tax levy to be collected in fiscal year 2021.

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.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 classifications. Such reclassifications in the accompanying financial statements had no effect on previously reported change in net assets.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

Capital Assets

Capital assets include property, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Costs related to the development of computer software are expensed as incurred until (a) the College has completed the preliminary project stage and (b) management has implicitly or explicitly authorized or committed to funding the project. Activities 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.

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

Deferred Tuition and Fee Revenue

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

Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and are recorded in other assets or liabilities.

Compensated Absences

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

Other Post-Employment (“OPEB”) Obligations

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

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

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections, deferred inflows and outflows of resources, which represent acquisitions or losses of net position that applies to future periods and so will not be recognized as an inflow (revenue) or outflow (expense) of resources until that time.

Classification of Revenues and Expenses

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, and (2) sales and services of auxiliary enterprises. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, and (3) most federal, state, and local grants and contracts and federal appropriations. Operating expenses generally result from providing services in connection with ongoing operations. Nonoperating expenses do not meet this definition.

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2020.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

On-Behalf Payments for Fringe Benefits and Salaries

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2020 and 2019, the state made contributions of \$7,663,596 and \$6,445,656 respectively (Note 5 and 6).

Pensions

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

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

Net Position

The College's net position is classified as follows:

Net investment in capital assets – This represents the College's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted net position – expendable – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties (debt services is restricted by bond documents). When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted net position – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

Use of Estimates

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

Note 2. Cash and Investments:

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

Cash and deposits as of June 30, 2020 consist of the following:

	Carrying Amount
Cash on hand	\$5,693
Deposits with financial institutions	14,951,808
Total	\$14,957,501

The College is allowed to invest in securities as authorized by the Illinois Public Community College Act and the Illinois Investment of Public Funds Act.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments at June 30, 2020 and 2019 comprise the following at fair value:

	2020	2019
Money market	\$1,969,060	\$377,921
Certificate of deposit	13,247,374	11,506,179
Municipal bonds	396,899	2,721,406
U.S. government agency securities	2,075,171	2,580,206
	\$17,688,504	\$17,185,712

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 2. Cash and Investments (continued):

As of June 30, 2020, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Money market	\$1,969,060	\$1,969,060	\$0	\$0	\$0
Certificate of deposit	13,247,374	6,450,979	6,796,395	0	0
Municipal bonds	396,899	396,899	0	0	0
U.S. Government agency securities	2,075,171	1,042,651	1,032,520	0	0
Total	\$17,688,504	\$9,859,589	\$7,828,915	\$0	\$0

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

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

As of June 30, 2020, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's				
		AAA	AA	A	BBB	Unrated
Money market	\$1,969,060	\$1,969,060	\$0	\$0	\$0	\$0
Certificate of deposit	13,247,374	0	0	0	0	13,247,374
Municipal bonds	396,899	0	296,033	0	0	100,866
U.S. Government agency securities	2,075,171	0	2,075,171	0	0	0
Total	\$17,688,504	\$1,969,060	\$2,371,204	\$0	\$0	\$13,348,240

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

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 2. Cash and Investments (continued):

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

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

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or inputs other than quoted prices that are observable for the asset or liability.

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

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

The following table presents the College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2020:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificate of deposit	\$13,247,374	\$0	\$13,247,374	\$0
Municipal bonds	396,899	0	396,899	0
U.S. Government agency securities	2,075,171	0	2,075,171	0
Total investments	\$15,719,444	\$0	\$15,719,444	\$0

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

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 2. Cash and Investments (continued):

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$14,951,808 and the bank balance was \$14,699,555. Of the bank balance, \$951,040 was covered by federal depository insurance; \$13,748,514 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. At year end, bank balances at Farmers and Mechanics Bank were properly collateralized.

Concentration Risk. Concentration risk is the risk associated with having more than 5 percent of investments in any issuer, other than the U.S. Government. The College does not have a concentration risk policy. The College has no investments that represent 5 percent or more of the total investments.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not have a foreign currency risk policy. The College does not have any investments with foreign currency risk exposure.

Note 3. Capital Assets:

Changes in the various capital asset categories during the year ended June 30, 2020 are as follows:

	Balance at July 1, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Nondepreciable:					
Land	\$346,125	\$0	\$0	\$0	\$346,125
Work in progress	1,041,487	979,585	0	(1,645,690)	375,382
Depreciable:					
Buildings and additions	31,415,423	22,685	(206,832)	340,174	31,571,450
Infrastructure	3,376,418	0	0	0	3,376,418
Furniture and equipment	6,271,819	44,064	0	0	6,315,883
Land improvements	1,023,106	7,000	0	1,305,516	2,335,622
Vehicles	262,999	5,500	0	0	268,499
Total cost	\$43,737,377	1,058,834	(\$206,832)	\$0	\$44,589,379

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 3. Capital Assets (continued):

Accumulated depreciation for the year ended June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions	Transfers	Balance at June 30, 2020
Buildings and additions	\$18,766,368	\$783,340	\$0	\$0	\$19,549,708
Infrastructure	2,783,579	101,973	0	0	2,885,552
Furniture and equipment	4,920,421	428,039	0	0	5,348,460
Land improvements	492,443	209,656	0	0	702,099
Vehicles	207,538	34,537	0	0	242,075
Total accumulated depreciation	\$27,170,349	\$1,557,545	\$0	\$0	\$28,727,894

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

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

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

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

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, 2020:

	Balance 7/1/2019	Refunding	Increases	Decreases	Balance 6/30/2020	Current Portion	Long-Term Portion
Long-term debt:							
General obligation bonds and certificates	\$13,640,000	\$0	\$0	\$2,870,000	\$10,770,000	\$2,965,000	\$7,805,000
Bond premiums (discounts)	306,049	0	0	79,521	226,528	80,493	146,035
Capital leases	78,052	0	0	43,478	34,574	34,574	0
Compensated absences	367,808	0	328,666	264,593	431,881	289,360	142,521
Totals	\$14,391,909	\$0	\$328,666	\$3,257,592	\$11,462,983	\$3,369,427	\$8,093,556

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

	Balance 7/1/2018	Refunding	Increases	Decreases	Balance 6/30/2019	Current Portion	Long-Term Portion
Long-term debt:							
General obligation bonds and certificates	\$16,200,000	\$2,920,000	\$0	\$5,480,000	\$13,640,000	\$2,870,000	\$10,770,000
Bond premiums (discounts)	381,320	0	0	75,271	306,049	79,521	226,528
Capital leases	118,687	0	0	40,635	78,052	43,378	34,674
Compensated absences	361,354	0	269,491	263,037	367,808	246,431	121,377
Totals	\$17,061,361	\$2,920,000	\$269,491	\$5,858,943	\$14,391,909	\$3,239,330	\$11,152,579

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 4. Debt (continued):

Details on the debt as of June 30, 2020 are as follows:

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$1,185,000	\$21,479	\$1,206,479
Totals	\$1,185,000	\$21,479	\$1,206,479

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$0	\$103,800	\$103,800
2022	3,460,000	51,900	3,511,900
Totals	\$3,460,000	\$155,700	\$3,615,700

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$135,000	\$17,425	\$152,425
2022	140,000	13,300	153,300
2023	140,000	8,400	148,400
2024	140,000	2,800	142,800
Totals	\$555,000	\$41,925	\$596,925

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 4. Debt (continued):

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$5,000	\$7,784	\$12,784
2022	5,000	7,639	12,639
2023	260,000	3,783	263,783
Totals	\$270,000	\$19,206	\$289,206

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$5,000	\$67,456	\$72,456
2022	5,000	67,349	72,349
2023	1,440,000	51,815	1,491,815
2024	1,690,000	18,167	1,708,167
Totals	\$3,140,000	\$204,787	\$3,344,787

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$485,000	\$8,003	\$493,003
Totals	\$485,000	\$8,003	\$493,003

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 4. Debt (continued):

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

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

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

	Principal	Interest	Total
During the year ending June 30:			
2021	\$34,574	\$983	\$35,557
Totals	\$34,574	\$983	\$35,557

The annual requirements to amortize all debt outstanding as of June 30, 2020, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Capital Leases	Total Principal	Interest	Total Principal And Interest
2021	\$2,965,000	\$289,360	\$34,574	\$3,288,934	\$256,190	\$3,545,124
2022	3,610,000	142,521	0	3,752,521	154,153	3,906,674
2023	2,110,000	0	0	2,110,000	74,372	2,184,372
2024	2,085,000	0	0	2,085,000	24,358	2,109,358
Total	\$10,770,000	\$431,881	\$34,574	\$11,236,455	\$509,073	\$11,745,528

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2020, is \$56,853,348. General obligation debt at June 30, 2020, is \$11,031,102 resulting in a legal debt margin of \$45,822,246.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 5. Defined Benefit Pension Plans

General Information about the Pension Plan

Plan Description. The College contributes to the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2019 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions. The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2020 respectively, was 12.29% and 13.02% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 5. Defined Benefit Pension Plans (continued)

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

Net Pension Liability.

The net pension liability (NPL) was measured as of June 30, 2019 and June 30, 2018. SURS reported a net pension liability (NPL) of \$28,720,071,173 at June 30, 2019 and \$27,494,556,682 at June 30, 2018.

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 2019 is \$0 and for fiscal year 2018 it was \$0. The proportionate share of the State's net pension liability associated with the College at June 30, 2019 is \$67,377,287 or 0.2346% and at June 30, 2018 is \$65,574,518 or 0.2385%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2019.

Pension Expense.

At June 30, 2019 and June 30, 2018, SURS reported a collective net pension expense of \$3,094,666,252 and \$2,685,322,700, respectively.

Employer Proportionate Share of Pension Expense

The employer proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue and pension expense of \$7,260,087 and \$6,404,495 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

<u>Fiscal Year Ended June 30, 2019 (measurement date)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$160,132,483	\$80,170,745
Changes in assumption	773,321,300	0
Net difference between projected and actual earnings on pension plan investments	0	55,456,660
Total	\$933,453,783	\$135,627,405

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 5. Defined Benefit Pension Plans (continued)

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

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

Year Ending June 30	Net Deferred Outflows of Resources
2020	\$786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	30,001,419
Total	\$797,826,378

Employer Deferral of Fiscal Year 2019 Pension Expense

The College paid \$49,241 and \$45,406 in federal, trust or grant contributions for the fiscal year ended June 30, 2020 and June 30, 2019, respectively. These contributions were made subsequent to the pension liability date of June 30, 2019 and June 30, 2018, and are recognized as Deferred Outflows of Resources as of June 30, 2020 and June 30, 2019.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 through June 30, 2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 Combined Mortality Table, projected with generational mortality and a separate mortality assumption for disabled participants.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 5. Defined Benefit Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	<u>1%</u>	<u>7.00%</u>
Total	100%	4.80%
Inflation		<u>2.75%</u>
Expected Arithmetic Return		7.55%

Discount Rate. A single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and 6.75% at June 30, 2019 and June 30, 2018, respectively, and a municipal bond rate of 3.13% and 3.62% at June 30, 2019 and June 30, 2018, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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 plan's net pension liability, calculated using a single discount rate of 6.59% and 6.65% at June 30, 2019 and June 30, 2018, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

June 30, 2019		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.59%	6.59%	7.59%
\$34,786,851,779	\$28,720,071,173	\$23,712,555,197

June 30, 2018		
1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.65%	6.65%	7.65%
\$33,352,188,584	\$27,494,556,682	\$22,650,651,520

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

Note 6 Other Post-Employment Benefits

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

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

Benefit Provisions. A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

Benefits Provided. CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (ACT) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

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

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, 2019 and June 30, 2018. CIP reported a net OPEB liability at June 30, 2019 of \$1,888,540,494 and at June 30, 2018 of \$1,885,251,764.

