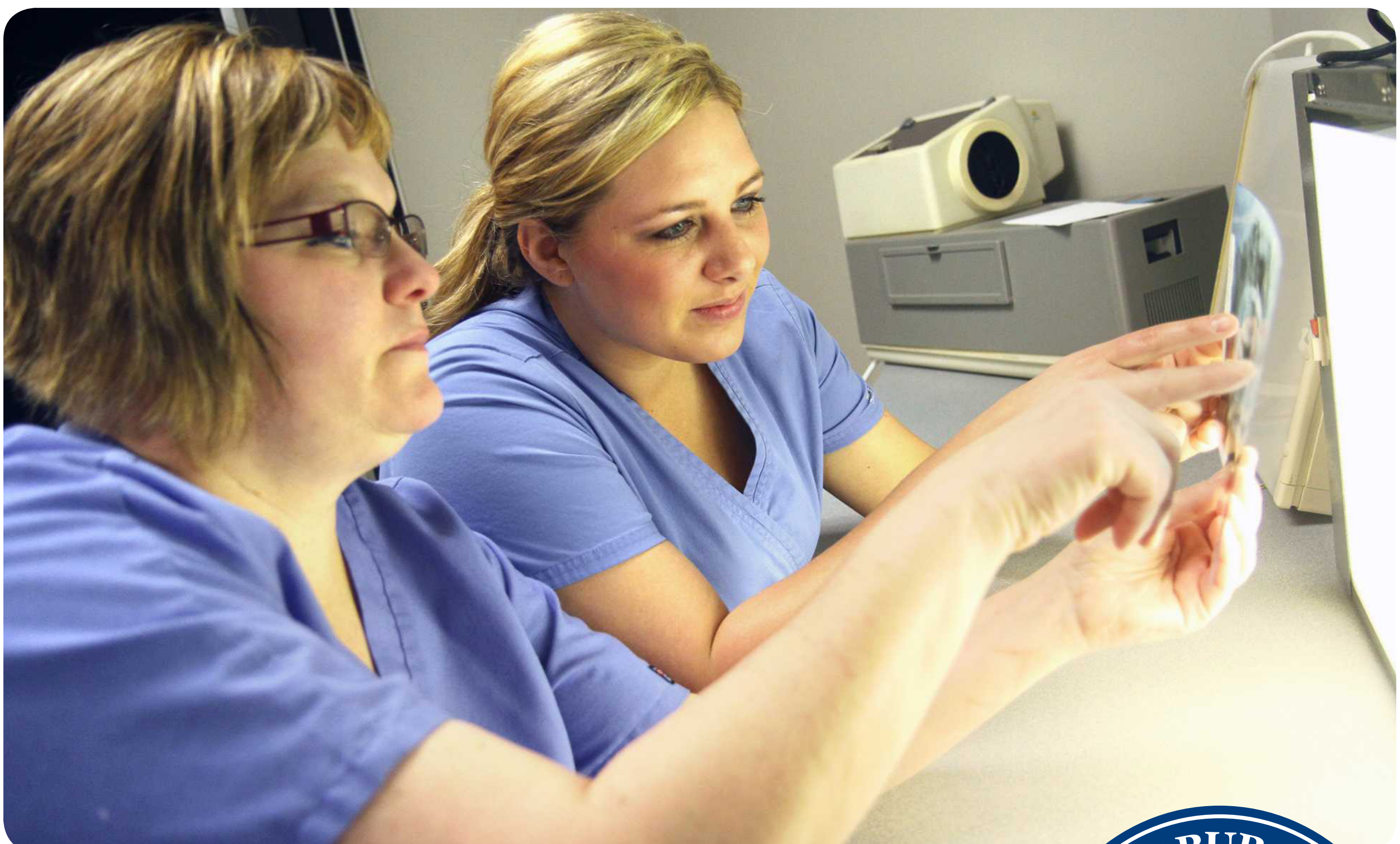
2018
Comprehensive Annual Financial Report
Fiscal years ended June 30, 2018 and 2017



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

CARL SANDBURG COLLEGE –

COMMUNITY COLLEGE DISTRICT 518

GALESBURG, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal years ended June 30, 2018 and 2017

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

President's Letter

September 19, 2018

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 2018. This document represents a record of the College's financial activities for the year ending June 30, 2018.

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 position thanks to the diligent planning and stewardship of the available resources. While the State situation is still uncertain, the College is well poised to move forward. Enrollment and recruitment continue to be central goals for our faculty and staff guided by a commitment to student success one student at a time. Additionally, faculty and staff are working diligently to improve student success by carefully monitoring and supporting our students on their educational journey.

I appreciate the opportunity to provide this Financial report and take this opportunity to thank Dr. Lori Sundberg for her leadership. 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

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

Transmittal Letter

September 19, 2018

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, 2018, 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, 2018. 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 2017, the College enrolled 1,947 students, with an average age of 23 years. Women represented 63 percent of the student body and 55 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

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

Fiscal Year	2013	2014	2015	2016	2017	2018
Fall College enrollment	2,460	2,328	2,200	2,082	1,927	1,947
Annual Full-time equivalents	1,599	1,451	1,436	1,258	1,229	1,201
Continuing Education Credit Hours	1,012	548	660	517	430	673
Total Annual Credit Hours	47,972	43,525	43,090	37,748	36,863	36,020

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.

Student Access and Success
Teaching and Learning
Community Alliances
Operational Sustainability and Excellence

FINANCIAL INFORMATION

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

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

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

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

ECONOMIC CONDITION

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

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

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

Levy Rates (Per $100 of assessed valuation):

Fund Type	2018	2017	2016	2015	2014
Current:					
Education	0.2757	0.2463	0.2181	0.2146	0.2088
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1104	0.1162	0.1199	0.1205	0.1220
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	0.0100	0.0101	0.0100	0.0106	0.0108
Bond and Interest	0.1661	0.1547	0.2103	0.2187	0.2202
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0500	0.0494	0.0059	0.0058	0.0060
Total	0.6672	0.6317	0.6192	0.6252	0.6228

The College District's 2018 tax levy base of $1,763,267,253 increased by 5.81% over the 2017 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2018, local property taxes accounted for approximately 36% of total revenues.

Debt. Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2018, the college issued no new bonds.

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

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

The College has been able to locally fund building renovations/improvements through the use of accumulated interest on our Working Cash fund and Technology Quasi-Endowment Fund. The College's improvements for fiscal year 2018 included a new fire alarm system. Other plans continue to be designated primarily for investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication and security equipment.

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

PROSPECTS FOR THE FUTURE

Despite challenges encountered during the State of Illinois budget impasse, Carl Sandburg College District 518 maintains a favorable financial position. Fund reserves used during the impasse have been repaid. Budget goals for fiscal year 2018 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, 2017. This was the fifteenth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Cory J. Gall
Chief Financial Officer

Dr. Seamus Reilly
President

Illinois Community College District No. 518
Principal Officials as of June 30, 2018

Board of Trustees

Name	Position	Term Expires
Mr. Thomas H. Colclasure	Chairperson	2021
Ms. Gayla J. Pacheco	Vice Chairperson	2023
Mr. Alfonso Pugh, Jr.	Secretary	2019
Mr. Bruce A. Lauerman	Trustee	2021
Rev. Lee E. Johnson	Trustee	2019
Mr. William C. Robinson	Trustee	2023
Ms. Sandra L. Wood	Trustee	2023
Mr. Robert Wolford, Jr.	Student Trustee	
Mr. Michael A. Paris	Faculty Representative	

Officers of the College

Dr. Lori Sundberg	President
Ms. Ellen Crowe	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services

Administrative Staff

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

Official Issuing Report

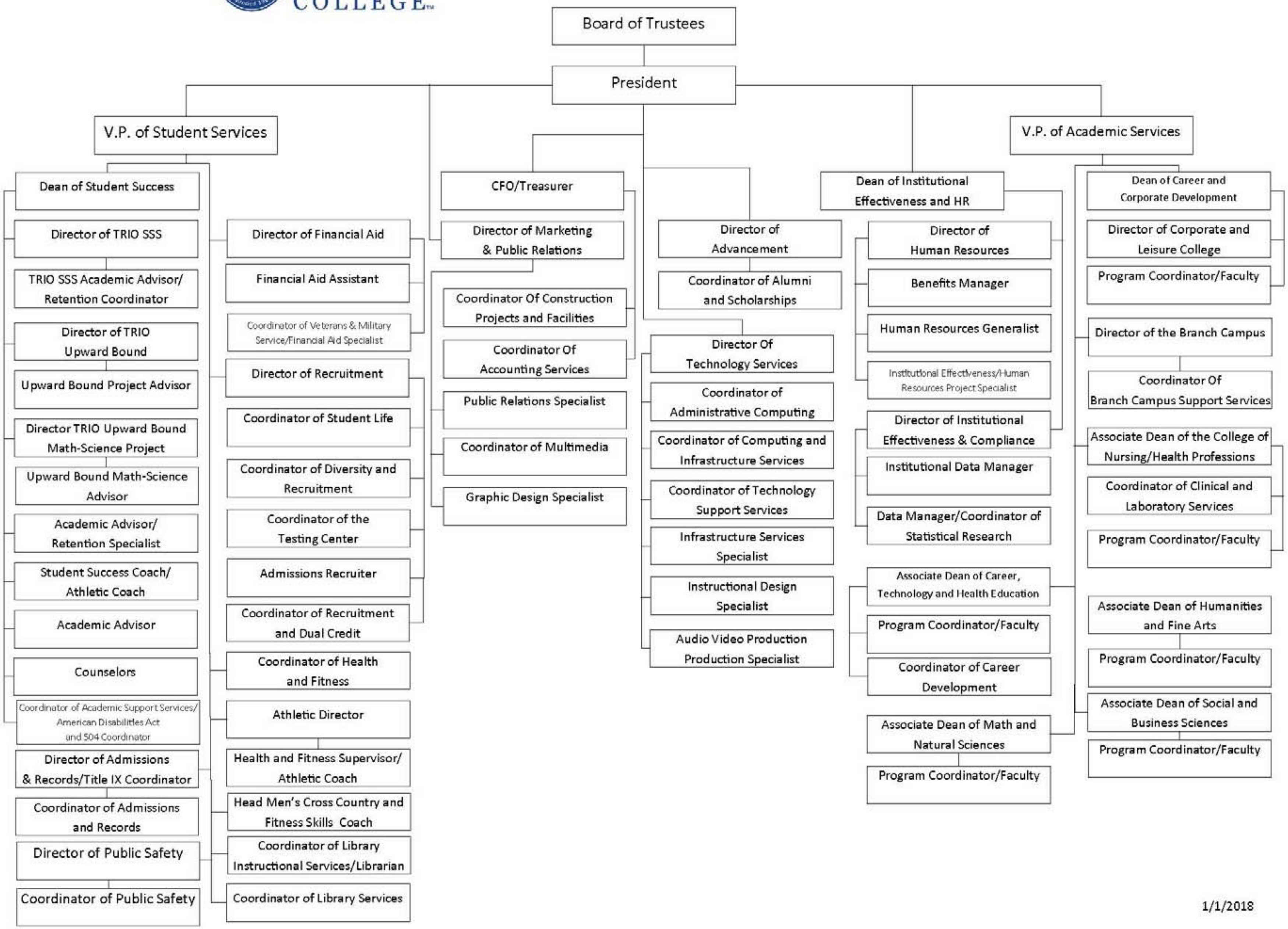
Mr. Cory Gall, Chief Financial Officer/Treasurer

Department Issuing Report

Finance Office

CARL SANDBURG COLLEGE

ORGANIZATIONAL CHART



1/1/2018

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, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

WIPFLi LLP

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2018 and 2017, 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, 2018 and 2017, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* 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 19, 2018, 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 19, 2018