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 2020 is \$8,660,087 or 0.4586%, and for fiscal year 2019 it was \$8,844,364 or 0.4691%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0106%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$8,660,087 or 0.4586% and \$8,844,364 or 0.4691%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2019 and June 30, 2018 was \$17,320,174 and \$17,688,728, respectively. The net OPEB liability and total OPEB liability as of June 30, 2019 was determined based on the June 30, 2018 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 2019.

OPEB Expense. At June 30, 2019 and June 30, 2018, CIP reported a collective net OPEB expense of \$84,924,196 and \$125,287,478, respectively.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

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 2019 and 2018, respectively. As a result, the College recognized on-behalf revenue of \$41,765 and \$41,163 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Additionally, the College recognized OPEB expense of \$296,338 and \$536,301 for the fiscal years ended June 30, 2020 and June 30, 2019.

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:

Fiscal Year Ended June 30, 2019 (measurement date)	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$101,495	\$183,141
Changes in assumption	0	1,206,552
Net difference between projected and actual earnings on OPEB plan investments	0	382
Changes in proportion and differences between employer contributions and share of contributions	27,809	289,097
Total deferred amounts to be recognized in pension expense in future periods	129,304	1,679,172
OPEB contributions made subsequent to the measurement date	41,765	0
Total	\$171,069	\$1,679,172

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

The College reported \$41,765 and \$40,163 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting years ended June 30, 2021 and June 30, 2020, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Inflows of Resources
2021	(\$258,311)
2022	(258,311)
2023	(258,311)
2024	(258,311)
2025	(258,311)
Thereafter	(258,313)
Total	(\$1,549,868)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2019 based on premium increases. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.40% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Asset Valuation Method	Market value

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 Whited Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

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 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019. The decrease in the single discount rate from, 3.62% to 3.13% caused the total OPEB liability to increase by approximately \$121.1 million as of June 30, 2019.

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 3.13% and 3.62% at June 30, 2019 and June 30, 2018, respectively, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2019 to the Single Discount Rate Assumption			
	1% Decrease (2.13%)	Current Single Discount Rate Assumption (3.13%)	1% Increase (4.13%)
Net OPEB liability	\$9,939,493	\$8,660,087	\$7,574,186

Sensitivity of Net OPEB Liability as of June 30, 2018 to the Single Discount Rate Assumption			
	1% Decrease (2.62%)	Current Single Discount Rate Assumption (3.62%)	1% Increase (4.62%)
Net OPEB liability	\$10,250,388	\$8,844,364	\$7,674,134

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 6 Other Post-Employment Benefits (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

Sensitivity of Net OPEB Liability as of June 30, 2019 to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend		
	1% Decrease (a)	Rates Assumption	1% Increase (b)
Net OPEB liability	\$7,187,345	\$8,660,087	\$10,604,167

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.90% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2029 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.90% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 for Medicare coverage.

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

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

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.91% in 2027, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.
- (b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.91% in 2027, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 7. Risk Management:

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The College purchases commercial insurance to cover the various risks of loss. The commercial insurance policies contain deductibles which vary with the type of coverage and risk involved. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 8. Contingencies and Commitments:

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

<u>Year Ended June 30</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2021	\$71,436	\$34,946	\$106,382
2022	71,436	34,946	106,382
2023	71,436	25,915	97,351
2024	23,812	25,915	49,727
2025	0	7,050	7,050
Total	\$238,120	\$128,772	\$366,892

Fiscal year 2020 equipment and vehicles rent expense was \$60,753 and \$31,396, respectively.

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

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the College expects such amounts, if any, to be immaterial.

Construction Commitments. As of June 30, 2020, the College had no significant commitments related to construction projects.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures:

Carl Sandburg College Foundation

Nature of Business

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

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Net Assets

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

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

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

Contributions and Revenues

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

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Contributions and Revenues (continued)

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Pledges Receivable

The Foundation receivables consist principally of pledged contributions from donors. Management individually reviews all delinquent accounts receivable balances. After all attempts to collect a receivable have failed, the receivable is written off as a bad debt using the specific charge-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. As of June 30, 2020, there was \$28,321 of pledged receivables.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses

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

Cash and Cash Equivalents

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

Concentrations of Credit Risk

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Investments and Investment Earnings

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

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

Donated Services

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

Estimates

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

Subsequent Events

The Foundation has evaluated subsequent events through September 15, 2020 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2020 have been incorporated herein. There are no other subsequent events that require disclosure.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Change in Accounting Policies

In June 2018, the FASB issued ASU No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Account Standards Codification 606 and determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires the Organizations to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization has applied the amendments in this ASU on a modified retrospective basis. There was no change in opening balances of net assets and no prior period results were restated.

In May 2014, the FASB issued ASU No. 2014-09, Revenue From Contracts With Customers (Topic 606). The amendments in this ASU, along with numerous clarifications and modifications, require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this guidance as of July 1, 2019 and applied Topic 606 on a modified retrospective basis. There was no change in opening balances of net assets and no prior period results were restated.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02: *Leases*. When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases as well as finance leases. This standard is effective for financial statement issued for annual periods beginning after December 15, 2020. Management is evaluating what impact this new standard will have on its financial statements.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Liquidity and Availability of Financial Assets:

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's financial assets as of June 30, 2020, reduced by amounts not available for general expenditures:

Total financial assets	\$20,143,240
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	15,406,134
Board designated endowment funds	244,513
Perpetual endowments	318,825
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Financial assets available to meet cash needs for general expenditures within one year	\$4,173,768
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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, 2020 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Publicly traded equities	\$0	\$240	(\$240)
Mutual Funds - equity	15,618,700	13,758,972	1,859,728
Mutual Funds - bonds	4,053,200	3,184,478	868,722
<hr/>			
	\$19,671,900	\$16,943,690	\$2,728,210
<hr/>			

Endowment Funds:

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

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

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

The endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without donor Restrictions	With donor Restrictions	Total Endowment Assets
Donor-restricted endowment funds	\$0	\$15,724,959	\$15,724,959
Unrestricted endowment funds:			
Board-designated	244,513	0	244,513
Unrestricted	4,004,965	0	4,004,965
	\$4,249,478	\$15,724,959	\$19,974,437

Changes in endowment net assets as of June 30, 2020 are as follows:

	Without donor Restrictions	With donor Restrictions	Total Endowment Assets
Endowment net assets, beginning of year	\$3,784,172	\$15,356,827	\$19,140,999
Contributions	86,632	111,888	198,520
Interest and dividend income	188,452	544,231	732,683
Net unrealized gain(loss) on investments	441,017	(119,651)	321,366
Net realized gain(loss) on investments	0	81,306	81,306
Donated goods, services, facilities	70,511	0	70,511
Change in value of beneficial interest in trust	0	(5,867)	(5,867)
Amounts appropriated for expenditure	(565,081)	0	(565,081)
Amounts released from restriction	243,775	(243,775)	0
	\$4,249,478	\$15,724,959	\$19,974,437

Beneficial Interest in Perpetual Trust:

The Foundation is a beneficiary of a trust that stipulates it is the recipient of 100% of the trust's earnings. The principal is to be held for perpetuity. The beneficial interest in the perpetual trust is recorded at 100% of the trust's fair value. The recorded value was \$318,825 as of June 30, 2020. The change in fair value is recorded on the statement of activities.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Net Assets with Donor Restrictions:

Net assets with donor restrictions consist of the following as of June 30, 2020:

Subject to expenditure for specified purpose:	
Student scholarships currently available	\$10,817,469
Endowment subject to spending policy and appropriation	4,588,665
Perpetual endowments	318,825
<hr/>	
Net assets with donor restrictions	\$15,724,959

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, 2020, totaling \$243,775.

Fair Value of Financial Instruments:

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

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

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

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

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

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Fair Value of Financial Instruments (continued):

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2020:

	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	\$15,618,700	\$15,618,700	\$0	\$0
Mutual Funds – bonds	4,053,200	4,053,200	0	0
Beneficial interest in perpetual trust	318,825	0	318,825	0
Total	\$19,990,725	\$19,671,900	\$318,825	\$0

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Related Parties:

The Foundation is a component unit of Carl Sandburg College – Community College District 518 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated \$64,548 of services, goods, and facilities to the Foundation during the year ended June 30, 2020. The Foundation paid the College \$223,899 for scholarships and project donations during the year ended June 30, 2020. In addition, there is a payable to the College for scholarships awarded for Fall 2020 in the amount of \$166,699 as of June 30, 2020.

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, 2020, 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 no longer subject to examination for tax years before June 30, 2016.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (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.

Note 10. Impact of Pending Accounting Pronouncements:

GASB Statement No. 87, Leases, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The College has not determined the effect of this Statement.

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

GASB Statement No. 91, Conduit Debt Obligations provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 92, *Omnibus 2020*, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The College has not determined the effect of this Statement.

Carl Sandburg College – Community College District 518

Notes to Financial Statements

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The College has not determined the effect of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of Statement No. 84 applies, and this statement clarifies that Statement 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if Statement 84 has been implemented. The College has not determined the effect of this Statement.

Note 11. Subsequent Event

The College has evaluated subsequent events through September 18, 2020 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2020 have been incorporated herein. There are no other subsequent events that require disclosure. Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Virus Crisis ("CV19 Crisis"). The long-term impact of the CV19 Crisis on the College cannot be reasonably estimated at this time.

Note 12. Current Year Restatement

As a result of the implementation of GASB Statement No. 84 for student club balances net position at July 1, 2019 was restated. Fiscal year 2019 balances were not restated as the information was not practical for restatement purposes. Current year restatements are as follows:

	<u>Restricted Purposes Fund</u>
Balance at July 1, 2019	\$419,770
add: Prior year club balances	85,501
<hr/>	
Balance at July 1, 2019, as restated	\$505,271
<hr/>	
	<u>Net Position</u>
Balance at July 1, 2019	\$20,390,754
add: Prior year club balances	85,501
<hr/>	
Balance at July 1, 2019, as restated	\$20,476,255
<hr/>	

Required Supplementary Information

Carl Sandburg College - Community College District 518

Schedule of Share of Net Pension Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

MEASUREMENT DATE JUNE 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%				
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0				
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	\$67,377,287	\$65,574,518	\$61,129,173	\$63,441,840	\$57,324,387	\$55,045,220				
Employer covered payroll	\$9,635,998	\$9,556,351	\$9,500,036	\$9,903,377	\$9,945,359	\$10,504,206				
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	699.22%	686.19%	643.46%	640.61%	576.39%	524.03%				
SURS plan net position as a percentage of total pension liability	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 10 Fiscal Years

(Schedule to be Built Prospectively from 2014)

FISCAL YEAR ENDED JUNE 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Federal, trust, grant and other contribution	\$49,241	\$45,406	\$40,245	\$33,300	\$41,768	\$38,128	\$34,477			
Contribution in relation to required contribution	49,241	45,406	40,245	33,300	41,768	38,128	34,477			
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Employer covered payroll	\$9,799,373	\$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	0.50%	0.47%	0.42%	0.35%	0.42%	0.38%	0.33%			

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

Carl Sandburg College - Community College District 518

Schedule of Share of Net OPEB Liability

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

MEASUREMENT DATE JUNE 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Proportion percentage of the collective net OPEB liability	0.46%	0.47%	0.48%	0.47%						
Proportion amount of the collective net OPEB liability	\$8,660,087	\$8,844,364	\$8,671,841	\$8,603,553						
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$8,660,087	\$8,844,364	\$8,557,627	\$8,964,170						
Total collective net OPEB liability associated with the College	\$17,320,174	\$17,688,728	\$17,229,468	\$17,567,723						
District's covered payroll	\$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 its covered payroll	179.74%	185.10%	181.36%	177.39%						
College insurance plan net position as a percentage of total OPEB liability	-4.13%	-3.54%	-2.87%	-2.15%						

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

Carl Sandburg College - Community College District 518

Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2018)

FISCAL YEAR ENDED JUNE 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statorily required contribution	\$41,765	\$41,163	\$40,968	\$41,255	\$42,845					
Contribution in relation to the required statorily	41,765	41,163	40,968	41,255	42,845					
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0					
District's covered payroll	\$9,799,373	\$9,635,998	\$9,556,351	\$9,500,036	\$9,903,377					
Contribution as a percentage of covered payroll	0.43%	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

Note 1. Changes of Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2019.

Note 2. Changes of Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

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

Note 3. Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2019.

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, 2014 to June 30, 2017, resulting in the adoption of new assumptions as of June 30, 2018. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2017:

Carl Sandburg College – Community College District 518

Notes to Required Supplementary Information

Note 4. Changes of OPEB Assumptions (continued):

- The price inflation was decreased from 2.75 percent to 2.25 percent.
- The salary scale assumption was decreased.
- The rates of retirement were decreased.
- The rates of termination were decreased.
- The rates of disability were decreased.
- The mortality table was updated to reflect recent experience and mortality improvement scales.
- The discount rate was changed from 3.62 percent at June 30, 2018, to 3.13 percent at June 30, 2019.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2018, projected plan cost for plan year end June 30, 2019, premium changes through plan year end 2019, and expectation of future trend increases after June 30, 2019;
- The Excise Tax trend adjustment was updated based on available premium and enrollment information as of June 30, 2019;
- Per capita claim costs for plan year end June 30, 2019, were updated based on projected claims and enrollment experience through June 30, 2019, and updated premium rates through plan year end 2020; and
- Healthcare plan participation rates by plan were updated based on observed experience.

STATISTICAL SECTION

Carl Sandburg College – Community College District 518

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the college’s financial performance and well-being have changed over time.	65 - 66
Revenue Capacity These schedules contain information to help the reader assess the College’s most significant local revenue source, the property tax.	67 - 70
Debt Capacity These schedules present information to help the reader assess the affordability of the College’s current levels of outstanding debt and the ability to issue additional debt in the future.	71 – 74
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College’s financial activities take place.	75 – 76
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College’s financial report relates to the services the College provides and the activities it performs.	77 - 79

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

Carl Sandburg College - Community College District 518

Net Position by Component

For the Last Ten Fiscal Years ended June 30,

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

TABLE A

	As Restated 2020***	2019	2018	As Restated 2017**	2016	As Restated 2015	2014	As Restated 2013*	2012	2011
Net investment in capital assets	\$6,549	\$9,596	\$8,138	\$8,008	\$8,096	\$10,958	\$9,793	\$8,109	\$10,120	\$10,152
Restricted - expendable:										
Debt Service	453	483	390	362	323	234	279	245	239	559
Grants and scholarships	538	420	425	425	0	0	0	0	0	0
Working cash	8,467	8,346	8,254	8,232	8,195	8,163	8,184	0	0	0
Unrestricted	9,456	1,546	(786)	(3,085)	3,457	2,815	2,961	10,739	8,026	5,849
Total net position	\$25,463	\$20,391	\$16,421	\$13,942	\$20,071	\$22,170	\$21,217	\$19,093	\$18,385	\$16,560

*Implementation of GASB 65

**Implementation of GASB 75

***Implementation of GASB 84

Carl Sandburg College - Community College District 518

Changes in Net Position

For the Last Ten Fiscal Years ended June 30,

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

TABLE B

	2020	2019	2018	As Restated 2017**	2016	As Restated 2015	2014	As Restated 2013*	2012	2011
Operating expenses:										
Instruction	\$9,554	\$8,669	\$5,613	\$5,823	\$6,074	\$6,753	\$6,605	\$6,854	\$6,367	\$6,241
Academic support	614	560	404	391	408	453	475	414	400	340
Student services	4,447	4,250	2,989	2,825	2,727	2,669	2,610	2,667	2,303	2,189
Public services	179	184	126	135	182	260	364	407	438	550
Auxiliary services	984	758	616	631	618	686	1,096	1,162	1,138	1,165
Operation and maintenance of plant	1,651	1,667	1,323	1,366	1,464	1,586	1,527	1,724	1,677	1,422
Institutional support	6,703	6,993	11,509	20,054	9,981	9,300	8,505	8,750	8,356	8,514
Scholarships, student grants, and waivers	4,876	3,669	4,068	2,815	2,654	3,108	3,316	3,683	4,196	4,409
Depreciation	1,558	1,303	1,305	1,385	1,378	1,254	1,355	1,381	1,375	1,337
Total operating expenses	30,566	28,053	27,953	35,425	25,486	26,069	25,853	27,042	26,250	26,167
Operating revenues:										
Charges for services:										
Student tuition and fees	5,970	5,140	5,303	4,524	4,498	4,338	4,003	4,467	4,234	4,474
Chargeback revenue										
Auxiliary enterprise	173	173	161	180	216	202	600	648	656	683
Total operating revenue	6,143	5,313	5,464	4,704	4,714	4,540	4,603	5,115	4,890	5,157
Operating loss	(24,423)	(22,740)	(22,489)	(30,721)	(20,772)	(21,529)	(21,250)	(21,927)	(21,360)	(21,010)
Nonoperating revenues (expenses):										
State grants	2,599	2,298	2,320	2,675	1,035	3,162	3,912	3,799	4,448	4,574
Federal grants	5,963	5,482	5,416	5,219	5,067	5,959	6,274	6,908	6,988	7,331
Property taxes	12,187	11,849	11,142	10,542	10,055	9,884	9,467	9,238	9,030	8,711
Personal property replacement tax	291	269	242	294	266	291	270	268	262	284
Local grants	75	24	32	52	150	12	20	9	15	24
Investment income	851	636	308	153	483	402	382	60	687	418
Other nonoperating revenues	7,963	6,594	6,020	6,517	5,102	4,646	4,042	3,846	2,902	2,569
Gain (loss) on disposal of assets	(207)	0	(1)	(288)	(2,776)	(785)	0	0	0	0
Interest expense	(312)	(445)	(511)	(572)	(709)	(1,090)	(992)	(1,274)	(1,146)	(1,060)
Net nonoperating revenues	29,410	26,707	24,968	24,592	18,673	22,481	23,375	22,854	23,186	22,851
Residual equity transfer										
Change in net position	\$4,987	\$3,967	\$2,479	(\$6,129)	(\$2,099)	\$952	\$2,125	\$927	\$1,826	\$1,841

*Implementation of GASB 65

**Implementation of GASB 75

Carl Sandburg College - Community College District 518
Assessed and Estimated Actual Value of Taxable Property

TABLE C

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
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
2012	524,085,393	703,152,066	229,659,312	15,395,715	59,379,815	1,531,672,301	4,595,016,903	0.6228
2011	488,503,803	710,972,443	231,155,952	13,391,155	56,980,047	1,501,003,400	4,503,010,200	0.6175
2010	455,125,203	709,365,274	232,398,947	14,408,616	48,507,941	1,459,805,981	4,379,417,943	0.6187

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

Source: Knox County Clerk's Office

Carl Sandburg College - Community College District 518

Property Tax Levies and Collections

Last Ten Fiscal Years

TABLE D

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2019	2020	\$12,774,131	\$1,637,512	12.82%	\$0	\$1,637,512	12.82%
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%
2012	2013	9,544,769	9,498,458	99.51%	(1,288)	9,497,170	99.50%
2011	2012	9,337,450	9,273,468	99.31%	(33,335)	9,240,133	98.96%
2010	2011	9,073,066	9,025,906	99.48%	(23,472)	9,002,434	99.22%

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City of Galesburg	1.5080	1.5632	1.6006	1.7039	1.7828	1.6135	1.5472	1.5560	1.4157	1.4420
Township of the City of Galesburg	0.1438	0.1472	0.1512	0.1528	0.1574	0.1599	0.1614	0.1612	0.1624	0.1757
Galesburg Unit School District 205	4.8897	4.8344	4.8344	4.9576	4.7018	4.5915	4.4671	4.2200	4.2048	4.1994
Knox County	1.3150	1.3180	1.3631	1.3294	1.3245	1.3185	1.3157	1.1608	1.1625	1.1472
Knox County Soil & Water Conservation	0.0006	0.0006	0.0006	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Galesburg City Fire	1.1467	1.1224	1.1176	1.0424	0.9500	0.9647	0.9425	0.8913	1.0498	1.0063
Galesburg Sanitary District	0.3057	0.3060	0.2986	0.3103	0.0000	0.3143	0.3125	0.3064	0.3005	0.2873
Total Overlapping Rate	9.3095	9.2918	9.3660	9.4971	8.9165	8.9622	8.7464	8.2957	8.2957	8.2579
Carl Sandburg College Dist. 518										
Educational	0.2455	0.2387	0.2444	0.2757	0.2463	0.2181	0.2146	0.2088	0.2021	0.2000
Building	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.1707	0.1713	0.1757	0.1661	0.1547	0.2103	0.2187	0.2202	0.2195	0.2244
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1297	0.1202	0.1191	0.1104	0.1162	0.1199	0.1205	0.1220	0.1240	0.1225
Protection, Health, and Safety	0.0500	0.0500	0.0500	0.0500	0.0494	0.0059	0.0058	0.0060	0.0061	0.0060
Social Security and Medicare	0.0085	0.0079	0.0081	0.0101	0.0101	0.0100	0.0106	0.0108	0.0108	0.0108
Total	0.6594	0.6431	0.6524	0.6673	0.6317	0.6192	0.6252	0.6228	0.6175	0.6187
Total rate	9.9689	9.9349	10.0184	10.1644	9.5482	9.5814	9.3716	8.9185	8.9132	8.8766
Carl Sandburg College										
Percentage of Total	6.61%	6.47%	6.51%	6.57%	6.62%	6.46%	6.67%	6.98%	6.93%	6.97%

(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	2020		2011	
		Taxable Assessed Value(approx.)	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV
Burlington Northern & Santa Fe Railway Co	Railroad	\$90,073,664	1 4.55%	\$22,036,080	1 1.51%
Union Electric	Utilities	13,129,370	2 0.66%	13,080,580	2 0.90%
Monmouth Property Dev LLC	Manufacturing	8,797,170	3 0.44%		
Consolidated Grain & Barge	Grain Elevator	8,557,225	4 0.43%		
Galesburg Hospital Corporation	Hospital	7,219,180	5 0.37%	7,123,830	3 0.49%
KC Acquisition Inc	Manufacturing	6,334,900	6 0.32%		
Wal-Mart Stores	Retailer	4,059,550	7 0.21%	4,123,880	4 0.28%
Menard Inc	Retailer	3,414,090	8 0.17%	3,130,010	7 0.21%
The Villas at Carl Sandburg LLC	Commercial Housing	2,487,050	9 0.13%		
OSF St Francis Inc	Hospital	2,383,140	10 0.12%		
Nauvoo Restoration Inc	Real property holdings			3,975,360	5 0.27%
Twomey Company	Grain Elevator			3,889,780	6 0.27%
HyVee Food Stores Inc	Retailer			2,557,320	8 0.18%
Lowe's Home Centers Inc	Retailer			2,319,910	9 0.16%
Douglas & Associates LLC	Real property holdings			2,310,040	10 0.16%
		\$146,455,339	7.41%	\$64,546,790	4.42%