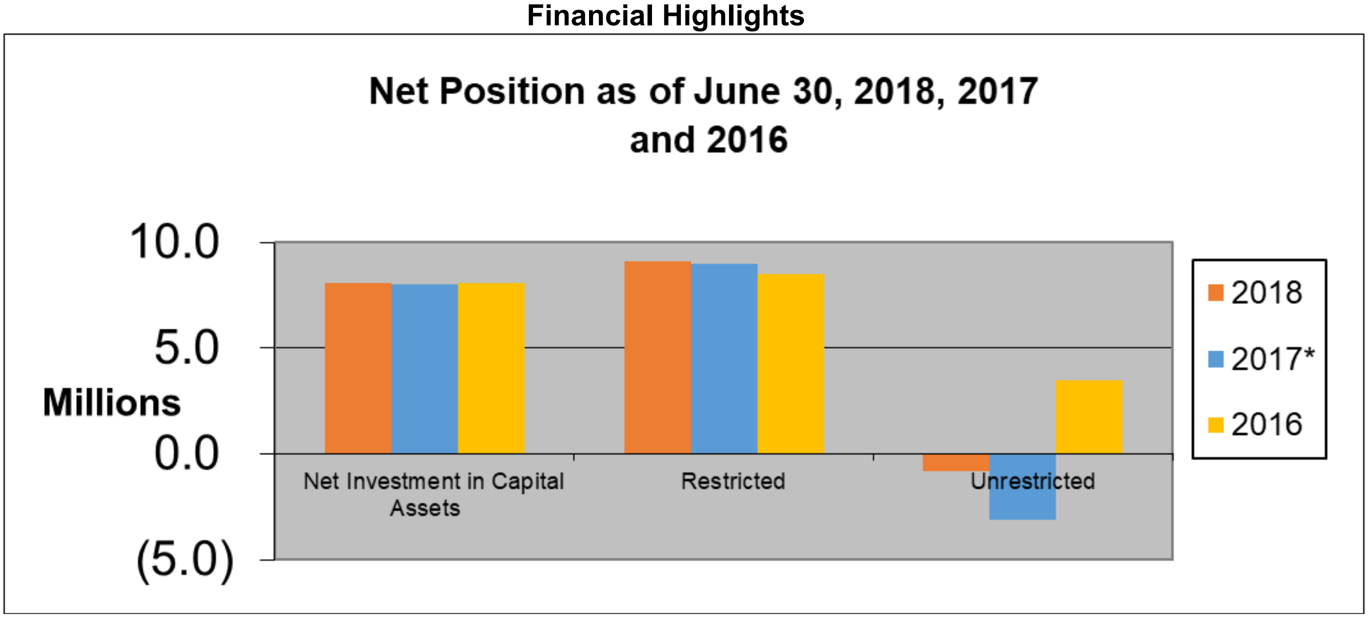
This section of Carl Sandburg College – Community College District 518's (the "College") Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2018 and 2017. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter,

Using This Annual Report

The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total.
The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

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

Financial Highlights



Net Position
As of June 30,
(in millions)

	2018	As Restated 2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Current assets	$31.2	$25.7	$5.5	$22.5	$3.2
Non-current assets					
Capital assets, net of depreciation	16.4	16.8	(0.4)	17.9	(1.1)
Other	8.0	12.1	(4.1)	12.9	(0.8)
Total assets	55.6	54.6	1.0	53.3	(1.3)
Total deferred outflows of resources	0.1	0.1	0.0	0.1	0.0
Total assets and deferred outflows of resources	55.7	54.7	1.0	53.4	1.3
Current liabilities	3.9	4.1	(0.2)	3.5	0.6
Non-current liabilities	22.8	25.4	(2.6)	19.2	(6.2)
Total liabilities	26.7	29.5	(2.8)	22.7	6.8
Total deferred inflows of resources	12.6	11.3	1.3	10.6	0.7
Total liabilities and deferred inflows of resources	39.3	40.8	(1.5)	33.3	7.5
Net position					
Net investment in capital assets	8.1	8.0	0.1	8.1	(0.1)
Restricted	9.1	9.0	0.1	8.5	0.5
Unrestricted	(0.8)	(3.1)	2.3	3.5	(6.6)
Total	$16.4	$13.9	$2.5	$20.1	($6.2)

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

Fiscal Year 2018 Compared to 2017

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

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

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

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

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

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

Fiscal Year 2017 Compared to 2016

Current assets increased $3.2 million due to an increase in short term investments in order to meet obligations with an increased state funding receivable.

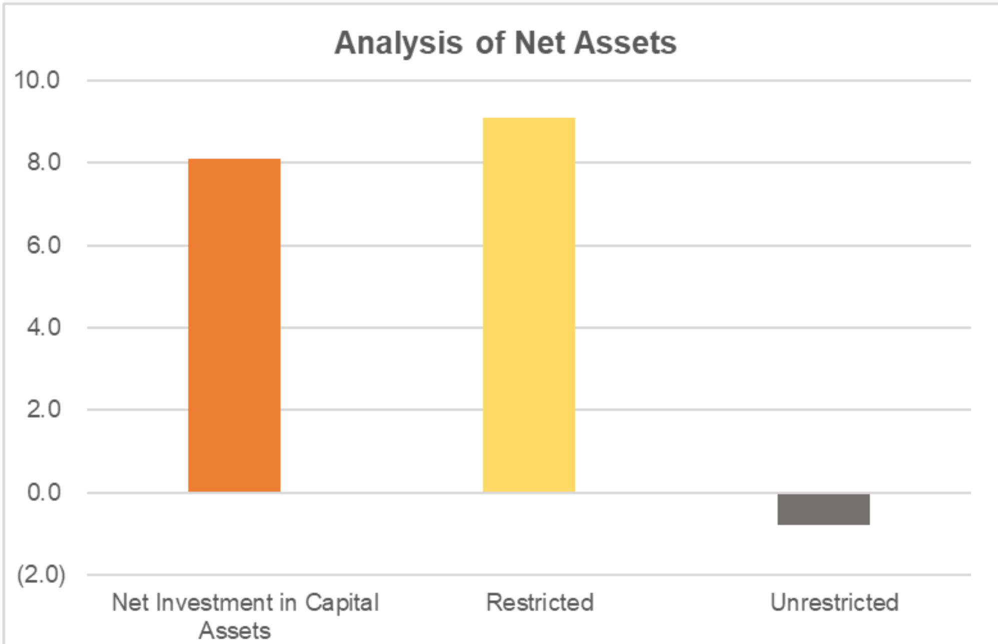
Non-current assets decreased $1.9 million due to a decrease in long term investments and the increase in accumulated depreciation.

Current liabilities increased $0.6 million due to increased current bond payments due.

Non-current liabilities increased $6.2 million due to the recognition of other post-employment benefit liabilities.

Deferred inflows of resources increased $0.7 million with an increase in deferred property taxes.

Total net position at June 30, 2017 decreased by $6.2 million due to recognition of other post-employment benefit liabilities. The restricted net position is restricted for $9.0 million of debt service payments and working cash reserves.



Analysis of Net Assets
10.0
8.0
6.0
4.0
2.0
0.0
(2.0)
Net Investment in Capital Assets
Restricted
Unrestricted

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

	2018	As Restated 2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Operating revenue					
Tuition and fees	$5.3	$4.5	$0.8	$4.5	$0.0
Auxiliary	0.2	0.2	0.0	0.2	0.0
Total operating revenue	5.5	4.7	0.8	4.7	0.0
Less operating expenses	28.0	35.4	(7.4)	25.5	9.9
Operating loss	(22.5)	(30.7)	8.2	(20.8)	(9.9)
Non-operating revenue					
State grants and contracts	2.3	2.7	(0.4)	1.0	1.7
Federal grants and contracts	5.4	5.2	0.2	5.1	0.1
Property taxes	11.1	10.5	0.6	10.1	0.4
Investment income	0.3	0.2	0.1	0.5	(0.3)
Other	6.4	6.8	(0.4)	5.5	1.3
Gain (loss) on disposal of assets	0.0	(0.3)	0.3	(2.8)	2.5
Interest expense	(0.5)	(0.6)	0.1	(0.7)	0.1
Total net non-operating revenues	25.0	24.5	0.5	18.7	5.8
Increase (decrease) in net position	2.5	(6.2)	8.7	(2.1)	(4.1)
Net position, beginning of year, as restated	13.9	20.1	(6.2)	22.2	(2.1)
Net position, end of year	$16.4	$13.9	$2.5	$20.1	($6.2)

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2018 were $30.5 million and $28 million, respectively. Fiscal year 2017 total revenues and expenses (Operating and Non-Operating) were $29.2 million and $35.4 million, respectively. Fiscal year 2016 total revenues and expenses (Operating and Non-Operating) were $23.4 million and $25.5 million.

Fiscal Year 2018 Compared to 2017

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

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

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

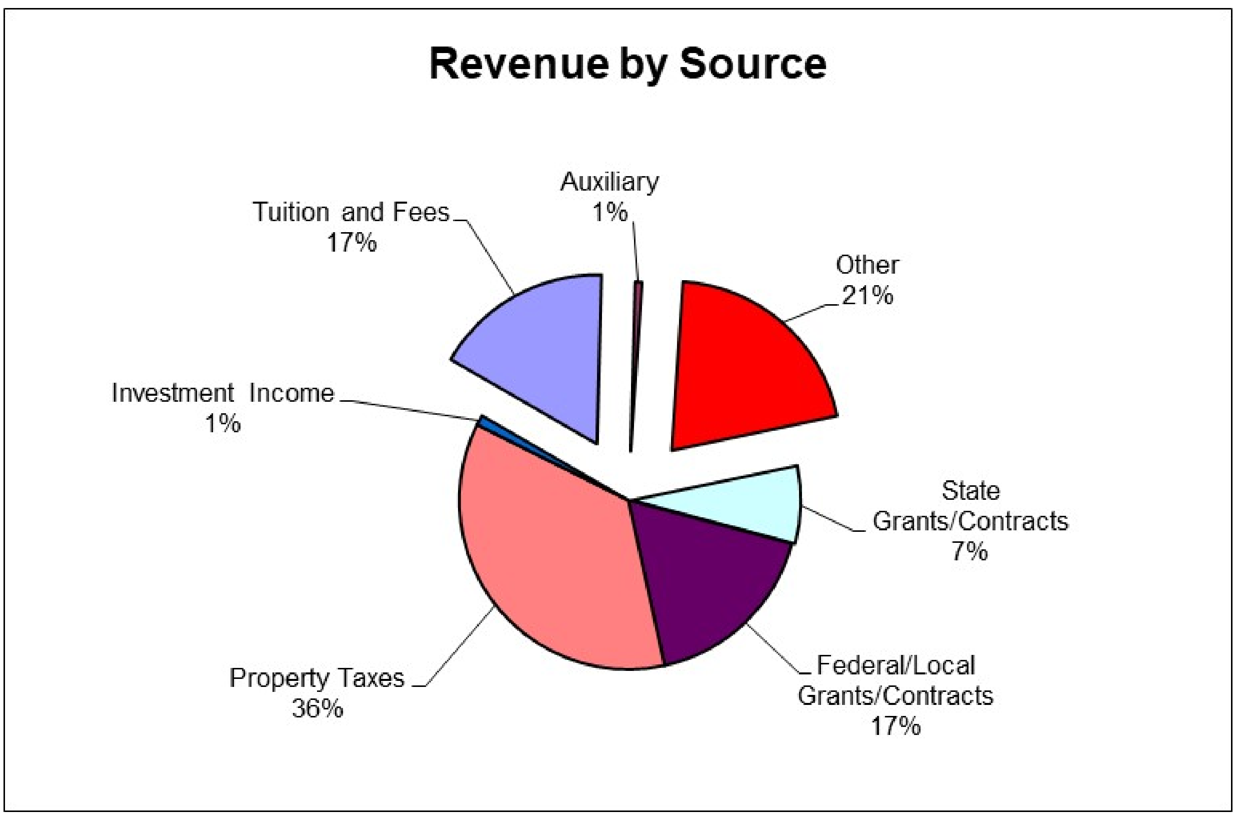
Fiscal Year 2017 Compared to 2016

Operating revenue remained flat with the prior year due to an increase in tuition and fees but a decreased enrollment.

Operating expenses as of June 30, 2017, increased $9.9 million due to an increase in state on-behalf payments for fringe benefits and an increase in other post-employment benefits recognized in fiscal year 2017 due to an accounting rule change.

Net non-operating revenue and expenses increased $5.8 million due to an increased receivable for state grant revenue, recording of increased state on behalf payments for fringe benefits and a smaller loss on the sale of the extension center building.

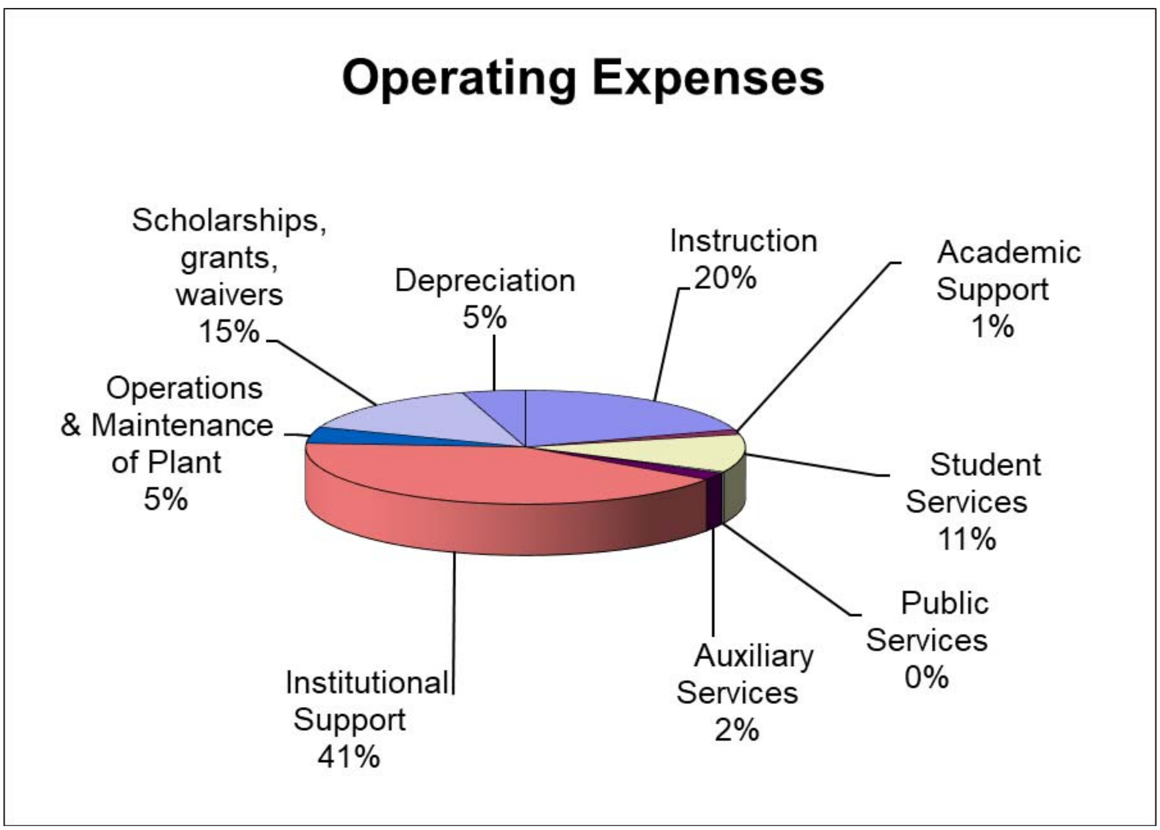
The following is a graphic illustration of revenues by source for the year ended June 30, 2018.

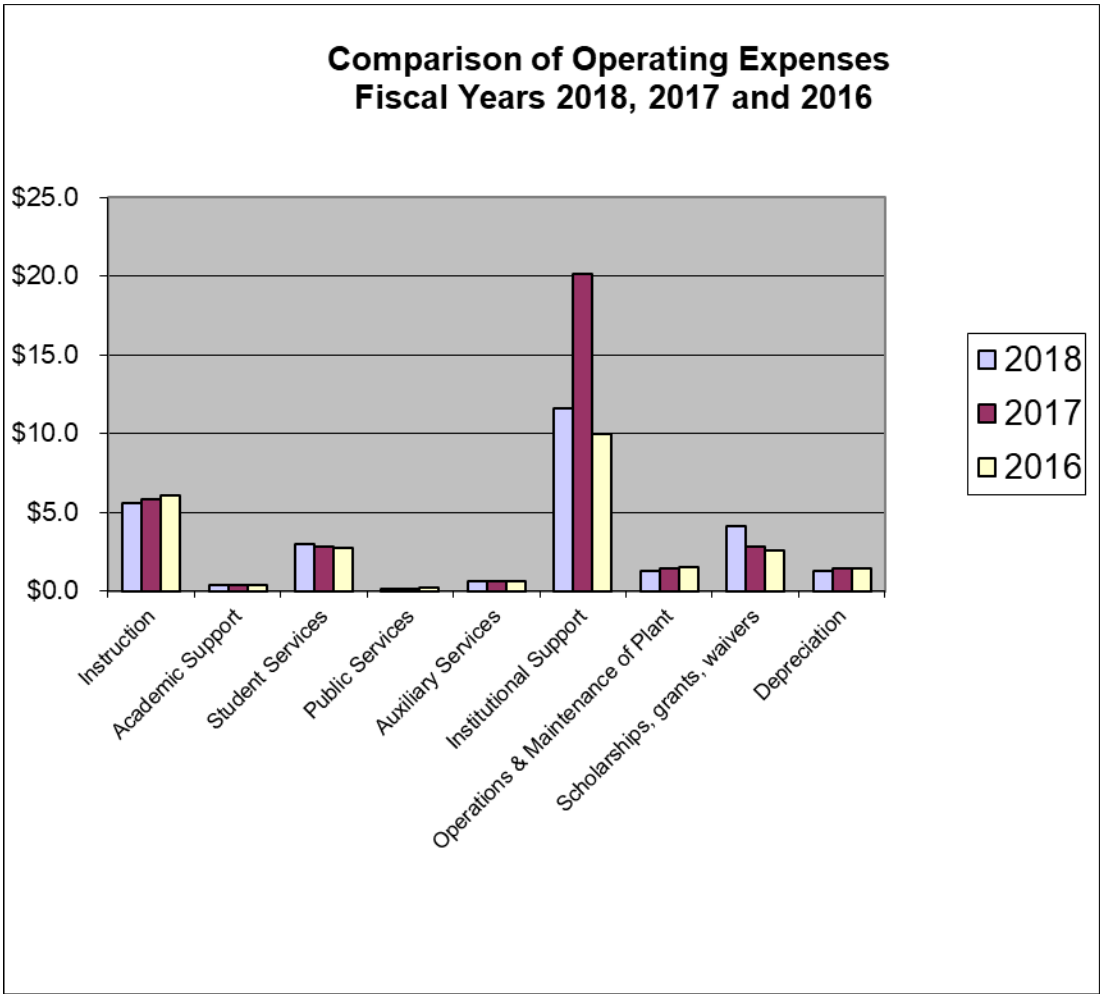


Operating Expenses
For the Year Ended June 30,
(in millions)

Operating expense	2018	As Restated 2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Instruction	$5.6	$5.8	($0.2)	$6.1	($0.3)
Academic support	0.4	0.4	0.0	0.4	0.0
Student services	3.0	2.8	0.2	2.7	0.1
Public services	0.1	0.1	0.0	0.2	(0.1)
Auxiliary services	0.6	0.6	0.0	0.6	0.0
Operations & maintenance of plant	11.6	20.1	(8.5)	10.0	10.1
Institutional support	1.3	1.4	(0.1)	1.5	(0.1)
Scholarships, grants, waivers	4.1	2.8	1.3	2.6	0.2
Depreciation	1.3	1.4	(0.1)	1.4	0.0
Total	$28.0	$35.4	($7.4)	$25.5	$9.9

The following is a graphic illustration of operating expenses for the year ended June 30, 2018.

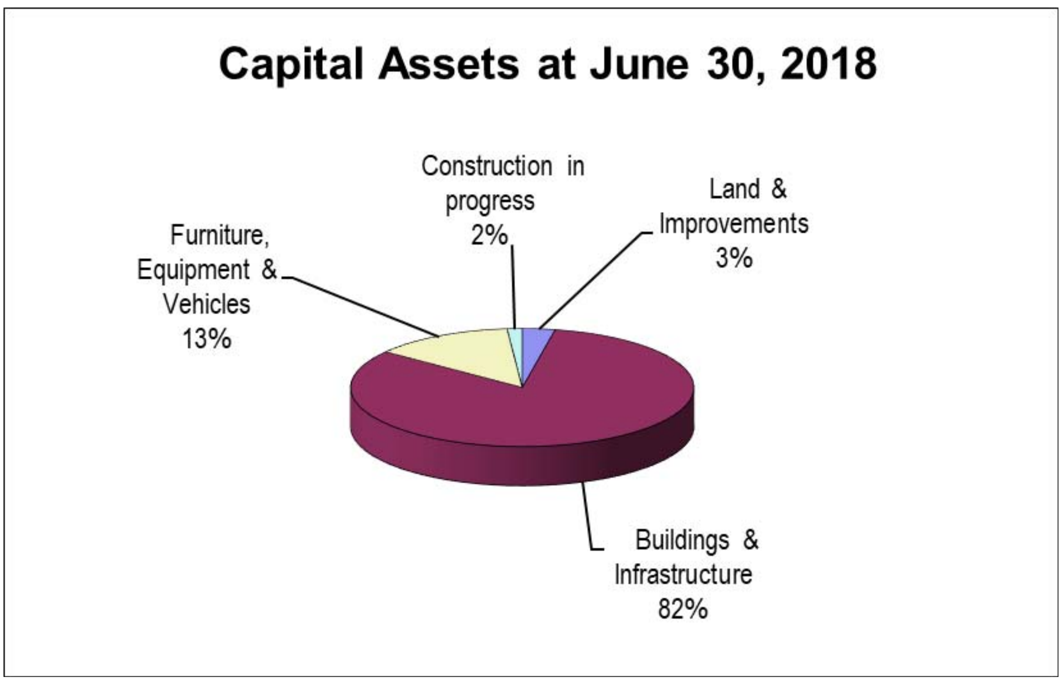




Comparison of Operating Expenses
Fiscal Years 2018, 2017 and 2016
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
Instruction
Academic Support
Student Services
Public Services
Auxiliary Services
Institutional Support
Operations & Maintenance of Plant
Scholarships, grants, waivers
Depreciation
2018
2017
2016

Capital Assets, Net
June 30,
(in millions)

	2018	2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Capital assets					
Land & improvements	$1.3	$1.3	$0.0	$1.1	$0.2
Buildings & infrastructure	34.8	34.7	(0.1)	35.0	(0.3)
Furniture, equipment, & vehicles	5.6	5.4	0.2	5.2	0.2
Construction in progress	0.6	0.1	0.5	0.1	0.0
Total	42.3	41.5	0.8	41.4	0.1
Less accumulated depreciation	(25.9)	(24.6)	(1.3)	(23.5)	(1.1)
Net capital assets	$16.4	$16.9	($0.5)	$17.9	($1.0)



Fiscal Year 2018 Compared to 2017

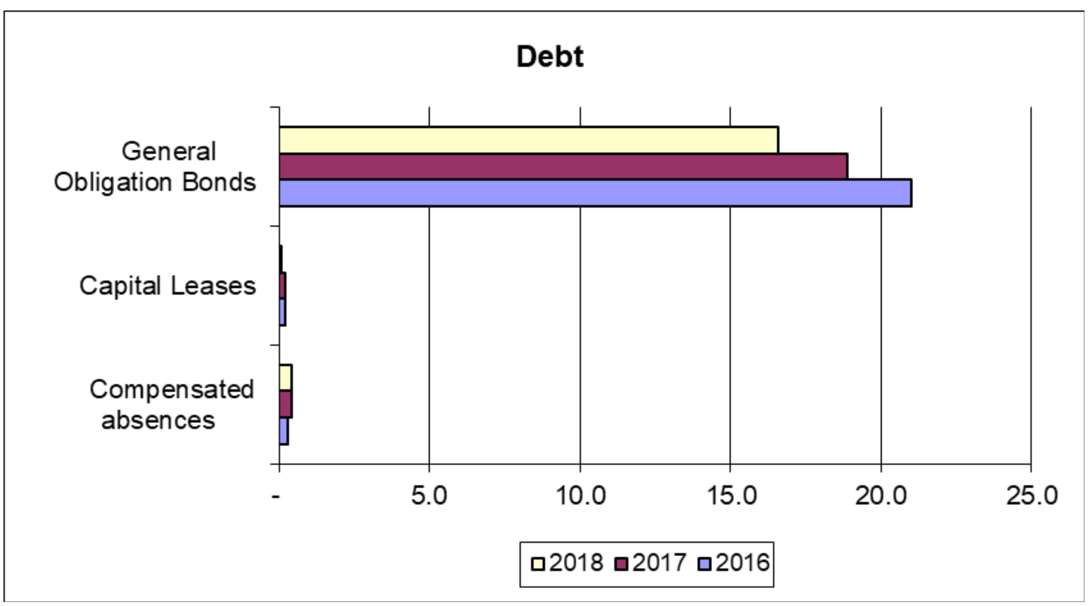
As of June 30, 2018, the College had recorded $42.3 million invested in capital assets, $25.9 million in accumulated depreciation, and $16.4 million in net capital assets. The College started construction on a new emergency fire detection system and a new lakeside patio. For more detailed information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

Fiscal Year 2017 Compared to 2016

As of June 30, 2017, the College had recorded $41.5 million invested in capital assets, $24.6 million in accumulated depreciation, and $16.9 million in net capital assets. The College sold the extension center building and furnishings decreased utilization. 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)

	2018	2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
General obligation bonds	$16.6	$18.9	($2.3)	$21.0	($2.1)
Capital leases	0.1	0.2	(0.1)	0.2	0.0
Compensated absences	0.4	0.4	0.0	0.3	0.1
Total	$17.1	$19.5	($2.4)	$21.5	($2.0)



Fiscal Year 2018 Compared to 2017

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

Fiscal Year 2017 Compared to 2016

During fiscal year 2017, the College paid $2.1 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements.