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

Carl Sandburg College - Community College District 518

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE G

Fiscal Year	General Bonded Debt	Capital Leases	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Net Bonded Debt Per Capita	Personal Income (amounts expressed in thousands)	Ratio of Total Outstanding Debt to Personal Income
2020	\$10,996,528	\$34,574	\$11,031,102	\$5,785,200,486	0.191%	102,634	107	\$2,613,342	0.42%
2019	13,946,049	78,052	14,024,101	5,459,121,093	0.257%	102,634	136	2,613,342	0.54%
2018	16,581,320	118,687	16,700,007	5,289,801,759	0.316%	103,671	160	2,562,854	0.65%
2017	18,950,394	156,666	19,107,060	4,999,136,199	0.382%	104,639	181	2,511,424	0.76%
2016	20,934,468	192,162	21,126,630	4,865,543,589	0.434%	105,748	198	2,464,246	0.86%
2015	23,525,374	0	23,525,374	4,703,257,503	0.500%	105,790	222	2,439,200	0.96%
2014	25,912,657	0	25,912,657	4,595,016,903	0.564%	100,165	259	2,386,531	1.09%
2013	28,240,401	0	28,070,000	4,503,010,200	0.623%	105,835	267	2,261,164	1.24%
2012	27,247,150	0	27,325,000	4,379,417,943	0.624%	105,835	257	2,215,656	1.23%
2011	29,825,000	0	29,825,000	4,281,173,280	0.697%	105,835	282	2,204,225	1.35%

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

Sources: Knox County Clerk's Office College records

Carl Sandburg College - Community College District 518

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

Last Ten Fiscal Years

TABLE H

Fiscal Year	Net General Bonded Debt	Estimated Actual Taxable Value of Property	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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	103,671	0.313%	160
2017	18,950,394	4,999,136,199	104,639	0.379%	181
2016	20,934,468	4,865,543,589	105,748	0.430%	198
2015	23,525,374	4,703,257,503	105,790	0.500%	222
2014	25,912,657	4,595,016,903	100,165	0.564%	259
2013	28,240,401	4,503,010,200	105,835	0.627%	267
2012	27,247,150	4,379,417,943	105,835	0.622%	257
2011	29,825,000	4,281,173,280	105,835	0.697%	282

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

Sources: Knox County Clerk's Office
College records

Carl Sandburg College - Community College District 518

Computation of Direct and Overlapping Bonded Debt

June 30, 2020

TABLE I

Overlapping Agencies	Outstanding		Amount
	Debt	Percent (1)	
Knox County	\$3,220,000	98.02%	\$3,156,244
Monmouth Park District	170,000	100.00%	170,000
City of Monmouth	34,905,024	100.00%	34,905,024
City of Galesburg	24,620,000	100.00%	24,620,000
Roseville-Swan-Point Pleasant-Ellison FPD	1,050,000	100.00%	1,050,000
Raritan Road District	70,000	100.00%	70,000
Mendon CUSD #4	6,070,000	1.62%	98,334
Schuyler-Industry CUSD #5	0	20.74%	0
Bushnell-Prairie City CUSD #170	0	76.27%	0
Avon CUSD #176	0	61.93%	0
Macomb CUSD #185	5,795,000	0.02%	1,159
Aledo CUSD #201 - Now Mercer County CUSD #404	4,528,600	0.40%	18,114
Knoxville CUSD #202	4,325,000	100.00%	4,325,000
Galesburg CUSD #205	53,741,000	100.00%	53,741,000
ROWVA CUSD #208	6,860,000	95.03%	6,519,058
Abingdon CUSD #217	0	100.00%	0
Galva CUSD #224	750,000	0.25%	1,875
Alwood CUSD #225	1,845,000	0.24%	4,428
Monmouth-Roseville CUSD #238	3,420,000	100.00%	3,420,000
Farmington CUSD #265	5,801,382	19.71%	1,143,452
United CUSD #304	3,965,000	85.33%	3,383,335
Warsaw CUSD #316	975,000	100.00%	975,000
Elmwood CUSD #322	9,170,000	0.14%	12,838
Hamilton CUSD #328	7,120,000	100.00%	7,120,000
Dallas City CUSD #336	1,510,000	100.00%	1,510,000
LaHarpe Elementary District #347	1,745,000	100.00%	1,745,000
Williamsfield CUST #210	0	100.00%	0
Fulton County	340,000	0.25%	850
			147,990,711
Community College Dist. #518	\$10,996,528	100.00%	10,996,528
Total Direct & Overlapping General Obligation Bonded Debt			\$158,987,239

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

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

Carl Sandburg College - Community College District 518

Legal Debt Margin

Last Ten Fiscal Years

TABLE J

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
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%
2013	44,035,579	28,070,000	15,965,579	63.744%
2012	43,153,848	27,325,000	15,828,848	63.320%
2011	41,969,422	29,825,000	12,144,422	71.064%

Assessed valuation - 2019 levy \$1,977,507,771

Debt limit (2.875% of total assessed value) \$56,853,348

Debt applicable to limit:

General obligation bonds 10,996,528

Capital leases 34,574

Total net debt applicable to limit 11,031,102

Legal debt margin \$45,822,246

Sources: Knox County Clerk's Office College records

Carl Sandburg College - Community College District 518

Demographic and Economic Statistics*

Last Ten Fiscal Years

TABLE K

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

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

Carl Sandburg College - Community College District 518

Principal Employers

Current Year and Nine Years Ago

TABLE L

Employer	2020			2011		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Smithfield Foods Inc (Farmland)	1,700	1	1.58%	1,400	1	2.25%
Burlington Northern Santa Fe Railroad	1,031	2	0.96%	1,115	2	1.79%
OSF (Galesburg, Monmouth)	780	3	0.73%	1,025	3	1.65%
Dick Blick Art Materials	683	4	0.64%	550	6	0.88%
Galesburg Cottage Hospital	620	5	0.58%	730	4	1.17%
HyVee Food Stores	578	6	0.54%	574	5	0.92%
Galesburg School District #205	455	7	0.42%	542	7	0.87%
Knox County	450	8	0.42%	420	10	0.68%
Carl Sandburg College	377	9	0.35%	454	8	0.73%
Bridgeway	324	10	0.30%	450	9	0.72%
Total	6,998		6.52%	7,260		11.66%

Sources:

http://www.knoxpartnership.com/top-employers/City_of_Galesburg

Source:

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

Source: Labor Force Population

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

Carl Sandburg College - Community College District 518

Full-Time Equivalent Employees

Last Ten Fiscal Years

TABLE M

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction-Faculty	86	71	81	86	83	95	109	116	113	112
Full-time	39	39	39	47	50	51	54	57	56	55
Part-time	47	32	42	39	33	44	55	59	57	57
Administrative Staff	21	23	22	22	22	23	23	21	19	20
Full-time	21	22	21	21	22	23	23	21	19	20
Part-time	0	1	1	1	0	0	0	0	0	0
Other Non-Teaching Professional	62	63	66	56	58	57	64	69	70	72
Full-time	62	47	47	56	56	56	62	65	66	67
Part-time	0	16	19	0	2	1	2	4	4	5
Classified Staff	31	46	49	52	51	50	53	56	56	55
Full-time	30	45	48	43	43	47	51	55	53	53
Part-time	1	1	1	9	8	3	2	1	3	2
Total	200	203	218	216	214	225	249	262	258	259

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

TABLE N

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction: ¹										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,107	2,118	2,183	1,950	1,837	1,972	2,326	2,740	2,784	3,270
Vocational	0	0	2	0	0	0	0	0	2	19
Occupational	572	582	557	581	662	686	932	1,046	1,101	1,055
ABE	0	0	0	0	15	72	123	154	196	225
ASE	0	0	0	0	23	62	94	126	140	142
ESL	0	0	0	0	15	80	118	128	84	74
General Studies	0	0	0	0	0	0	0	0	0	0
General Associates	357	363	310	469	407	428	115	91	85	83
Total	3,036	3,063	3,052	3,000	2,959	3,300	3,708	4,285	4,392	4,868
Annual FTE Students ²	1,177	1,176	1,201	1,229	1,258	1,339	1,450	1,599	1,644	1,737
Total Reimbursable Credit Hours ³	35,308	35,282	36,020	36,863	37,748	40,172	43,511	47,972	49,316	52,113
Degrees awarded: ⁴										
Associate (transfer)	248	203	204	231	206	178	167	148	129	118
Associate in applied science	115	159	154	106	135	135	134	156	140	119
Career & technical certificates	117	105	125	143	150	222	236	133	176	152
Average annual faculty salary ⁵	\$59,275	\$60,419	\$58,761	\$56,853	\$56,285	\$54,159	\$54,670	\$52,907	\$55,771	\$62,269
Students per faculty ⁶	14	14	15	17	17	15	15	16	16	17
Institutional support: ⁷										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.05	1.15	1.23	1.23	1.29	1.25	1.29	1.4	1.45	1.80

¹Source: ICCB A1 Annual Student Enrollment and Completion

²Source: Total Reimbursable Credit Hours / 15 / 2

³Source: ICCB SU SR for each semester

⁴Source: ICCB A1 Annual Student Enrollment and Completion

⁵Source: ICCB C1 Faculty, Staff, Salary Data

⁶Source: IPEDS Fall Enrollment

⁷Source: ICCB Tax Revenue and Budget Information Survey

Carl Sandburg College - Community College District 518

Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Building - acres	6.2	6.2	6.2	6.2	6.4	6.9	6.9	6.9	6.9	6.9
Classroom - sq. ft.	44,975	44,975	44,975	44,975	43,938	48,340	45,898	47,195	45,756	47,128
Lab - sq. ft.	57,585	57,585	57,585	57,585	58,585	57,471	66,251	70,989	69,154	70,124
Academic support:										
Support - sq. ft.	4,268	4,268	4,268	4,268	4,284	3,595	3,763	3,530	3,530	3,530
Study - sq. ft.	17,184	17,184	17,184	17,184	17,654	18,044	18,760	17,750	18,784	18,784
Student services:										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694	11,694
General administration:										
Office - sq. ft.	31,133	31,133	31,133	31,133	32,840	33,528	36,954	37,154	37,154	37,154
Institutional support:										
Landscaped grounds - acres	34.6	34.6	34.6	34.6	34.7	37.9	37.9	37.9	37.9	37.9
Parking lots - acres	9.2	9.2	9.2	9.2	9.2	9.9	9.9	9.9	9.9	9.9
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Acres - ICCB Table 2

Source: Sq.ft. - ICCB R3

SPECIAL REPORTS SECTION

Supplemental Financial Information

Carl Sandburg College – Community College District 518

Supplemental Financial Information Section

Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Certificate of Chargeback Reimbursement

- No. 6 - Certificate of Chargeback Reimbursement

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2019, as restated	\$6,172,988	\$1,488,800	(\$190,640)	\$7,111,762
Revenue:				
Local taxes	4,760,452	1,096,962	939,323	0
All other local government	0	0	0	0
ICCB grants	1,386,765	109,728	46,107	0
All other state revenue	0	0	0	0
State of Illinois on-behalf payments	0	0	0	0
Federal revenue	13,036	0	0	0
Student tuition and fees	6,625,357	646,149	0	0
All other revenue	296,402	8,997	530	316,326
Total revenue	13,082,012	1,861,836	985,960	316,326
Expenditures:				
Instruction	5,733,307	0	0	0
Academic support	421,217	0	0	0
Student services	2,248,706	0	0	0
Public service	102,562	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance	0	1,165,908	0	0
Institutional support	2,514,254	123,546	(331,754)	0
Scholarships, student grants, and waivers	169,989	0	0	0
Principal retirement		43,478	0	0
Interest, service charges, and issuance costs	0	3,953	0	0
Building construction, building improvements, and equipment	29,665	68,331	1,242,191	0
Total expenditures	11,219,700	1,405,216	910,437	0
Transfers in	38,487	0	15,000	0
Transfers out	(390,130)	0	0	0
	(351,643)	0	15,000	0
Fund balance (deficit) at June 30, 2020	\$7,683,657	\$1,945,420	(\$100,117)	\$7,428,088