Contacting the College's Financial Management

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

Basic Financial Statements

Carl Sandburg College - Community College District 518

Statements of Net Position

June 30, 2018 and 2017

ASSETS	2018	As Restated 2017
Current assets:		
Cash and cash equivalents	$12,401,271	$10,702,188
Deposits	551,917	551,652
Short-term investments	8,768,081	4,508,193
Property taxes receivable	8,279,775	7,171,952
Other receivables, net	945,462	2,528,368
Prepaid items	199,554	194,524
Inventories	7,100	6,875
Total current assets	31,153,160	25,663,752
Noncurrent assets:		
Long-term investments	7,994,464	12,066,577
Non-depreciable capital assets	916,962	450,598
Depreciable capital assets	41,382,353	41,058,932
Less accumulated depreciation	(25,867,552)	(24,630,776)
Total noncurrent assets	24,426,227	28,945,331
Total assets	55,579,387	54,609,083
DEFERRED OUTFLOW OF RESOURCES		
Unamortized loss on refunding	22,095	27,005
SURS pension contribution	40,245	33,300
College insurance plan OPEB	83,281	0
Total deferred outflows of resources	145,621	60,305
Total assets and deferred outflows of resources	55,725,008	54,669,388
LIABILITIES		
Current liabilities:		
Accounts payable	390,981	832,710
Accrued liabilities	27,315	39,968
Unearned tuition and fees	518,929	509,048
Accrued compensated absences	242,107	246,224
Capital lease payable	40,635	37,979
Bonds payable, net of unamortized premiums (discounts)	2,699,074	2,369,074
Total current liabilities	3,919,041	4,035,003
Noncurrent liabilities:		
Accrued compensated absences	119,247	121,274
Capital lease payable	78,052	118,687
OPEB Liability	8,671,841	8,603,553
Bonds payable, net of unamortized premiums (discounts)	13,882,246	16,581,320
Total noncurrent liabilities	22,751,386	25,424,834
Total liabilities	26,670,427	29,459,837
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	11,793,078	11,176,853
Deferred grant revenue	93,423	65,969
Deferred concessions	0	25,000
Deferred OPEB	746,991	0
Total deferred inflows of resources	12,633,492	11,267,822
Total liabilities and deferred inflows of resources	39,303,919	40,727,659
NET POSITION		
Net investment in capital assets	8,138,519	8,008,575
Restricted - expendable:		
Debt service	390,384	361,990
Grants and scholarships	424,515	424,504
Working cash	8,253,665	8,231,794
Unrestricted	(785,994)	(3,085,134)
Total net position	$16,421,089	$13,941,729

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, 2018 and 2017

	2018	As Restated 2017
Operating revenues:		
Student tuition and fees, net of scholarship allowances of $1,750,177 and $2,515,954, respectively	$5,303,430	$4,524,438
Auxiliary enterprises revenue	160,623	179,931
Total operating revenue	5,464,053	4,704,369
Operating expenses:		
Instruction	5,612,676	5,823,172
Academic support	403,541	391,287
Student services	2,989,462	2,825,485
Public services	126,016	134,895
Auxiliary services	615,575	631,373
Operation and maintenance of plant	1,322,655	1,365,904
Institutional support	11,509,463	20,053,619
Scholarships, student grants, and waivers	4,067,517	2,814,961
Depreciation	1,305,070	1,384,627
Total operating expenses	27,951,975	35,425,323
Operating loss	(22,487,922)	(30,720,954)
Nonoperating revenues and (expenses):		
State grants	2,320,224	2,674,768
Federal grants	5,416,165	5,219,398
Property taxes	11,141,880	10,541,219
Personal property replacement tax	242,028	294,012
Local grants	31,796	51,834
Investment income	307,707	153,177
Other nonoperating revenues	6,019,883	6,518,417
Gain (loss) on disposal of assets	(1,142)	(288,435)
Interest expense	(511,259)	(572,198)
Net nonoperating revenues and (expenses)	24,967,282	24,592,192
Change in net position	2,479,360	(6,128,762)
Net position, beginning of year, as restated	13,941,729	20,070,491
Net position, end of year	$16,421,089	$13,941,729

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows

For the years ended June 30, 2018 and 2017

	2018	As Restated 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	$7,166,572	$7,260,601
Payments to suppliers	(6,683,037)	(6,358,960)
Payments to employees	(9,807,521)	(9,703,637)
Payments to students for scholarships	(5,817,694)	(5,330,915)
Auxiliary enterprise charges	165,948	60,983
Net cash used in operating activities	(14,975,732)	(14,071,928)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	10,648,513	11,498,349
Proceeds from grants	9,689,139	6,959,334
Net cash provided by noncapital financing activities	20,337,652	18,457,683
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(879,720)	(789,378)
Proceeds from sale of capital assets	20,500	142,000
Principal paid on bonds payable	(2,290,000)	(1,905,000)
Interest paid on bonds payable and other long-term obligations	(585,423)	(646,362)
Principal paid on capital lease	(37,979)	(35,496)
Net cash used in capital and related financing activities	(3,772,622)	(3,234,236)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	440,160	694,551
Proceeds from maturities of investment securities	4,275,350	4,714,286
Purchases of investment securities	(4,605,725)	(5,321,203)
Net cash provided by investing activities	109,785	87,634
Net increase (decrease) in cash and cash equivalents	1,699,083	1,239,153
CASH AND CASH EQUIVALENTS:		
Beginning of year	10,702,188	9,463,035
End of year	$12,401,271	$10,702,188

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows (Continued)

For the years ended June 30, 2018 and 2017

	2018	As Restated 2017
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	($22,487,922)	($30,720,954)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,305,069	1,384,627
State on-behalf payments for fringe benefits	5,829,559	6,311,254
Changes in assets and liabilities:		
Receivables	108,409	176,787
Other assets	(5,255)	5,621
Deferred outflows of resources	(90,226)	8,468
Accounts payable	(441,729)	201,477
Accrued liabilities	(12,653)	12,511
Accrued compensated absences	(6,144)	20,254
Unearned tuition and fees	5,277	42,699
Other unearned revenue	4,604	(118,225)
OPEB liability	68,288	8,603,553
Deferred inflows of resources	746,991	0
Net cash used in operating activities	($14,975,732)	($14,071,928)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Increase (decrease) in fair value of investments and amortization/accretion	($142,335)	($540,887)
Disposal of assets	$1,142	$288,435
STATE ON-BEHALF PAYMENTS	$5,829,559	$6,311,254

See Notes to Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Financial Position

June 30, 2018 and 2017

ASSETS	**2018**	**2017**
Cash	$310,877	$433,139
Investments	16,984,791	12,798,494
Accounts receivable	523,077	2,501,534
Total assets	$17,818,745	$15,733,167

LIABILITIES AND NET ASSETS		
Liabilities:		
Scholarships payable	$82,966	$90,376
Accounts payables	8,111	5,477
Total liabilities	91,077	95,853
Net assets:		
Unrestricted	3,514,701	3,160,601
Temporarily restricted	9,682,106	8,145,169
Permanently restricted	4,530,861	4,331,544
Total net assets	17,727,668	15,637,314
Total liabilities and net assets	$17,818,745	$15,733,167

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, 2018 and 2017

	2018			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenues, gains, and other support:				
Contributions	$128,991	$1,145,788	$36,325	$1,311,104
Interest and dividends	220,174	462,571	54,342	737,087
Net unrealized gain on investments	211,091	35,530	139,747	386,368
Realized gain on investments	0	0	0	0
Donated goods & facilities	49,900	0	0	49,900
Donated services	13,333	0	0	13,333
Reclassification of net assets	0	31,097	(31,097)	0
Net assets released from restrictions	138,049	(138,049)	0	0
Total revenues, gains, and other support	761,538	1,536,937	199,317	2,497,792
Expenses and losses:				
Program	178,215	0	0	178,215
Management and general	162,429	0	0	162,429
Fund raising	66,794	0	0	66,794
Total expenses and losses	407,438	0	0	407,438
Change in net assets	354,100	1,536,937	199,317	2,090,354
Net assets, beginning of year	3,160,601	8,145,169	4,331,544	15,637,314
Net assets at end of year	$3,514,701	$9,682,106	$4,530,861	$17,727,668

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, 2018 and 2017

	2017			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Revenues, gains, and other support:				
Contributions	$299,606	$6,533,265	$101,769	$6,934,640
Interest and dividends	151,950	190,558	37,543	380,051
Net unrealized gain on investments	294,542	179,907	410,633	885,082
Realized gain (loss) on investments	0	0	(602)	(602)
Donated goods & facilities	83,683	0	0	83,683
Donated services	42,156	0	0	42,156
Reclassification of net assets	0	0	0	0
Net assets released from restrictions	94,346	(94,346)	0	0
Total revenues, gains, and other support	966,283	6,809,384	549,343	8,325,010
Expenses and losses:				
Program	237,627	0	0	237,627
Management and general	161,457	0	0	161,457
Fund raising	60,473	0	0	60,473
Total expenses and losses	459,557	0	0	459,557
Change in net assets	506,726	6,809,384	549,343	7,865,453
Net assets, beginning of year	2,653,875	1,335,785	3,782,201	7,771,861
Net assets at end of year	$3,160,601	$8,145,169	$4,331,544	$15,637,314

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies:

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

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

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

Reporting Entity

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

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The 18 member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

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

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

Reporting Entity (continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB No. 75 replaces the requirements of GASB Statement No. 45 on Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. 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.

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

Receivables

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables was $265,000 as of June 30, 2018 and 2017.

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 2016 property tax levies passed on November 17, 2016 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2017 property tax levy which was passed on November 30, 2017. In addition, property taxes receivable represents the remaining 2017 property tax levy to be collected in fiscal year 2019.

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 stated at the lower of cost or market on a first-in, first-out basis.

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

Capital Assets

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

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

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

Deferred Tuition and Fee Revenue

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

Long-term Debt

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

Compensated Absences

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

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

Other Post-Employment ("OPEB") Obligations

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

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

Deferred inflows and outflows of resources

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

Classification of Revenues and Expenses

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

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2018.

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 2018 and 2017, the state made contributions of $5,829,559 and $6,311,254 respectively (Note 5 and 6).