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2020

	Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund
Fund balance (deficit) at July 1, 2019, as restated	\$483,245	\$216,973	\$505,271	(\$28,277)
Revenue:				
Local taxes	3,229,197	0	0	93,491
All other local government	0	0	0	0
ICCB grants	0	0	0	0
All other state revenue	0	0	1,056,392	0
State of Illinois on-behalf payments	0	0	7,663,596	0
Federal revenue	0	0	5,949,533	0
Student tuition and fees	0	0	0	0
All other revenue	98	263,444	198,079	0
Total revenue	3,229,295	263,444	14,867,600	93,491
Expenditures:				
Instruction	0	0	3,679,157	0
Academic support	0	0	183,675	0
Student services	0	0	2,130,306	0
Public service	0	0	74,097	0
Auxiliary services	0	663,899	328,652	0
Operation and maintenance	0	0	411,337	0
Institutional support	1,651	0	2,004,233	64,448
Scholarships, student grants, and waivers	0	0	6,017,184	0
Principal retirement	2,870,000	0	0	0
Interest, service charges, and issuance costs	387,401	0	0	0
Building construction, building improvements, and equipment	0	0	6,256	0
Total expenditures	3,259,052	663,899	14,834,897	64,448
Transfers in	0	428,145	0	0
Transfers out	0	(38,487)	0	0
	0	389,658	0	0
Fund balance (deficit) at June 30, 2020	\$453,488	\$206,176	\$537,974	\$766

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2020

	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Non- Expendable Trust Fund	Total
Fund balance (deficit) at July 1, 2019, as restated	\$3,209,615	\$1,096,953	\$8,345,598	\$28,412,288
Revenue:				
Local taxes	2,358,854	0	0	12,478,279
All other local government	0	0	0	0
ICCB grants	0	0	0	1,542,600
All other state revenue	0	0	0	1,056,392
State of Illinois on-behalf payments	0	0	0	7,663,596
Federal revenue	0	0	0	5,962,569
Student tuition and fees	0	0	0	7,271,506
All other revenue	115,523	25,098	174,745	1,399,242
Total revenue	2,474,377	25,098	174,745	37,374,184
Expenditures:				
Instruction	0	0	0	9,412,464
Academic support	0	0	0	604,892
Student services	0	0	0	4,379,012
Public service	0	0	0	176,659
Auxiliary services	0	0	0	992,551
Operation and maintenance	0	0	0	1,577,245
Institutional support	1,960,930	0	625	6,337,933
Scholarships, student grants, and waivers	0	0	0	6,187,173
Principal retirement	0	0	0	2,913,478
Interest, service charges, and issuance costs	0	0	0	391,354
Building construction, building improvements, and equipment	0	0	0	1,346,443
Total expenditures	1,960,930	0	625	34,319,204
Transfers in	0	0	0	481,632
Transfers out	0	0	(53,015)	(481,632)
	0	0	(53,015)	0
Fund balance (deficit) at June 30, 2020	\$3,723,062	\$1,122,051	\$8,466,703	\$31,467,268

Carl Sandburg College - Community College District 518

Uniform Financial Statement #2

Summary of Fixed Assets and Debt*

For the year ended June 30, 2020

	Fixed Assets/ Debt Account Groups July 1, 2019	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2020
Fixed assets:					
Land	\$346,125	\$0	\$0	\$0	\$346,125
Work in progress	1,041,487	979,585	0	(1,645,690)	375,382
Furniture and equipment	6,271,819	44,064	0	0	6,315,883
Land improvements	1,023,106	7,000	0	1,305,516	2,335,622
Buildings and additions	31,415,423	22,685	206,832	340,174	31,571,450
Vehicles	262,999	5,500	0	0	268,499
Infrastructure	3,376,418	0	0	0	3,376,418
Total fixed assets	43,737,377	1,058,834	206,832	0	44,589,379
Accumulated depreciation	27,170,349	1,557,545	0	0	28,727,894
Total net fixed assets	\$16,567,028	(\$498,711)	\$206,832	\$0	\$15,861,485
Fixed debts:					
Bonds payable	\$13,640,000	\$0	\$2,870,000	\$0	\$10,770,000
OPEB liability	8,844,364	0	184,277	0	8,660,087
Capital leases	78,052	0	43,478	0	34,574
Other fixed liabilities	367,808	328,666	264,593	0	431,881
Total fixed debts	\$22,930,224	\$328,666	\$3,362,348	\$0	\$19,896,542

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2020.

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

For the year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$4,614,841	\$951,351	\$5,566,192
Corporate personal property replacement tax	145,611	145,611	291,222
Tuition chargeback revenue	0	0	0
Total local government	4,760,452	1,096,962	5,857,414
State government:			
ICCB base operating grant	1,225,985	105,728	1,331,713
ICCB equalization grant	46,000	4,000	50,000
ICCB career and technical education formula grant	114,780	0	0
Total state government	1,386,765	109,728	1,496,493
Total federal government	13,036	0	13,036
Student tuition and fees:			
Tuition	6,326,630	537,774	6,864,404
Fees	298,727	108,375	407,102
Total tuition and fees	6,625,357	646,149	7,271,506
Other sources:			
Interest	232,933	0	232,933
Other	63,469	8,997	72,466
Total other sources	296,402	8,997	305,399
Total revenue	13,082,012	1,861,836	14,943,848
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
Adjusted revenue	\$13,082,012	\$1,861,836	\$14,943,848

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

For the year ended June 30, 2020

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$5,742,472	\$0	\$5,742,472
Academic support	421,217	0	421,217
Student services	2,248,706	0	2,248,706
Public services	102,562	0	102,562
Operation and maintenance of plant	0	1,234,239	1,234,239
Institutional support	2,534,754	170,977	2,705,731
Scholarships, student grants, and waivers	169,989	0	169,989
Total expenditures	11,219,700	1,405,216	12,624,916
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	\$11,219,700	\$1,405,216	\$12,624,916
By object:			
Salaries	\$7,422,703	\$533,872	\$7,956,575
Employee benefits	1,105,739	168,459	1,274,198
Contractual services	601,909	72,080	673,989
General materials and supplies	892,755	104,301	997,056
Conference and meeting expense	106,789	1,761	108,550
Principal retirement	0	43,478	43,478
Fixed charges	74,747	5,377	80,124
Utilities	0	435,426	435,426
Capital outlay	49,354	29,162	78,516
Other	965,704	11,300	977,004
Total expenditures	11,219,700	1,405,216	12,624,916
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	\$11,219,700	\$1,405,216	\$12,624,916

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

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

For the year ended June 30, 2020

Revenue by source:

State government:	
Illinois Map Grant	\$1,047,720
State of Illinois on-behalf payments	7,663,596
ICCB -	
Program Improvement Grant	8,672
<hr/>	
Total state government	8,719,988
<hr/>	
Federal government:	
Department of Education:	
College Work Study Grants	53,927
Pell Grants	3,740,331
Supplemental Educational Opportunity Grant	42,539
Direct Loans	512,290
Trio-Student Support services	245,567
Trio-Upward Bound	303,816
Trio-Upward Bound Math & Science	290,465
Perkins Postsecondary-Federal Allocation	105,772
Perkins Career Corporate Development	47,995
UISFL Grant	0
CARES Grant	606,831
Department of Labor:	
TAACCT BioProgress Grant	0
<hr/>	
Total federal government	5,949,533
<hr/>	
Other sources	198,079
<hr/>	
Total restricted purposes fund revenues	\$14,867,600
<hr/> <hr/>	

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2020

Expenditures by program:

Instruction	\$3,685,413
Academic services	183,675
Student services	2,130,306
Public services	74,097
Auxiliary services	328,652
Operation and maintenance of plant	411,337
Institutional support	2,004,233
Scholarships, student grants, and waivers	6,017,184

Total restricted purposes fund expenditures
by program

\$14,834,897

Expenditures by object:

Salaries	\$459,300
Employee benefits (including State of Illinois on-behalf payments)	7,823,282
Contractual services	15,816
General materials and supplies	176,084
Travel, conference and meeting expense	21,252
Student financial aid	5,976,407
Capital outlay	19,500
Other	343,256

Total restricted purposes fund expenditures by object

\$14,834,897

Carl Sandburg College - Community College District 518

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

For the year ended June 30, 2020

Instructional:	
Programs	\$8,289,657
Support	1,138,228
Total instructional	9,427,885
Academic support:	
Learning resource center	101,104
Instructional materials center	362,207
Other academic support	141,581
Total academic support	604,892
Student services:	
Admissions and records	126,164
Counseling and career guidance	1,849,468
Financial aid administration	215,664
Other student services	2,187,716
Total student services	4,379,012
Public service/continuing education:	
Community education	50,073
Customized training (instructional)	60,169
Community services	2,067
Other public service	64,350
Total public service/continuing education	176,659
Auxiliary services	992,551
Operations and maintenance of plant:	
Maintenance	354,437
Custodial	236,372
Grounds	143,830
Plant utilities	331,141
Other operations and maintenance	579,796
Total operations and maintenance of plant	1,645,576
Institutional support:	
Executive management	239,219
Fiscal operations	273,563
Community relations	492,769
Administrative support services	1,806,897
Board of trustees	28,283
General institution	806,267
Institutional research	209,489
Administrative data processing	595,570
Other institutional support	2,283,285
Total institutional support	6,735,342
Scholarships, student grants, and waivers	6,187,173
Total current funds expenditures	\$30,149,090

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

Carl Sandburg College - Community College District 518

Certification of Chargeback Reimbursement

For Fiscal Year 2020

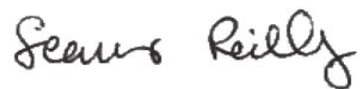
All fiscal year 2020 noncapital audited operating expenditures from the following funds:	
1 Education Fund	\$11,190,035
2 Operations and Maintenance Fund	1,289,454
3 Public Building Commission Operation and Maintenance Fund	0
4 Bond and Interest Fund	1,821,656
5 Public Building Commission Rental Fund	0
6 Restricted Purposes Fund	14,828,641
7 Audit Fund	64,448
8 Liability, Protection, and Settlement Fund	1,960,930
9 Auxiliary Enterprises Fund (subsidy only)	<u>0</u>
10 Total noncapital expenditures (sum of lines 1-9)	<u><u>\$31,155,164</u></u>
11 Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$830,627</u></u>
12 Total costs included (line 10 plus line 11)	<u><u>\$31,985,791</u></u>
13 Total certified semester credit hours for FY 2020	<u>35,308</u>
14 Per capita cost (line 12 divided by line 13)	\$905.92
15 All FY 2020 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>\$7,060,896</u></u>
16 FY 2020 state and federal grants per semester credit hour (line 15 divided by line 13)	199.98
17 District's average ICCB grant rate (excluding equalization grants) for FY 2021	45.03
18 District's student tuition and fee rate per semester credit hour for FY 2021	<u>170.00</u>
19 Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u><u>\$490.91</u></u>

Approved: 

Chief Financial Officer

9/18/2020

Date



President

9/18/2020

Date

Other Supplemental Financial Information

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Cash and cash equivalents	\$10,131,750	\$0	\$0	\$0
Deposits	0	0	0	0
Investments	0	0	38,698	9,932,140
Receivables, net:				
Property taxes	4,049,169	833,013	833,013	0
Government claims and grants	86,633	26,425	0	0
Other	455,070	0	46,107	44,258
Advances to other funds	0	2,230,921	0	0
Prepaid items	203,740	0	0	0
Inventories	0	0	0	0
Property and equipment, net	0	0	0	0
Total assets	14,926,362	3,090,359	917,818	9,976,398
Deferred outflows of resources -				
Deferred pension	0	0	0	0
Deferred OPEB	0	0	0	0
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	0	0	0
Total assets and deferred outflows	\$14,926,362	\$3,090,359	\$917,818	\$9,976,398
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$339,911	\$0	\$0	\$0
Accrued liabilities	37,636	0	0	0
Advances from other funds	2,261,148	0	60,760	2,548,310
Unearned tuition and fees	0	187,764	0	0
Accrued compensated absences	0	0	0	0
Capital lease payable	0	0	0	0
OPEB Liability	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0
Total liabilities	2,638,695	187,764	60,760	2,548,310
Deferred inflows of resources:				
Deferred property taxes	4,604,010	957,175	957,175	0
Deferred grant revenue	0	0	0	0
Deferred concessions	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	4,604,010	957,175	957,175	0
Fund balance (deficit):				
Net investment in capital assets	0	0	0	0
Restricted	0	0	0	0
Unrestricted	7,683,657	1,945,420	(100,117)	7,428,088
Total fund balance (deficit)	7,683,657	1,945,420	(100,117)	7,428,088
Total liabilities, deferred inflows of resources and fund balances	\$14,926,362	\$3,090,359	\$917,818	\$9,976,398

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Cash and cash equivalents	\$0	\$450	\$0	\$0	\$0
Deposits	0	0	0	0	0
Investments	7,085	0	0	0	4,251,753
Receivables, net:					
Property taxes	2,843,408	0	0	83,301	2,301,616
Government claims and grants	0	0	315,330	0	0
Other	0	5,430	0	0	20,944
Advances to other funds	870,215	218,765	460,726	13,182	0
Prepaid items	0	0	0	0	0
Inventories	0	6,900	0	0	0
Property and equipment, net	0	28,567	0	0	0
Total assets	3,720,708	260,112	776,056	96,483	6,574,313
Deferred outflows of resources -					
Deferred pension	0	0	0	0	0
Deferred OPEB	0	0	0	0	0
Unamortized loss on refunding	0	0	0	0	0
Total deferred outflows of resources	0	0	0	0	0
Total assets and deferred outflows	\$3,720,708	\$260,112	\$776,056	\$96,483	\$6,574,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$0	\$2,052	\$0	\$0	\$0
Accrued liabilities	0	12,951	0	0	0
Advances from other funds	0	0	0	0	206,578
Unearned tuition and fees	0	38,933	0	0	0
Accrued compensated absences	0	0	0	0	0
Capital lease payable	0	0	0	0	0
OPEB Liability	0	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0	0
Total liabilities	0	53,936	0	0	206,578
Deferred inflows of resources:					
Deferred property taxes	3,267,220	0	0	95,717	2,644,673
Deferred grant revenue	0	0	238,082	0	0
Deferred concessions	0	0	0	0	0
Deferred OPEB	0	0	0	0	0
Total deferred inflows	3,267,220	0	238,082	95,717	2,644,673
Fund balance (deficit):					
Net investment in capital assets	0	28,567	0	0	0
Restricted	453,488	0	537,974	0	0
Unrestricted	0	177,609	0	766	3,723,062
Total fund balance (deficit)	453,488	206,176	537,974	766	3,723,062
Total liabilities, deferred inflows of resources and fund balances	\$3,720,708	\$260,112	\$776,056	\$96,483	\$6,574,313

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2020

ASSETS AND DEFERRED OUTFLOWS	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust	Total
Cash and cash equivalents	\$0	\$4,261,218	\$14,393,418
Deposits	0	564,083	564,083
Investments	0	3,458,828	17,688,504
Receivables, net:			
Property taxes	0	0	10,943,520
Government claims and grants	0	0	428,388
Other	0	21,638	593,447
Advances to other funds	1,122,051	160,936	5,076,796
Prepaid items	0	0	203,740
Inventories	0	0	6,900
Property and equipment, net	0	0	28,567
Total assets	1,122,051	8,466,703	49,927,363
Deferred outflows of resources:			
Deferred pension	0	0	0
Deferred OPEB	0	0	0
Unamortized loss on refunding	0	0	0
Total deferred outflows of resources	0	0	0
Total assets and deferred outflows	\$1,122,051	\$8,466,703	\$49,927,363
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities:			
Accounts payable	\$0	\$0	\$341,963
Accrued liabilities	0	0	50,587
Advances from other funds	0	0	5,076,796
Unearned tuition and fees	0	0	226,697
Accrued compensated absences	0	0	0
Capital lease payable	0	0	0
OPEB Liability	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0
Total liabilities	0	0	5,696,043
Deferred inflows of resources:			
Deferred property taxes	0	0	12,525,970
Deferred grant revenue	0	0	238,082
Deferred concessions	0	0	0
Deferred OPEB	0	0	0
Total deferred inflows	0	0	12,764,052
Fund balance (deficit):			
Net investment in capital assets	0	0	28,567
Restricted	0	8,466,703	9,458,165
Unrestricted	1,122,051	0	21,980,536
Total fund balance (deficit)	1,122,051	8,466,703	31,467,268
Total liabilities, deferred inflows of resources and fund balances	\$1,122,051	\$8,466,703	\$49,927,363

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2020

	GASB			Adjusted Total
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
ASSETS AND DEFERRED OUTFLOWS				
Cash and cash equivalents	\$0	\$0	\$0	\$14,393,418
Deposits	0	0	0	564,083
Investments	0	0	0	17,688,504
Receivables, net:				
Property taxes	0	0	0	10,943,520
Government claims and grants	0	0	0	428,388
Other	0	0	0	593,447
Advances to other funds	0	0	(5,076,796)	0
Prepaid items	0	0	0	203,740
Inventories	0	0	0	6,900
Property and equipment, net	15,832,918	0	0	15,861,485
Total assets	15,832,918	0	(5,076,796)	60,683,485
Deferred outflows of resources:				
Deferred pension	0	0	49,241	49,241
Deferred OPEB	0	171,069	0	171,069
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	171,069	49,241	220,310
Total assets and deferred outflows	\$15,832,918	\$171,069	(\$5,027,555)	\$60,903,795
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$0	\$0	\$0	\$341,963
Accrued liabilities	0	0	(12,951)	37,636
Advances from other funds	0	0	(5,076,796)	0
Unearned tuition and fees	0	0	268,054	494,751
Accrued compensated absences	0	0	431,881	431,881
Capital lease payable	0	34,574	0	34,574
OPEB Liability	0	8,660,087	0	8,660,087
Bonds payable, net of amortized premiums (discounts)	0	10,996,528	0	10,996,528
Total liabilities	0	19,691,189	(4,389,812)	20,997,420
Deferred inflows of resources:				
Deferred property taxes	0	0	0	12,525,970
Deferred grant revenue	0	0	0	238,082
Deferred concessions	0	0	0	0
Deferred OPEB	0	1,679,172	0	1,679,172
Total deferred inflows	0	1,679,172	0	14,443,224
Fund balance (deficit):				
Net investment in capital assets	15,832,918	(9,312,200)	0	6,549,285
Restricted	0	0	0	9,458,165
Unrestricted	0	(11,887,092)	(637,743)	9,455,701
Total fund balance (deficit)	15,832,918	(21,199,292)	(637,743)	25,463,151
Total liabilities, deferred inflows of resources and fund balances	\$15,832,918	\$171,069	(\$5,027,555)	\$60,903,795

Carl Sandburg College - Community College District 518
Combining Schedule of Revenues, Expenditures/Expenses, and Changes
in Fund Balance/Net Position (Deficit) - All Fund Types
For the year ended June 30, 2020

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Revenues:				
Local government	\$4,760,452	\$1,096,962	\$939,323	\$0
State government	1,386,765	109,728	46,107	0
State of Illinois on-behalf payments	0	0	0	0
Federal government	13,036	0	0	0
Student tuition and fees	6,625,357	646,149	0	0
Sales and service fees	0	0	0	0
Interest	232,933	0	530	316,326
Other	63,469	8,997	0	0
Total revenues	13,082,012	1,861,836	985,960	316,326
Expenditures/expenses:				
Current:				
Instruction	5,742,472	0	0	0
Academic support	421,217	0	0	0
Student services	2,248,706	0	0	0
Public services	102,562	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance of plant	0	1,234,239	0	0
Institutional support	2,534,754	123,546	910,437	0
Scholarships, student grants, and waivers	169,989	0	0	0
Depreciation expense	0	0	0	0
Debt service:				
Principal retirement	0	43,478	0	0
Interest	0	3,953	0	0
Bond issuance costs	0	0	0	0
Total expenditures/expenses	11,219,700	1,405,216	910,437	0
Excess (deficiency) of revenues over expenditures/expenses	1,862,312	456,620	75,523	316,326
Other financing sources (uses):				
Loss on disposal of assets	0	0	0	0
Transfers in	38,487	0	15,000	0
Transfers out	(390,130)	0	0	0
Total other financing sources (uses)	(351,643)	0	15,000	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,510,669	456,620	90,523	316,326
Fund balance/net position (deficit) at beginning of year, as restated	6,172,988	1,488,800	(190,640)	7,111,762
Fund balance/net position (deficit) at end of year	\$7,683,657	\$1,945,420	(\$100,117)	\$7,428,088

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2020

	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Revenues:					
Local government	\$3,229,197	\$0	\$0	\$93,491	\$2,358,854
State government	0	0	1,056,392	0	0
State of Illinois on-behalf payments	0	0	7,663,596	0	0
Federal government	0	0	5,949,533	0	0
Student tuition and fees	0	0	0	0	0
Sales and service fees	0	172,979	0	0	0
Interest	98	0	0	0	101,664
Other	0	90,465	198,079	0	13,859
Total revenues	3,229,295	263,444	14,867,600	93,491	2,474,377
Expenditures/expenses:					
Current:					
Instruction	0	0	3,685,413	0	0
Academic support	0	0	183,675	0	0
Student services	0	0	2,130,306	0	0
Public services	0	0	74,097	0	0
Auxiliary services	0	648,784	328,652	0	0
Operation and maintenance of plant	0	0	411,337	0	0
Institutional support	1,651	0	2,004,233	64,448	1,960,930
Scholarships, student grants, and waivers	0	0	6,017,184	0	0
Depreciation expense	0	15,115	0	0	0
Debt service:					
Principal retirement	2,870,000	0	0	0	0
Interest	387,401	0	0	0	0
Bond issuance costs	0	0	0	0	0
Total expenditures/expenses	3,259,052	663,899	14,834,897	64,448	1,960,930
Excess (deficiency) of revenues over expenditures/expenses	(29,757)	(400,455)	32,703	29,043	513,447
Other financing sources (uses):					
Loss on disposal of assets	0	0	0	0	0
Transfers in	0	428,145	0	0	0
Transfers out	0	(38,487)	0	0	0
Total other financing sources (uses)	0	389,658	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(29,757)	(10,797)	32,703	29,043	513,447
Fund balance/net position (deficit) at beginning of year, as restated	483,245	216,973	505,271	(28,277)	3,209,615
Fund balance/net position (deficit) at end of year	\$453,488	\$206,176	\$537,974	\$766	\$3,723,062