Pensions

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

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

Net Position

The College's net position is classified as follows:

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

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

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

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

Use of Estimates

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

Note 2. Cash and Investments:

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

Cash and deposits as of June 30, 2018 consist of the following:

	Carrying Amount
Cash on hand	$4,417
Deposits with financial institutions	12,948,771
Total	$12,953,188

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, 2018 and 2017 comprise the following at fair value:

	2018	2017
Money market	$899,744	$309,239
Certificate of deposit	7,568,173	6,911,478
Municipal bonds	5,190,614	6,089,132
U.S. government agency securities	3,104,014	3,264,921
	$16,762,545	$16,574,770

Note 2. Cash and Investments (continued):

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

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

As of June 30, 2017, the College had the following investments with stated maturities.

		Investment Maturities (In Years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Money market	$309,239	$309,239	$0	$0	$0
Certificate of deposit	6,911,478	2,278,859	4,632,619	0	0
Municipal bonds	6,089,132	817,490	5,271,642	0	0
U.S. Government agency securities	3,264,921	1,102,605	2,162,316	0	0
Total	$16,574,770	$4,508,193	$12,066,577	$0	$0

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

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

As of June 30, 2017, the College had the following investments with stated ratings.

		Investment Ratings by Standard & Poor's			
	Total	AAA	AA	A	Unrated
Money market	$309,239	$309,239	$0	$0	$0
Certificate of deposit	6,911,478	0	0	0	$6,911,478
Municipal bonds	6,089,132	250,253	4,553,904	1,284,975	0
U.S. Government agency securities	3,264,921	0	3,264,921	0	0
Total	$16,574,770	$559,492	$7,818,825	$1,284,975	$6,911,478

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, 2018:

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

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, 2017:

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Certificate of deposit	$6,911,478	$0	$6,911,478	$0
Municipal bonds	6,089,132	0	6,089,132	0
U.S. Government agency securities	3,264,921	0	3,264,921	0
Total investments	$16,265,531	$0	$16,265,531	$0

Note 2. Cash and Investments (continued):

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

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2018, there are no investments with custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was $12,948,771 and the bank balance was $13,393,803. Of the bank balance, $1,001,050 was covered by federal depository insurance; $10,698,767 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 under collateralized by $1,693,986.

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, 2018 are as follows:

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

Note 3. Capital Assets (continued):

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

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

Changes in the various capital asset categories during the year ended June 30, 2017 as follows:

	Balance at July 1, 2016	Additions	Deletions	Transfers	Balance at June 30, 2017
Nondepreciable:					
Land	$405,483	$0	$59,358	$0	$346,125
Work in progress	140,241	104,473	0	(140,241)	104,473
Depreciable:					
Buildings and additions	31,571,888	252,070	$591,769	26,044	31,258,233
Infrastructure	3,376,418	0	0	0	3,376,418
Furniture and equipment	5,029,823	142,254	61,493	89,148	5,199,732
Land improvements	696,462	281,076	0	25,049	1,002,587
Vehicles	212,457	9,505	0	0	221,962
Total cost	$41,432,772	$789,378	$712,620	$0	$41,509,530

Accumulated depreciation for the year ended June 30, 2017 as follows:

	Balance at July 1, 2016	Additions	Deletions	Transfers	Balance at June 30, 2017
Buildings and additions	$16,578,272	$858,550	$234,025	$0	$17,202,797
Infrastructure	2,460,139	119,494	0	0	2,579,633
Furniture and equipment	4,064,774	318,773	48,160	0	4,335,387
Land improvements	227,848	78,295	0	0	306,143
Vehicles	197,301	9,515	0	0	206,816
Total accumulated depreciation	$23,528,334	$1,384,627	$282,185	$0	$24,630,776

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, 2018:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	$18,490,000	$0	$2,290,000	$16,200,000	$2,620,000	$13,580,000
Bond premiums (discounts)	460,394	0	79,074	381,320	79,074	302,246
Capital leases	156,666	0	37,979	118,687	40,635	78,052
Compensated absences	367,498	$282,098	288,242	361,354	242,107	119,247
Totals	$19,474,558	$282,098	$2,695,295	$17,061,361	$2,981,816	$14,079,545

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	$20,395,000	$0	$1,905,000	$18,490,000	$2,290,000	$16,200,000
Bond premiums (discounts)	539,468	0	79,074	460,394	79,074	381,320
Capital leases	192,162	0	35,496	156,666	37,979	118,687
Compensated absences	347,244	$291,289	271,035	367,498	246,224	121,274
Totals	$21,473,874	$291,289	$2,290,605	$19,474,558	$2,653,277	$16,821,281

Note 4. Debt (continued):

Details on the debt as of June 30, 2018 are as follows:

1. The general obligation bonds, Series 2009, bear interest at 2.90 to 4.40 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 bonds were defeased with the issuances of the general obligation refunding bonds, Series 2010B and Series 2014A. None of the bond proceeds 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:			
2019	$95,000	$25,378	$120,378
2020	100,000	21,477	121,477
2021	105,000	17,246	122,246
2022	110,000	12,678	122,678
2023	115,000	7,810	122,810
2024	120,000	2,640	122,640
Totals	$645,000	$87,229	$732,229

2. 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:			
2019	$415,000	$65,010	$480,010
2020	430,000	50,481	480,481
2021	1,185,000	21,479	1,206,479
Totals	$2,030,000	$136,970	$2,166,970

Note 4. Debt (continued):

3. The general obligation bonds, Series 2010C, bear interest at 1.60 to 4.70 percent, which is due on January 1 and July 1 of each year (excluding 2018-2020), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. None of the bond proceeds 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:			
2019	$0	$56,635	$56,635
2020	0	56,635	56,635
2021	1,205,000	28,317	1,233,317
Totals	$1,205,000	$141,587	$1,346,587

4. The general obligation bonds, Series 2010D, bear interest at 4.00 to 4.25 percent, which is due on January 1 and July 1 of each year (excluding 2012-2016 and 2019-2020), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (75.00%) 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:			
2019	$0	$46,963	$46,963
2020	0	46,962	46,962
2021	1,105,000	23,482	1,128,482
Totals	$1,105,000	$117,407	$1,222,407

5. 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:			
2019	$0	$103,800	$103,800
2020	0	103,800	103,800
2021	0	103,800	103,800
2022	3,460,000	51,900	3,511,900
Totals	$3,460,000	$363,300	$3,823,300

Note 4. Debt (continued):

6. 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:			
2019	$1,555,000	$117,350	$1,672,350
2020	1,670,000	52,850	1,722,850
2021	135,000	17,425	152,425
2022	140,000	13,300	153,300
2023	140,000	8,400	148,400
2024	140,000	2,800	142,800
Totals	$3,780,000	$212,125	$3,992,125

7. 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:			
2019	$550,000	$16,005	$566,005
2020	5,000	7,930	12,930
2021	5,000	7,784	12,784
2022	5,000	7,639	12,639
2023	260,000	3,783	263,783
Totals	$825,000	$43,141	$868,141

8. 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:			
2019	$5,000	$67,671	$72,671
2020	5,000	67,564	72,564
2021	5,000	67,456	72,456
2022	5,000	67,349	72,349
2023	1,440,000	51,815	1,491,815
2024	1,690,000	18,167	1,708,167
Totals	$3,150,000	$340,022	$3,490,022

Note 4. Debt (continued):

9. 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:			
2019	$40,635	$6,801	$47,436
2020	43,478	3,958	47,436
2021	34,574	983	35,557
Totals	$118,687	$11,742	$130,429

Prior year defeasance

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2018, $0 of the defeased debt is outstanding and is held by an escrow agent in an irrevocable trust fund to provide for future debt service payments on the refunded bonds.

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Capital Leases	Total Principal	Interest	Total Principal And Interest
2019	$2,620,000	$242,107	$40,635	$2,902,742	$505,613	$3,408,355
2020	2,210,000	119,247	43,478	2,372,725	411,657	2,784,382
2021	3,745,000	0	34,574	3,779,574	287,972	4,067,546
2022	3,720,000	0	0	3,720,000	152,866	3,872,866
2023	1,955,000	0	0	1,955,000	71,808	2,026,808
2024	1,950,000	0	0	1,950,000	23,607	1,973,607
Total	$16,200,000	$361,354	$118,687	$16,680,041	$1,453,523	$18,133,564

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2018, is $52,316,577. General obligation debt at June 30, 2018, is $16,700,007 resulting in a legal debt margin of $35,616,570.

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, 2017 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 2017 and 2018 respectively, was 12.53% and 12.46% 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).

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, 2017. At June 30, 2017, SURS reported a net pension liability (NPL) of $25,481,105,995.

Employer Proportionate Share of Net Pension Liability.
The amount of the proportionate share of the net pension liability to be recognized for the College is $0. The proportionate share of the State's net pension liability associated with the College is $61,129,173 or 0.2399%. This amount should not be recognized in the financial statement. The net pension liability and total pension liability as of June 30, 2017 was determined based on the June 30, 2016 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 2017.

Pension Expense.
At June 30, 2017 SURS reported a collective net pension expense of $2,412,918,129.

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 2017. As a result, the College recognized on-behalf revenue and pension expense of $5,788,591 for the fiscal year ended June 30, 2018.

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

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

Note 5. Defined Benefit Pension Plans (continued):

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

Year Ending June 30	Net Deferred Outflows of Resources
2018	$55,589,850
2019	187,874,276
2020	90,475,551
2021	(155,949,656)
Total	$177,990,021

Employer Deferral of Fiscal Year 2018 Pension Expense

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

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

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

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, 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	7.34%
Global Equity	8%	6.85%
Fixed Income	19%	1.38%
Treasury-Inflation Protected Securities	4%	1.17%
Emerging Market Debt	3%	4.14%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	3.95%
Opportunity Fund	1%	6.71%
Total	100%	5.20%
Inflation		2.75%
Expected Arithmetic Return		**7.95%**

Discount Rate. A single discount rate of 7.09% 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 7.25% and a municipal bond rate of 3.56% (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 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

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 7.09%, 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:

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

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

Note 6. Other Post-Employment Benefits

Plan Administration. The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. The CIP was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code. 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 with a special funding situation 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.

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.

Note 6. Other Post-Employment Benefits (continued)

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.

For the year ended June 30, 2017, member required contributions ranged from $110.45 to $111.19 per month per retiree, and from $441.79 to $444.76, per month per dependent beneficiary (assuming Medicare eligibility). Non-Medicare eligible members' required contributions ranged from $109.33 to $431.11 per retiree and from $437.31 to $1,724.44 per dependent family members. Active employees contributed $4.367 million, or approximately 33.48% of total premiums, representing 0.5% of their salaries, and participating college districts contributed $4.367 million, or 33.48% of total premiums, representing 0.5% of their salaries, and participating college districts contributed $4.367 million, or 33.48% of total premiums, representing their required 0.5% contribution. The State contributed $4.309 million, or approximately 33.04% of total premiums, representing their required contribution of 0.5% of estimated active employee salaries. The fund received $185 thousand in Medicare Part D subsidy payments from the federal government. Retiree contributions are netted with related liability.

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, 2017. At June 30, 2017, CIP reported a net OPEB liability of $1,823,636,957.

Employer Proportionate Share of Net OPEB Liability. The amount of the proportionate share of the net OPEB liability to be recognized for the College is $8,671,841 or 0.4755%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was an increase of 0.0028%. The proportionate share of the State's net OPEB liability associated with the College is $8,557,627. The total proportionate share of the net OPEB liability associated with the College is $17,229,468. The net OPEB liability and total OPEB liability as of June 30, 2018 was determined based on the June 30, 2017 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2017.

OPEB Expense. At June 30, 2017, CIP reported a collective net OPEB expense of $169,446,479.

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 2017. As a result, the College recognized on-behalf revenue of $40,968 and OPEB expense of $731,998 for the fiscal year ended June 30, 2018.

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

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

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

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

Year ended June 30:	Net Deferred Inflows of Resources
2019	($117,446)
2020	(117,446)
2021	(117,446)
2022	(117,446)
2023	(117,446)
2024	(117,448)
Total	($704,678)

Note 6. Other Post-Employment Benefits (continued)

Employer Deferral of Fiscal Year 2018 OPEB Expense

The College paid $40,968 CIP contributions for the fiscal year ended June 30, 2018. These contributions were made subsequent to the OPEB liability date of June 30, 2017 and are recognized as Deferred Outflows of Resources as of June 30, 2018.

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.75%
Salary increases	Depends on service and ranges from 10.00% at less than 1 year of service to 3.75% at 34 or more years of service. Salary increase includes a 3.75% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.5%. Additional trend rate of 0.52% is added to non-Medicare cost on and after 2020 to account for the Excise Tax.