Carl Sandburg College - Community College District 518
Combining Schedule of Revenues, Expenditures/Expenses, and Changes
in Fund Balance/Net Position (Deficit) - All Fund Types (Continued)
For the year ended June 30, 2020

	Sandburg Initiates	Nonexpendable Trust	Totals
	Life-Changing Opportunities		
Revenues:			
Local government	\$0	\$0	\$12,478,279
State government	0	0	2,598,992
State of Illinois on-behalf payments	0	0	7,663,596
Federal government	0	0	5,962,569
Student tuition and fees	0	0	7,271,506
Sales and service fees	0	0	172,979
Interest	25,098	174,745	851,394
Other	0	0	374,869
Total revenues	25,098	174,745	37,374,184
Expenditures/expenses:			
Current:			
Instruction	0	0	9,427,885
Academic support	0	0	604,892
Student services	0	0	4,379,012
Public services	0	0	176,659
Auxiliary services	0	0	977,436
Operation and maintenance of plant	0	0	1,645,576
Institutional support	0	625	7,600,624
Scholarships, student grants, and waivers	0	0	6,187,173
Depreciation expense	0	0	15,115
Debt service:			
Principal retirement	0	0	2,913,478
Interest	0	0	391,354
Bond issuance costs	0	0	0
Total expenditures/expenses	0	625	34,319,204
Excess (deficiency) of revenues over expenditures/expenses	25,098	174,120	3,054,980
Other financing sources (uses):			
Loss on disposal of assets	0	0	0
Transfers in	0	0	481,632
Transfers out	0	(53,015)	(481,632)
Total other financing sources (uses)	0	(53,015)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	25,098	121,105	3,054,980
Fund balance/net position (deficit) at beginning of year, as restated	1,096,953	8,345,598	28,412,288
Fund balance/net position (deficit) at end of year	\$1,122,051	\$8,466,703	\$31,467,268

Carl Sandburg College - Community College District 518

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

For the year ended June 30, 2020

	GASB			Adjusted Total
	General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Revenues:				
Local government	\$0	\$0	\$0	\$12,478,279
State government	0	0	0	2,598,992
State of Illinois on-behalf payments	0	0	(7,663,596)	0
Federal government	0	0	0	5,962,569
Student tuition and fees	0	0	(1,301,362)	5,970,144
Sales and service fees	0	0	0	172,979
Interest	0	0	0	851,394
Other	0	0	7,663,596	8,038,465
Total revenues	0	0	(1,301,362)	36,072,822
Expenditures/expenses:				
Current:				
Instruction	(19,500)	137,541	10,178	9,556,104
Academic support	0	7,102	1,928	613,922
Student services	0	47,759	20,490	4,447,261
Public services	0	2,475	92	179,226
Auxiliary services	0	6,478	0	983,914
Operation and maintenance of plant	(20,836)	15,906	10,110	1,650,756
Institutional support	(994,211)	77,500	18,929	6,702,842
Scholarships, student grants, and waivers	0	1,577	(1,313,057)	4,875,693
Depreciation expense	1,542,430	0	0	1,557,545
Debt service:				
Principal retirement	0	(2,913,478)	0	0
Interest	0	(79,521)	0	311,833
Bond issuance costs	0	0	0	0
Total expenditures/expenses	507,883	(2,696,661)	(1,251,330)	30,879,096
Excess (deficiency) of revenues over expenditures/expenses	(507,883)	2,696,661	(50,032)	5,193,726
Other financing sources (uses):				
Loss on disposal of assets	(206,830)	0	0	(206,830)
Transfers in	0	0	0	481,632
Transfers out	0	0	0	(481,632)
Total other financing sources (uses)	(206,830)	0	0	(206,830)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(714,713)	2,696,661	(50,032)	4,986,896
Fund balance/net position (deficit) at beginning of year, as restated	16,547,631	(23,895,953)	(587,711)	20,476,255
Fund balance/net position (deficit) at end of year	\$15,832,918	(\$21,199,292)	(\$637,743)	\$25,463,151

Carl Sandburg College - Community College District 518

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

Budget and Actual

Education Fund

For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$4,463,199	\$4,614,841	\$151,642
Corporate personal property replacement tax	150,000	145,611	(4,389)
Total local government	4,613,199	4,760,452	147,253
State government:			
ICCB base operating grant	943,064	1,225,985	282,921
ICCB equalization grant	50,000	46,000	(4,000)
ICCB career and technical education formula grant	32,255	114,780	82,525
Total state government	1,025,319	1,386,765	361,446
Federal government	0	13,036	13,036
Student tuition and fees	6,206,030	6,625,357	419,327
Interest	35,000	232,933	197,933
Miscellaneous - other	89,034	63,469	(25,565)
Total revenues	11,968,582	13,082,012	1,113,430
Expenditures:			
Instruction:			
Salaries	4,835,991	4,663,061	172,930
Employee benefits	676,500	503,582	172,918
Contractual services	273,804	194,501	79,303
General materials and supplies	360,535	267,248	93,287
Conference and meeting expense	79,378	50,198	29,180
Capital Outlay	44,046	49,354	(5,308)
Other	74,241	14,528	59,713
Total instruction	6,344,495	5,742,472	602,023

Carl Sandburg College - Community College District 518

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

Budget and Actual (Continued)

Education Fund

For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Academic support:			
Salaries	224,923	240,978	(16,055)
Employee benefits	45,990	37,435	8,555
Contractual services	105,886	105,675	211
General materials and supplies	35,853	35,176	677
Conference and meeting expense	2,100	1,953	147
Other	0	0	0
Total academic support	414,752	421,217	(6,465)
Student services:			
Salaries	1,178,097	1,184,683	(6,586)
Employee benefits	260,820	196,536	64,284
Contractual services	72,113	91,685	(19,572)
General materials and supplies	47,199	31,033	16,166
Conference and meeting expense	32,850	16,361	16,489
Other	692,320	728,408	(36,088)
Total student services	2,283,399	2,248,706	34,693
Public services:			
Salaries	99,305	84,204	15,101
Employee benefits	25,200	9,359	15,841
Contractual services	17,678	5,822	11,856
General materials and supplies	10,035	2,165	7,870
Conference and meeting expense	1,725	681	1,044
Fixed charges	0	0	0
Other	1,500	331	1,169
Total public services	155,443	102,562	52,881
Institutional support:			
Salaries	1,442,406	1,249,777	192,629
Employee benefits	346,977	358,827	(11,850)
Contractual services	195,008	204,226	(9,218)
General materials and supplies	628,778	557,133	71,645
Conference and meeting expense	84,879	37,596	47,283
Fixed charges	106,425	74,747	31,678
Capital outlay	0	0	0
Other	108,732	52,448	56,284
Total institutional support	2,913,205	2,534,754	378,451

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
Education Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Scholarships, student grants, and waivers -			
Other	0	169,989	(169,989)
Total scholarships, student grants, and waivers	0	169,989	(169,989)
Total expenditures	12,111,294	11,219,700	891,594
Excess (deficiency) of revenues over expenditures	(142,712)	1,862,312	2,005,024
Other financing sources -			
Transfers in	633,487	38,487	(595,000)
Transfers out	(376,880)	(390,130)	(13,250)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$113,895</u>	1,510,669	<u>\$1,396,774</u>
Fund balance at beginning of year		<u>6,172,988</u>	
Fund balance at end of year		<u><u>\$7,683,657</u></u>	

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Operations and Maintenance Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$884,066	\$951,351	\$67,285
Corporate personal property replacement tax	100,000	145,611	45,611
Total local government	984,066	1,096,962	112,896
State government:			
ICCB base operating grant	83,020	105,728	22,708
ICCB equalization grant	2,630	4,000	1,370
Total state government	85,650	109,728	24,078
Student tuition and fees	619,920	646,149	26,229
Interest	0	0	0
Other:			
Rent	5,000	8,773	3,773
Miscellaneous	0	224	224
Total other revenue	5,000	8,997	3,997
Total revenues	1,694,636	1,861,836	167,200
Expenditures:			
Operation and maintenance of plant:			
Salaries	549,677	533,872	15,805
Employee benefits	219,240	168,459	50,781
Contractual services	179,285	58,450	120,835
General materials and supplies	93,759	98,670	(4,911)
Conference and meeting expense	2,850	1,761	1,089
Fixed charges	3,000	1,424	1,576
Utilities	440,820	331,141	109,679
Capital outlay	12,686	29,162	(16,476)
Other	61,220	11,300	49,920
Total operation and maintenance of plant	1,562,537	1,234,239	328,298

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
Operations and Maintenance Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	13,500	13,630	(130)
General Materials and Supplies	10,000	5,631	4,369
Principal retirement	38,000	43,478	(5,478)
Conference and meeting expense	1,500	0	1,500
Interest	12,500	3,953	8,547
Utilities	97,200	104,285	(7,085)
Total institutional support	172,700	170,977	1,723
Total expenditures	1,735,237	1,405,216	330,021
Excess (deficiency) of revenues over expenditures	(40,601)	456,620	497,221
Other financing sources (uses) -			
Transfers in	45,000	0	(45,000)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$4,399</u>	456,620	<u>\$452,221</u>
Fund balance at beginning of year		<u>1,488,800</u>	
Fund balance at end of year		<u>\$1,945,420</u>	

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenses, and Changes in Fund Balance
Budget and Actual
Auxiliary Enterprise Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Operating revenues:			
Sales and service fees	\$142,770	\$172,979	\$30,209
Other	98,144	90,465	(7,679)
Total operating revenues	240,914	263,444	22,530
Operating expenses:			
Salaries	221,846	221,538	308
Employee benefits	43,848	28,077	15,771
Contractual services	50,438	39,003	11,435
General materials and supplies	203,362	227,954	(24,592)
Conference and meeting expense	51,192	48,935	2,257
Capital outlay	50,685	32,996	17,689
Depreciation	0	15,115	(15,115)
Other	62,644	50,281	12,363
Total operating expenses	684,015	663,899	20,116
Operating income before transfers in (out)	(443,101)	(400,455)	42,646
Other financing sources (uses) -			
Transfers in	422,680	428,145	5,465
Transfers out	0	(38,487)	(38,487)
Total other financing sources (uses)	422,680	389,658	(33,022)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$20,421)</u>	<u>(10,797)</u>	<u>\$9,624</u>
Fund balance at beginning of year		<u>216,973</u>	
Fund balance at end of year		<u>\$206,176</u>	

Carl Sandburg College - Community College District 518

Schedule of Operating Revenues and Expenses, by Program

Auxiliary Enterprise Fund

For the year ended June 30, 2020

	Auto Mechanics	Bookstore	Dental Hygiene
Operating revenues:			
Sales and service fees	\$29,945	\$0	\$18,155
Other	0	66,255	6,859
Total operating revenues	29,945	66,255	25,014
Operating expenses:			
Salaries	0	0	0
Employee benefits	0	0	0
Contractual services	0	0	0
General materials and supplies	33,967	0	33,688
Conference and meetings	0	0	0
Capital outlay	0	0	1,600
Depreciation	0	0	0
Other	0	0	0
Total operating expenses	33,967	0	35,288
Operating income (loss)	(\$4,022)	\$66,255	(\$10,274)

Carl Sandburg College - Community College District 518
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund (Continued)
For the year ended June 30, 2020

	Food Service	Athletics	Student Activities - Other Services	Totals
Operating revenues:				
Sales and service fees	\$0	\$0	\$124,879	\$172,979
Other	6,638	0	10,713	90,465
Total operating revenues	6,638	0	135,592	263,444
Operating expenses:				
Salaries	0	102,190	119,348	221,538
Employee benefits	0	28,077	0	28,077
Contractual services	0	36,285	2,718	39,003
General materials and supplies	0	42,780	117,519	227,954
Conference and meetings	0	48,555	380	48,935
Capital outlay	0	0	31,396	32,996
Depreciation	0	0	15,115	15,115
Other	49	10,502	39,730	50,281
Total operating expenses	49	268,389	326,206	663,899
Operating income (loss)	\$6,589	(\$268,389)	(\$190,614)	(\$400,455)

Carl Sandburg College - Community College District 518

Combining Balance Sheet - Liability Protection Funds

June 30, 2020

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments	\$0	\$0	\$4,251,753	\$4,251,753
Receivables, net:				
Property taxes	0	2,301,616	0	2,301,616
Other	0	0	20,944	20,944
Total assets	\$0	\$2,301,616	\$4,272,697	\$6,574,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities -				
Advances from other funds	\$6,105	\$86,460	\$114,013	\$206,578
Deferred inflows of resources -				
Deferred property taxes	0	2,644,673	0	2,644,673
Fund balance -				
Unrestricted	(6,105)	(429,517)	4,158,684	3,723,062
Total fund balance	(6,105)	(429,517)	4,158,684	3,723,062
Total liabilities, deferred inflows of resources, and fund balances	\$0	\$2,301,616	\$4,272,697	\$6,574,313

Carl Sandburg College - Community College District 518
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balance (Deficit)
Liability Protection Funds
For the year ended June 30, 2020

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government	\$0	\$2,358,854	\$0	\$2,358,854
Interest	0	0	101,664	101,664
Other	13,859	0	0	13,859
Total revenues	13,859	2,358,854	101,664	2,474,377
Expenditures -				
Current -				
Institutional support	12,416	1,948,514	0	1,960,930
Excess (deficiency) of revenues over expenditures	1,443	410,340	101,664	513,447
Other financing sources -				
Sale of capital assets	0	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures	1,443	410,340	101,664	513,447
Fund balance (deficit) at beginning of year	(7,548)	(839,857)	4,057,020	3,209,615
Fund balance (deficit) at end of year	(\$6,105)	(\$429,517)	\$4,158,684	\$3,723,062

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in
Fund Balance (Deficit) - Budget and Actual
Employee Insurance Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Revenues -			
Other	\$10,000	\$13,859	\$3,859
Expenditures -			
Employee benefits	16,250	12,416	3,834
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(\$6,250)</u>	1,443	<u>\$7,693</u>
Fund balance (deficit) at beginning of year		(7,548)	
Fund balance (deficit) at end of year		<u>(\$6,105)</u>	

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
Budget and Actual
Liability, Protection, and Settlement Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	\$2,149,763	\$2,358,854	\$209,091
Interest income	0	0	0
Total revenues	2,149,763	2,358,854	209,091
Expenditures:			
Salaries	1,437,398	1,370,132	67,266
Employee benefits	286,952	259,402	27,550
Contractual services	274,234	136,663	137,571
General materials and supplies	24,086	0	24,086
Conference and meetings	4,500	341	4,159
Fixed charges	255,000	168,521	86,479
Other	10,000	13,455	(3,455)
Total expenditures	2,292,170	1,948,514	343,656
Excess (deficiency) of revenues over expenditures	(142,407)	410,340	552,747
Other financing sources (uses) -			
Sale of capital assets	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(\$142,407)</u>	410,340	<u>\$552,747</u>
Fund balance (deficit) at beginning of year		<u>(839,857)</u>	
Fund balance (deficit) at end of year		<u>(\$429,517)</u>	

Carl Sandburg College - Community College District 518
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Insurance Reserve Fund
For the year ended June 30, 2020

	Budget	Actual	Variance With Budget
Revenues -			
Interest income	\$59,000	\$101,664	\$42,664
Expenditures -			
Other	0	0	0
Excess (deficiency) of revenues over expenditures	<u>\$59,000</u>	101,664	<u>\$42,664</u>
Fund balance at beginning of year		<u>4,057,020</u>	
Fund balance at end of year		<u>\$4,158,684</u>	

Carl Sandburg College - Community College District 518

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years 2019, 2018, and 2017

	2019	2018	2017
Assessed Valuations:			
Knox County	\$829,245,451	\$804,821,808	\$784,751,677
Fulton County	19,685,771	18,691,947	17,803,672
Hancock County	325,160,426	321,602,441	310,835,074
Henderson County	173,666,892	161,399,009	158,427,020
Henry County	3,723,086	3,657,254	3,625,198
McDonough County	187,880,258	181,150,906	176,088,824
Mercer County	27,181,440	26,079,839	25,102,123
Schuyler County	4,690,047	4,409,895	4,247,524
Stark County	191,523	180,253	179,126
Warren County	406,082,877	406,406,810	338,646,793
Total assessed valuations	\$1,977,507,771	\$1,928,400,162	\$1,819,707,031
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.2455	0.2387	0.2444
Operations and Maintenance Accounts	0.1000	0.1000	0.1000
Bond and Interest Fund	0.1707	0.1713	0.1757
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1382	0.1281	0.1273
Total tax rate	0.6594	0.6431	0.6524
Tax Extensions:			
Educational Accounts	\$4,646,385	\$4,579,759	\$4,425,831
Operations and Maintenance Accounts	1,914,349	1,907,448	1,802,947
Bond and Interest Fund	3,267,220	3,268,221	3,166,877
Audit Fund	95,717	95,372	90,147
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,644,673	2,444,394	2,294,250
Total tax extensions	\$12,568,344	\$12,295,194	\$11,780,052

Carl Sandburg College - Community College District 518

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

Levy Years 2019, 2018, and 2017

	2019	2018	2017
Tax Collections to June 30:			
Education Fund	\$609,890	\$4,672,780	\$4,623,226
Operations and Maintenance Fund	124,163	948,596	938,536
Bond and Interest Fund	423,818	3,151,614	2,903,642
Audit Fund	12,416	94,860	93,854
Protection, Health, Safety	124,163	948,596	926,710
Liability, Protection, and Settlement Fund	343,062	2,285,356	2,370,553
Total tax collections	\$1,637,512	\$12,101,802	\$11,856,521
Percent of extensions collected	13.03%	98.43%	100.65%

Schedule of Enrollment Data

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

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

We have examined management of Carl Sandburg College – Community College District 518 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Carl Sandburg College – Community College District 518 during the period July 1, 2019 through June 30, 2020. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Carl Sandburg College – Community College District 518 is fairly stated, in all material respects.



Sterling, Illinois
September 18, 2020

Carl Sandburg College - Community College District 518

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


For the year ended June 30, 2020

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	2,595.0	0.0	11,443.5	0.0	11,333.0	0.0	25,371.5	0.0
Business Occupational	111.5	0.0	348.0	0.0	423.5	0.0	883.0	0.0
Technical Occupation	45.5	0.0	863.0	0.0	869.0	0.0	1,777.5	0.0
Health Occupational	583.0	0.0	3,031.5	9.0	2,362.0	0.0	5,976.5	9.0
Remedial Development	128.0	0.0	784.0	0.0	378.0	0.0	1,290.0	0.0
Adult Basis Education/ Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total credit hours certified	3,463.0	0.0	16,470.0	9.0	15,365.5	0.0	35,298.5	9.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	29,550.0	0.0	29,550.0
	Dual Credit	Dual Enrollment	
Reimbursable semester credit hours (all terms)	6,040.5	62.0	
District equalized assessed valuation			\$1,977,507,771

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

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

Signatures 

 President



 Chief Financial Officer (CFO)

Carl Sandburg College - Community College District 518

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

(Continued)

For the year ended June 30, 2020

Reconciliation of Total Semester Credit Hours For the year ended June 30, 2020						
	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit hours Certified to the ICCB	Difference
Categories:						
Baccalaureate	25,371.5	25,371.5	0.0	0.0	0.0	0.0
Business Occupational	883.0	883.0	0.0	0.0	0.0	0.0
Technical Occupation	1,777.5	1,777.5	0.0	0.0	0.0	0.0
Health Occupational	5,976.5	5,976.5	0.0	9.0	9.0	0.0
Remedial Development	1,290.0	1,290.0	0.0	0.0	0.0	0.0
Adult Basis Education/Adult Secondary Education	0.0	0.0	0.0	0.0	0.0	0.0
Total	35,298.5	35,298.5	0.0	9.0	9.0	0.0

Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours			
	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	29,550.0	29,550.0	0.0
Out-of-districts on chargeback or contractual agreement	0.0	0.0	0.0
	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	6,040.5	6,040.5	0.0
Dual enrollment	62	62	0.0

Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2020			
	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0
Technical Occupation	0.0	0.0	0.0
Remedial Development	0.0	0.0	0.0
Total	0.0	0.0	0.0

Carl Sandburg College – Community College District 518

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

Note 1. Residency Verification Process

Procedures for Verifying and Classifying Residency

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

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

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

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

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

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

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated September 18, 2020. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Sterling, Illinois
September 18, 2020

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

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

Report on Compliance for Each Major Federal Program

We have audited Carl Sandburg College – Community College District 518’s (the “College”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility for Compliance

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the College’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Carl Sandburg College – Community College District 518 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Sterling, Illinois
September 18, 2020

Carl Sandburg College - Community College District 518

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Award Notification Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture -				
Pass-through the Illinois State Board of Education - Summer Food Service Program	10.559	2019-4225-00	\$355	\$0
U.S. Department of Education:				
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity				
Grants (m)	84.007	P007AXX1115	\$42,635	\$0
Federal Work Study Program (m)	84.033	P033AXX1115	61,002	0
Federal Pell Grant Program (m)	84.063	P063XXX0511	3,746,196	0
Federal Direct Loan Program (m)	84.268	P268KXX0511	512,290	0
Total student financial assistance cluster			4,362,123	0
Direct awards -				
TRIO - Student Support Services	84.042A	P042A150024 - 19	245,567	0
TRIO - Upward Bound -				
Crossing the Bridge to Success	84.047A	P047A170076 - 19	303,815	0
Math & Science	84.047M	P047M170443 - 19	290,109	0
Total TRIO cluster			839,491	0
Pass-through Illinois Community College Board -				
Career and Technical Education Programs -				
Perkins Postsecondary Grants	84.048	CTE51820	153,767	0
Direct awards -				
COVID-19 - CARES Act Emergency Relief Fund - Student	84.425E	P425E200624	579,600	0
COVID-19 - CARES Act Emergency Relief Fund - Institutional	84.425F	P425F200624	27,231	0
Total COVID-19 - CARES cluster			606,831	0
Total U.S. Department of Education			\$5,962,212	\$0
Total federal awards expended			\$5,962,567	\$0

(m) Denotes major program

Carl Sandburg College – Community College District 518

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Significant Accounting Policy

Reporting entity and basis of accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Carl Sandburg College – Community College District 518 (the College) for the year ended June 30, 2019 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2020.

Note 2. Loan Program

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

Note 3. Non-cash Assistance

The College did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2020.

Note 4. Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2020.

Carl Sandburg College – Community College District 518

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor’s report issued on compliance for major programs:		Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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Carl Sandburg College – Community College District 518

Schedule of Findings and Questioned Costs

Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

Carl Sandburg College – Community College District 518

Summary Schedule of Prior Audit Findings

Prior Year Findings:

June 30, 2019

- 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, 2018

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

None
 - B. Compliance Finding

None
- II. Findings and Questioned Costs for Federal Awards
 - A. Internal Control

None
 - B. Compliance Finding

None