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

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

Note 6. Other Post-Employment Benefits (continued)

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 the 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2,85% to 3.56% caused the total OPEB liability to decrease by approximately $182 million from 2016 to 2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained ae equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

During the plan year ending June 30, 2017, the trust earned $24,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2017, is a negative $51 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

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 3.56%, 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 (4.56%) or lower (2.56%) than the current rate:

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

	1% Decrease (2.56%)	Current Single Discount Rate Assumption (3.56%)	1% Increase (4.56%)
Net OPEB liability	$2,085,622,937	$1,823,636,960	$1,597,770,691

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 2018 decreasing to an ultimate trend rate of 5.02% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.5% in 2027 for Medicare coverage.

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

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$1,512,891,678	$1,823,636,960	$2,273,321,981

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

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

Note 7. Risk Management:

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

Note 8. Contingencies and Commitments:

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

Year Ended June 30	Equipment	Vehicles	Total
2019	$30,772	$35,842	$66,614
2020	2,841	35,842	38,683
2021	0	33,576	33,576
2022	0	15,698	15,698
Total	$33,613	$120,958	$154,571

Fiscal year 2018 equipment and vehicles rent expense was $100,834 and $30,592, respectively.

Note 8. Contingencies and Commitments (continued):

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, 2018, the College has two significant commitments related to construction projects.

In December 2016, the College entered into an agreement with Johnson Controls for Fire Alarm System upgrades for $748,108. As of June 30, 2018, the College has spent $414,625 related to this project. Remaining contract amount on $333,483 is expected to be completed in fiscal year 2019.

In May 2018, the College entered into an agreement with William Aupperle & Sons, Inc. for a lakeside patio project for $877,985. As of June 30, 2018, the College has spent $140,072, with the remaining contract amount of $737,913 to be paid in fiscal year 2019.

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.

Financial Statement Presentation

The financial statements separately identify the net assets of the Foundation according to the legal restrictions placed on the assets by donors as follows:

Unrestricted Net Assets – Includes net assets that are not restricted by donor-imposed stipulations which can be used at the discretion of the Foundation’s Board to accomplish the purposes for which the Foundation was founded.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Temporarily Restricted Net Assets – Includes net assets that are temporarily restricted by donor-imposed stipulations that require the Foundation to expend the resources either for a particular purpose or after the expiration of a certain period of time. As donor-imposed stipulations are satisfied, the related net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Includes net assets that are permanently restricted by the donors and cannot be expended.

Contributions and Revenues

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

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, 2018, there was $523,077 of pledged receivables. Of this amount, $450,000 to an estate contribution receivable. In July 2018, the Foundation received $31,000 relating to this donation.

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.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

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.

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 permanently restricted endowments are permanently 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:

	Temporarily Restricted	Permanently Restricted
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.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Subsequent Events

The Foundation has evaluated subsequent events through August 15, 2018 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2018 have been incorporated herein. There are no other subsequent events that require disclosure.

Accounting Standards Update

On August 18, 2016, the FASB issued ASU 2016-14 (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (“Update”). The Update reduces the number of net asset classes from three to two, those with donor restrictions and those without, requires all nonprofits to report expenses by nature and function and improves information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows . The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments in this Update is permitted. The Foundation has not elected to early implement the amendments.

Investments:

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund’s percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2018 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Publicly traded equities	$1,037	$240	$797
Mutual Funds - equity	13,860,119	12,295,219	1,564,900
Mutual Funds - bonds	3,123,635	2,552,143	571,492
	$16,984,791	$14,847,602	$2,137,189

The following schedule summarizes the investment return and its classification in the Statements of Activities for the year ended June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$220,174	$462,571	$54,342	$737,087
Unrealized gains (losses)	211,091	35,530	139,747	386,368
Total	$431,265	$498,101	$194,089	$1,123,455

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Endowment Funds:

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

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

The endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	$0	$9,682,106	$4,530,861	$14,212,967
Unrestricted endowment funds:				
Board-designated	183,049	0	0	183,049
Unrestricted	3,331,652	0	0	3,331,652
	$3,514,701	$9,682,106	$4,530,861	$17,727,668

Changes in endowment net assets as of June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	$3,160,601	$8,145,169	$4,331,544	$15,637,314
Contributions	128,991	1,145,788	36,325	1,311,104
Interest and dividend income	220,174	462,571	54,342	737,087
Net unrealized gain(loss) on investments	211,091	35,530	139,747	386,368
Donated goods, services, facilities	63,233	0	0	63,233
Amounts appropriated for expenditure	(407,438)	0	0	(407,438)
Amounts released from restriction	138,049	(106,952)	(31,097)	0
	$3,514,701	$9,682,106	$4,530,861	$17,727,668

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes or periods:

Student scholarships currently available	$9,682,106

Permanently Restricted Net Assets:

Permanently restricted net assets are restricted to be held as investments, with a portion of earnings to be added to permanently restricted net assets and a portion of earnings to be used for scholarships to students. Earnings which are used for scholarships to students are temporarily restricted until such earnings are used for scholarships to students as specified by the donor, at which time they are reclassified as unrestricted. As of June 30, 2018, permanently restricted net assets totaled $4,530,861.

Net Assets Released:

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, temporarily and permanently restricted net assets are reclassified to unrestricted 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, 2018, totaling $138,049.

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.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

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

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

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

		Fair Value Measurements at Reporting Date Using		
	Total	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets measured at fair value on a recurring basis:				
Publicly traded equities	$1,037	$1,037	$0	$0
Mutual Funds - equity	13,860,119	13,860,119	0	0
Mutual Funds - bonds	3,123,635	3,123,635	0	0
Total	$16,984,791	$16,984,791	$0	$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 Foundations 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 $52,325 of services, goods, and facilities to the Foundation during the year ended June 30, 2018. The Foundation paid the College $126,302 for scholarships and project donations during the year ended June 30, 2018. In addition, there is a payable to the College for scholarships awarded for Fall 2018 in the amount of $82,966 as of June 30, 2018.

Note 9. Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Income Taxes:

As stated in footnote (A), 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, 2017, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

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

Significant Donation:

During the fiscal year, the Foundation received $448,097 from Walt Sampson of which $31,000 was recorded as a pledged receivable as of June 30, 2018. The unspent balances of these donations are held as investments. The Foundation also received a $450,000 pledge from the Pattee Foundation to be paid in $150,000 installments annually, beginning in 2020 and ending in 2022. The full amount of $450,000 was recognized as a pledge receivable as of June 30, 2018.

Note 10. Impact of Pending Accounting Pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes criteria for determining the timing and pattern recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations and requires the current value of a government's asset retirement obligations to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The College has not determined the effect of this Statement.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The College has not determined the effect of this Statement.

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

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

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. 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, 2019. The College has not determined the effect of this Statement.

GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The College has not determined the effect of this Statement.

Note 11. Subsequent Event

The College has evaluated subsequent events through September 19, 2018 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2018 have been incorporated herein. There are no other subsequent events that require disclosure.

Note 12. Prior Year Restatement

As a result of the implementation of GASB Statement No. 75, the business-type activities beginning net position was restated as follows:

	Business-Type Activities
Balance at July 1, 2017, as previously reported	$22,545,282
Subtract beginning net OPEB liability	(8,603,553)
Balance at July 1, 2017, as restated	$13,941,729

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proportion percentage of the collective net pension liability	0%	0%	0%	0%						
Proportion amount of the collective net pension liability	$0	$0	$0	$0						
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	$61,129,173	$63,441,840	$57,324,387	$55,045,220						
College DB covered-employee payroll	$8,496,436	$8,852,780	$9,945,359	$10,504,206						
Proportion of collective net pension liability associated with the College as a percentage of covered-employee payroll	719.47%	716.63%	576.39%	524.03%						
SURS plan net position as a percentage of total pension liability	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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Federal, trust, grant and other contribution	$40,245	$33,300	$41,768	$38,128	$34,477					
Contribution in relation to required contribution	40,245	33,300	41,768	38,128	34,477					
Contribution deficiency (excess)	$0	$0	$0	$0	$0					
College covered-employee payroll	$9,556,351	$9,500,036	$9,903,377	$9,945,359	$10,504,206					
Contribution as a percentage of covered-employee payroll	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.

See Accompanying Notes to Required Supplementary Information

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proportion percentage of the collective net OPEB liability	0.48%	0.47%								
Proportion amount of the collective net OPEB liability	$8,671,841	$8,603,553								
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	$8,557,627	$8,964,170								
Total collective net OPEB liability associated with the College	$17,229,468	$17,567,723								
College covered-employee payroll	$9,500,036	$9,903,377								
Proportion of collective net OPEB liability associated with the College as a percentage of covered-employee payroll	181.36%	177.39%								
College insurance plan net position as a percentage of total OPEB liability	-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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contribution	$41,255	$42,845								
Contribution in relation to the required statutorily	41,255	42,845								
Contribution deficiency (excess)	$0	$0								
College covered-employee payroll	$9,500,036	$9,903,377								
Contribution as a percentage of covered-employee payroll	0.43%	0.43%								

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

See Accompanying Notes to Required Supplementary Information

Note 1. Changes of Benefit Terms:

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2017.

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, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary increase. Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change 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 than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Main the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

Note 3. Changes of OPEB Benefit Terms:

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2017.

Note 4. Changes of OPEB Assumptions:

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2010 to June 30, 2014, resulting in the adoption of new assumptions as of June 30, 2017. There are no changes of assumptions that affect measurement of the total collective OPEB liability since the prior measurement date.

STATISTICAL SECTION

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

Contents **Page**

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

	2018	**As Restated 2017****	**2016**	**As Restated 2015**	**2014**	**As Restated 2013***	**2012**	**2011**	**2010**	**2009**
Net investment in capital assets	$8,138	$8,008	$8,096	$10,958	$9,793	$8,109	$10,120	$10,152	$11,085	$9,641
Restricted - expendable:										
Debt Service	390	362	323	234	279	245	239	559	374	235
Grants and scholarships	425	425	0	0	0	0	0	0	0	0
Working cash	8,254	8,232	8,195	8,163	8,184	0	0	0	0	0
Unrestricted	(786)	(3,085)	3,457	2,815	2,961	10,739	8,026	5,849	3,259	2,422
Total net position	$16,421	$13,942	$20,071	$22,170	$21,217	$19,093	$18,385	$16,560	$14,718	$12,298

*Implementation of GASB 65
**Implementation of GASB 75

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Changes in Net Position

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

TABLE B

	2018	As Restated 2017**	2016	As Restated 2015	2014	As Restated 2013*	2012	2011	2010	2009
Operating expenses:										
Instruction	$5,613	$5,823	$6,074	$6,753	$6,605	$6,854	$6,367	$6,241	$6,907	$6,796
Academic support	404	391	408	453	475	414	400	340	350	318
Student services	2,989	2,825	2,727	2,669	2,610	2,667	2,303	2,189	2,112	2,256
Public services	126	135	182	260	364	407	438	550	619	692
Auxiliary services	616	631	618	686	1,096	1,162	1,138	1,165	1,132	1,068
Operation and maintenance of plant	1,323	1,366	1,464	1,586	1,527	1,724	1,677	1,422	1,453	1,343
Institutional support	11,509	20,054	9,981	9,300	8,505	8,750	8,356	8,514	8,381	7,357
Scholarships, student grants, and waivers	4,068	2,815	2,654	3,108	3,316	3,683	4,196	4,409	4,491	3,825
Depreciation	1,305	1,385	1,378	1,254	1,355	1,381	1,375	1,337	1,185	1,146
Total operating expenses	27,953	35,425	25,486	26,069	25,853	27,042	26,250	26,167	26,630	24,801
Operating revenues:										
Charges for services:										
Student tuition and fees	5,303	4,524	4,498	4,338	4,003	4,467	4,234	4,474	4,979	5,215
Chargeback revenue										
Auxiliary enterprise	161	180	216	202	600	648	656	683	658	634
Total operating revenue	5,464	4,704	4,714	4,540	4,603	5,115	4,890	5,157	5,637	5,849
Operating loss	(22,489)	(30,721)	(20,772)	(21,529)	(21,250)	(21,927)	(21,360)	(21,010)	(20,993)	(18,952)
Nonoperating revenues (expenses):										
State grants	2,320	2,675	1,035	3,162	3,912	3,799	4,448	4,574	5,551	6,268
Federal grants	5,416	5,219	5,067	5,959	6,274	6,908	6,988	7,331	7,211	5,599
Property taxes	11,142	10,542	10,055	9,884	9,467	9,238	9,030	8,711	8,411	8,017
Personal property replacement tax	242	294	266	291	270	268	262	284	219	271
Local grants	32	52	150	12	20	9	15	24	34	331
Investment income	308	153	483	402	382	60	687	418	565	644
Other nonoperating revenues	6,020	6,517	5,102	4,646	4,042	3,846	2,902	2,569	2,858	1,627
Gain (loss) on disposal of assets	(1)	(288)	(2,776)	(785)	0	0	0	0	0	0
Interest expense	(511)	(572)	(709)	(1,090)	(992)	(1,274)	(1,146)	(1,060)	(1,436)	(1,163)
Net nonoperating revenues	24,968	24,592	18,673	22,481	23,375	22,854	23,186	22,851	23,413	21,594
Residual equity transfer										
Change in net position	$2,479	($6,129)	($2,099)	$952	$2,125	$927	$1,826	$1,841	$2,420	$2,642

*Implementation of GASB 65
**Implementation of GASB 75

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Assessed and Estimated Actual Value of Taxable Property

TABLE C

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2017	$701,661,616	$755,977,286	$258,982,913	$21,649,672	$81,435,544	$1,819,707,031	$5,459,121,093	0.6524
2016	663,550,654	742,549,109	260,982,719	21,700,159	74,484,612	1,763,267,253	5,289,801,759	0.6673
2015	629,272,277	716,008,658	237,521,756	16,406,871	67,169,171	1,666,378,733	4,999,136,199	0.6317
2014	606,537,263	699,100,533	235,528,265	16,553,770	64,128,032	1,621,847,863	4,865,543,589	0.6192
2013	562,937,774	692,805,775	231,443,484	17,212,963	63,352,505	1,567,752,501	4,703,257,503	0.6252
2012	524,085,393	703,152,066	229,659,312	15,395,715	59,379,815	1,531,672,301	4,595,016,903	0.6228
2011	488,503,803	710,972,443	231,155,952	13,391,155	56,980,047	1,501,003,400	4,503,010,200	0.6175
2010	455,125,203	709,365,274	232,398,947	14,408,616	48,507,941	1,459,805,981	4,379,417,943	0.6187
2009	422,967,267	710,540,769	235,181,036	14,766,284	43,602,404	1,427,057,760	4,281,173,280	0.6115
2008	388,086,823	705,307,888	230,806,544	14,488,324	36,186,986	1,374,876,565	4,124,629,695	0.6140

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

Source: Knox County Clerk's Office

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Property Tax Levies and Collections

Last Ten Fiscal Years

TABLE D

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2017	2018	$11,962,549	$3,500,278	29.26%	$0	$3,500,278	29.26%
2016	2017	11,398,135	11,313,960	99.26%	0	11,313,960	99.26%
2015	2016	10,542,391	10,454,014	99.16%	0	10,454,014	99.16%
2014	2015	10,078,115	10,044,230	99.66%	(3,194)	10,041,036	99.63%
2013	2014	9,902,303	9,819,120	99.16%	6,296	9,825,416	99.22%
2012	2013	9,544,769	9,498,458	99.51%	(1,288)	9,497,170	99.50%
2011	2012	9,337,450	9,273,468	99.31%	(33,335)	9,240,133	98.96%
2010	2011	9,073,066	9,025,906	99.48%	(23,472)	9,002,434	99.22%
2009	2010	8,755,224	8,702,932	99.40%	(11,085)	8,691,847	99.28%
2008	2009	8,452,772	8,425,007	99.67%	3,037	8,428,044	99.71%

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.

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Property Tax Rates - Direct and Overlapping Governments (1)

Last Ten Fiscal years

TABLE E

Taxing Bodies	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
City of Galesburg	1.6006	1.7039	1.7828	1.6135	1.5472	1.5560	1.4157	1.4420	1.4055	1.4353
Township of the City of Galesburg	0.1512	0.1528	0.1574	0.1599	0.1614	0.1612	0.1624	0.1757	0.1932	0.2075
Galesburg Unit School District 205	4.8344	4.9576	4.7018	4.5915	4.4671	4.2200	4.2048	4.1994	4.2039	4.0630
Knox County	1.3631	1.3294	1.3245	1.3185	1.3157	1.1608	1.1625	1.1472	1.1282	1.1080
Knox County Soil & Water Conservation	0.0006	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Galesburg City Fire	1.1176	1.0424	0.9500	0.9647	0.9425	0.8913	1.0498	1.0063	0.9927	0.9254
Galesburg Sanitary District	0.2986	0.3103	0.0000	0.3143	0.3125	0.3064	0.3005	0.2873	0.3063	0.3040
Total Overlapping Rate	9.3660	9.4971	8.9165	8.9622	8.7464	8.2957	8.2957	8.2579	8.2298	8.0432
Carl Sandburg College Dist. 518										
Educational	0.2444	0.2757	0.2463	0.2181	0.2146	0.2088	0.2021	0.2000	0.2013	0.1953
Building	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.1757	0.1661	0.1547	0.2103	0.2187	0.2202	0.2195	0.2244	0.2262	0.2193
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1191	0.1104	0.1162	0.1199	0.1205	0.1220	0.1240	0.1225	0.1099	0.1070
Protection, Health, and Safety	0.0500	0.0500	0.0494	0.0059	0.0058	0.0060	0.0061	0.0060	0.0062	0.0264
Social Security and Medicare	0.0081	0.0101	0.0101	0.0100	0.0106	0.0108	0.0108	0.0108	0.0129	0.0110
Total	0.6524	0.6673	0.6317	0.6192	0.6252	0.6228	0.6175	0.6187	0.6115	0.6140
Total rate	10.0184	10.1644	9.5482	9.5814	9.3716	8.9185	8.9132	8.8766	8.8413	8.6572
Carl Sandburg College Percentage of Total	6.51%	6.57%	6.62%	6.46%	6.67%	6.98%	6.93%	6.97%	6.92%	7.09%

(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

See Accompany Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Principal Taxpayers

Current Year and Nine Years Ago

Table F

		2018			2009		
Taxpayer	Type of Business	**Taxable Assessed Value(approx.)**		**Percent District's Total EAV**	**Taxable Assessed Value (approx.)**		**Percent District's Total EAV**
Burlington Northern Santa Fe	Railroad	$79,262,964	1	4.36%	$13,282,604	1	0.93%
Monmouth Property Dev LLC	Manufacturing	8,797,170	2	0.48%			
Consolidated Grain & Barge	Grain Elevator	8,728,567	3	0.48%			
Galesburg Hospital Corporation	Hospital	7,272,550	4	0.40%	8,672,570	3	0.61%
KC Acquistion Inc	Manufacturing	6,334,900	5	0.35%			
Wal-Mart Stores	Retailer	4,059,550	6	0.22%	4,123,880	5	0.29%
Menard Inc.	Retailer	3,081,340	7	0.17%	3,130,010	8	0.22%
The Villas at Carl Sandburg LLC	Commercial Housing	2,487,050	8	0.14%			
Hy Vee Food Stores Inc.	Retailer	2,446,620	9	0.13%	2,557,320	9	0.18%
OSF St Francis Inc	Hospital	2,383,140	10	0.13%			
Union Electric Co	Utilities				12,492,457	2	0.88%
Twomey Company	Grain Elevator				5,084,676	4	0.36%
United Facilities, Inc.	Shipping				3,680,720	6	0.26%
Nauvoo Restoration Inc	Real Property				3,671,238	7	0.26%
Horne Development LP	Retailer				2,337,770	10	0.16%
		$124,853,851		6.86%	$59,033,245		4.14%

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.

See Accompany Independent Auditor's Report.

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
2018	$16,581,320	$118,687	$16,700,007	$5,289,801,759	0.316%	103,671	160	$2,562,854	0.65%
2017	18,950,394	156,666	19,107,060	4,999,136,199	0.382%	104,639	181	2,511,424	0.76%
2016	20,934,468	192,162	21,126,630	4,865,543,589	0.434%	105,748	198	2,464,246	0.86%
2015	23,525,374	0	23,525,374	4,703,257,503	0.500%	105,790	222	2,439,200	0.96%
2014	25,912,657	0	25,912,657	4,595,016,903	0.564%	100,165	259	2,386,531	1.09%
2013	28,240,401	0	28,070,000	4,503,010,200	0.623%	105,835	267	2,261,164	1.24%
2012	27,247,150	0	27,325,000	4,379,417,943	0.624%	105,835	257	2,215,656	1.23%
2011	29,825,000	0	29,825,000	4,281,173,280	0.697%	105,835	282	2,204,225	1.35%
2010	29,255,000	0	29,255,000	4,124,629,695	0.709%	120,186	243	2,226,085	1.31%
2009	28,610,000	7,288	28,617,288	4,124,629,695	0.694%	120,877	237	2,063,975	1.39%

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

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

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

Last Ten Fiscal Years

TABLE H

Fiscal Year	Net General Bonded Debt	Estimated Actual Taxable Value of Property	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2018	$16,581,320	$5,289,801,759	103,671	0.313%	160
2017	18,950,394	4,999,136,199	104,639	0.379%	181
2016	20,934,468	4,865,543,589	105,748	0.430%	198
2015	23,525,374	4,703,257,503	105,790	0.500%	222
2014	25,912,657	4,595,016,903	100,165	0.564%	259
2013	28,240,401	4,503,010,200	105,835	0.627%	267
2012	27,247,150	4,379,417,943	105,835	0.622%	257
2011	29,825,000	4,281,173,280	105,835	0.697%	282
2010	29,255,000	4,124,629,695	120,186	0.709%	243
2009	28,610,000	4,124,629,695	120,877	0.694%	237

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

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518
Computation of Direct and Overlapping Bonded Debt
June 30, 2018

TABLE I

Overlapping Agencies	Outstanding Debt	Percent (1)	Amount
Knox County	$4,365,000	98.02%	$4,278,573
Monmouth Park District	250,000	100.00%	250,000
City of Monmouth	34,777,825	100.00%	34,777,825
City of Galesburg	298,000	100.00%	298,000
Roseville-Swan-Point Pleasant-Ellison FPD	1,250,000	100.00%	1,250,000
Raritan Road District	130,000	100.00%	130,000
Mendon CUSD #4	1,405,000	1.62%	22,761
Schuyler-Industry CUSD #5	3,035,000	20.74%	629,459
Bushnell-Prairie City CUSD #170	400,000	76.27%	305,080
Avon CUSD #176	185,000	61.93%	114,571
Macomb CUSD #185	4,252,436	0.02%	850
Aledo CUSD #201	1,055,000	0.40%	4,220
Knoxville CUSD #202	4,770,000	100.00%	4,770,000
Galesburg CUSD #205	48,950,000	100.00%	48,950,000
ROWVA CUSD #208	7,705,000	95.03%	7,322,062
Abingdon CUSD #217	171,000	100.00%	171,000
Galva CUSD #224	930,000	0.25%	2,325
Alwood CUSD #225	6,748,426	0.24%	16,196
Monmouth-Roseville CUSD #238	6,483,000	100.00%	6,483,000
Farmington CUSD #265	2,581,725	19.71%	508,858
United CUSD #304	5,295,000	85.33%	4,518,224
Warsaw CUSD #316	2,080,000	100.00%	2,080,000
Elmwood CUSD #322	2,505,000	0.14%	3,507
Hamilton CUSD #328	280,000	100.00%	280,000
Dallas City CUSD #336	510,000	100.00%	510,000
LaHarpe Elementary District #347	2,150,000	100.00%	2,150,000
Williamsfield CUST #210	200,000	100.00%	200,000
Fulton County	150,000	0.00%	0
			120,026,510
Community College Dist. #518	$16,581,320	100.00%	16,581,320
Total Direct & Overlapping General Obligation Bonded Debt			$136,607,830

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.

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518
Legal Debt Margin
Last Ten Fiscal Years

TABLE J

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
2018	$52,316,577	$16,700,007	$35,616,570	31.921%
2017	50,693,934	19,107,060	31,586,874	37.691%
2016	47,908,389	21,126,630	26,781,759	44.098%
2015	46,628,126	23,525,374	23,102,752	50.453%
2014	45,072,884	25,912,657	19,160,227	57.491%
2013	44,035,579	28,070,000	15,965,579	63.744%
2012	43,153,848	27,325,000	15,828,848	63.320%
2011	41,969,422	29,825,000	12,144,422	71.064%
2010	41,027,911	29,255,000	11,772,911	71.305%
2009	39,527,701	28,617,288	10,910,413	72.398%

Assessed valuation - 2017 levy	$1,819,707,031
Debt limit (2.875% of total assessed value)	$52,316,577
Debt applicable to limit:	
General obligation bonds	16,581,320
Capital leases	118,687
Total net debt applicable to limit	16,700,007
Legal debt margin	$35,616,570

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Demographic and Economic Statistics*

Last Ten Fiscal Years

TABLE K

Fiscal Year	Estimated Population*	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2018	103,671	$2,562,854	$24,721	42.8	28,552	4.6%	1,639	17
2017	104,639	2,511,424	24,001	42.4	29,742	6.0%	1,927	17
2016	105,748	2,464,246	23,303	42.0	30,741	6.5%	2,082	17
2015	105,790	2,439,200	23,057	42.0	30,757	5.3%	2,328	15
2014	100,165	2,386,531	23,826	44.0	21,466	7.7%	2,200	15
2013	105,835	2,261,164	21,365	40.4	37,187	9.1%	2,460	14
2012	105,835	2,215,656	20,935	40.1	37,858	7.6%	2,383	17
2011	105,835	2,204,225	20,827	39.2	39,111	7.1%	2,538	17
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17
2009	120,877	2,063,975	17,075	36.6	36,897	6.4%	2,615	12

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

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518

Principal Employers

Current Year and Nine Years Ago

TABLE L

Employer	2018 Employees	2018 Rank	2018 Percentage of Total District Employment	2009 Employees	2009 Rank	2009 Percentage of Total District Employment
Smithfield Foods (Farmland)	1,600	1	1.61%	1,350	1	2.01%
Burlington Northern Santa Fe Railroad	1,250	2	1.26%	1,115	2	1.66%
OSF (Galesburg, Monmouth)	856	3	0.86%	1,025	3	1.52%
Dick Blick Art Materials	670	4	0.68%	550	5	0.82%
Galesburg Cottage Hospital	615	5	0.62%	730	4	1.08%
Community School District #205	594	6	0.60%	542	6	0.80%
Hy-Vee Food Stores	578	7	0.58%	525	7	0.78%
Knox County	355	8	0.36%	420	10	0.62%
Carl Sandburg College	341	9	0.34%	454	8	0.67%
Bridgeway/Bridgeway Training	200	10	0.20%			
Methode Electronics				450	9	0.67%
Total	7,059		7.11%	7,161		10.64%

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

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518
Full-Time Equivalent Employees
Last Ten Fiscal Years

TABLE M

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction-Faculty	81	86	83	95	109	116	113	112	119	110
Full-time	39	47	50	51	54	57	56	55	64	62
Part-time	42	39	33	44	55	59	57	57	55	48
Administrative Staff	22	22	22	23	23	21	19	20	20	20
Full-time	21	21	22	23	23	21	19	20	20	20
Part-time	1	1	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	66	56	58	57	64	69	70	72	75	73
Full-time	47	56	56	56	62	65	66	67	70	69
Part-time	19	0	2	1	2	4	4	5	5	4
Classified Staff	49	52	51	50	53	56	56	55	52	54
Full-time	48	43	43	47	51	55	53	53	49	51
Part-time	1	9	8	3	2	1	3	2	3	3
Total	218	216	214	225	249	262	258	259	266	257

See Accompanying Independent Auditor's Report.

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

TABLE N

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:[1]										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,183	1,950	1,837	1,972	2,326	2,740	2,784	3,270	2,965	2,844
Vocational	2	0	0	0	0	0	2	19	23	26
Occupational	557	581	662	686	932	1,046	1,101	1,055	1,220	1,206
ABE	0	0	15	72	123	154	196	225	266	201
ASE	0	0	23	62	94	126	140	142	182	209
ESL	0	0	15	80	118	128	84	74	67	71
General Studies	0	0	0	0	0	0	0	0	1	0
General Associates	310	469	407	428	115	91	85	83	80	71
Total	3,052	3,000	2,959	3,300	3,708	4,285	4,392	4,868	4,804	4,628
Annual FTE Students[2]	1,201	1,229	1,258	1,339	1,450	1,599	1,644	1,737	1,772	1,641
Total Reimbursable Credit Hours[3]	36,020	36,863	37,748	40,172	43,511	47,972	49,316	52,113	53,174	49,219
Degrees awarded:[4]										
Associate (transfer)	204	231	206	178	167	148	129	118	106	108
Associate in applied science	154	106	135	135	134	156	140	119	122	118
Career & technical certificates	125	143	150	222	236	133	176	152	137	141
Average annual faculty salary[5]	$58,761	$56,853	$56,285	$54,159	$54,670	$52,907	$55,771	$62,269	$49,074	$47,889
Students per faculty[6]	15	17	17	15	15	16	16	17	17	16
Institutional support:[7]										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.23	1.23	1.29	1.25	1.29	1.4	1.45	1.80	1.85	1.71

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

See Accompanying Independent Auditor's Report.

Carl Sandburg College - Community College District 518
Capital Asset Statistics
Last Ten Fiscal Years

TABLE O

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Building - acres	6.2	6.2	6.4	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Classroom - sq. ft.	44,975	44,975	43,938	48,340	45,898	47,195	45,756	47,128	46,167	45,938
Lab - sq. ft.	57,585	57,585	58,585	57,471	66,251	70,989	69,154	70,124	70,124	71,505
Academic support:										
Support - sq. ft.	4,268	4,268	4,284	3,595	3,763	3,530	3,530	3,530	3,385	3,385
Study - sq. ft.	17,184	17,184	17,654	18,044	18,760	17,750	18,784	18,784	18,784	19,349
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	32,840	33,528	36,954	37,154	37,154	37,154	37,025	39,963
Institutional support:										
Landscaped grounds - acres	34.6	34.6	34.7	37.9	37.9	37.9	37.9	37.9	37.9	37.9
Parking lots - acres	9.2	9.2	9.2	9.9	9.9	9.9	9.9	9.9	9.9	9.9
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

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

See Accompanying Independent Auditor's Report.

SPECIAL REPORTS SECTION

Supplemental Financial Information

Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net position, the Uniform Financial Statements are completed using the modified accrual basis of accounting and a current financial resource measurement focus prescribed by the NCGA Statement No. 1 and related interpretations.

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, 2018

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2017	$3,998,758	$957,753	($76,400)	$7,116,994
Revenue:				
Local taxes	4,447,818	1,017,628	874,582	0
All other local government	0	0	0	0
ICCB grants	1,214,168	95,002	0	0
All other state revenue	0	0	0	0
State of Illinois SURS on-behalf payments	0	0	0	0
Federal revenue	0	0	0	0
Student tuition and fees	6,437,215	628,843	0	0
All other revenue	101,909	12,278	464	107,012
Total revenue	12,201,110	1,753,751	875,046	107,012
Expenditures:				
Instruction	5,501,561	0	0	0
Academic support	404,071	0	0	0
Student services	2,279,554	0	0	0
Public service	125,790	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance	0	1,322,641	0	0
Institutional support	2,444,641	97,665	92,777	800
Scholarships, student grants, and waivers	323,279	0	0	0
Principal retirement		37,979	0	0
Interest, service charges, and issuance costs	0	9,439	0	0
Building construction, building improvements, and equipment	70,646	47,915	564,386	0
Total expenditures	11,149,542	1,515,639	657,163	800
Sale of capital assets	15,000	0	0	0
Transfers in	438,823	3,800	7,269	0
Transfers out	(376,695)	0	0	(403,525)
	77,128	3,800	7,269	(403,525)
Fund balance (deficit) at June 30, 2018	$5,127,454	$1,199,665	$148,752	$6,819,681

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2018

	Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund
Fund balance (deficit) at July 1, 2017	$361,990	$97,164	$424,504	($74,565)
Revenue:				
Local taxes	2,898,034	0	0	87,447
All other local government	0	0	0	0
ICCB grants	0	0	0	0
All other state revenue	0	0	1,011,054	0
State of Illinois SURS on-behalf payments	0	0	5,829,559	0
Federal revenue	0	0	5,416,165	0
Student tuition and fees	0	0	0	0
All other revenue	82	275,026	21,584	0
Total revenue	2,898,116	275,026	12,278,362	87,447
Expenditures:				
Instruction	0	0	121,600	0
Academic support	0	0	0	0
Student services	0	0	714,888	0
Public service	0	0	267	0
Auxiliary services	0	589,474	0	0
Operation and maintenance	0	0	0	0
Institutional support	3,738	0	5,850,868	68,393
Scholarships, student grants, and waivers	0	0	5,494,415	0
Principal retirement	2,290,000	0	0	0
Interest, service charges, and issuance costs	575,984	0	0	0
Building construction, building improvements, and equipment	0	44,352	96,313	0
Total expenditures	2,869,722	633,826	12,278,351	68,393
Sale of capital assets	0	0	0	0
Transfers in	0	424,995	0	0
Transfers out	0	0	0	0
	0	424,995	0	0
Fund balance (deficit) at June 30, 2018	$390,384	$163,359	$424,515	($55,511)

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1

All Funds Summary (Continued)

For the year ended June 30, 2018

	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Non-Expendable Trust Fund	Total
Fund balance (deficit) at July 1, 2017	$3,206,296	$1,110,305	$8,231,794	$25,354,593
Revenue:				
Local taxes	2,058,399	0	0	11,383,908
All other local government	0	0	0	0
ICCB grants	0	0	0	1,309,170
All other state revenue	0	0	0	1,011,054
State of Illinois SURS on-behalf payments	0	0	0	5,829,559
Federal revenue	0	0	0	5,416,165
Student tuition and fees	0	0	0	7,066,058
All other revenue	53,675	8,330	85,090	665,450
Total revenue	2,112,074	8,330	85,090	32,681,364
Expenditures:				
Instruction	0	0	0	5,623,161
Academic support	0	0	0	404,071
Student services	0	0	0	2,994,442
Public service	0	0	0	126,057
Auxiliary services	0	0	0	589,474
Operation and maintenance	0	0	0	1,322,641
Institutional support	2,211,640	0	1,350	10,771,872
Scholarships, student grants, and waivers	0	0	0	5,817,694
Principal retirement	0	0	0	2,327,979
Interest, service charges, and issuance costs	0	0	0	585,423
Building construction, building improvements, and equipment	56,108	0	0	879,720
Total expenditures	2,267,748	0	1,350	31,442,534
Sale of capital assets	5,500	0	0	20,500
Transfers in	0	0	0	874,887
Transfers out	0	(32,798)	(61,869)	(874,887)
	5,500	(32,798)	(61,869)	20,500
Fund balance (deficit) at June 30, 2018	$3,056,122	$1,085,837	$8,253,665	$26,613,923

Carl Sandburg College - Community College District 518

Uniform Financial Statement #2

Summary of Fixed Assets and Debt*

For the year ended June 30, 2018

	Fixed Assets/ Debt Account Groups July 1, 2017	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2018
Fixed assets:					
Land	$346,125	$0	$0	$0	$346,125
Work in progress	104,473	485,207	0	(18,843)	570,837
Furniture and equipment	5,199,732	192,326	31,326	6,247	5,366,979
Land improvements	1,002,587	20,519	0	0	1,023,106
Buildings and additions	31,258,233	114,636	0	12,596	31,385,465
Vehicles	221,962	67,032	58,609	0	230,385
Infrastructure	3,376,418	0	0	0	3,376,418
Total fixed assets	41,509,530	879,720	89,935	0	42,299,315
Accumulated depreciation	24,630,776	1,305,069	68,293	0	25,867,552
Total net fixed assets	$16,878,754	($425,349)	$21,642	$0	$16,431,763
Fixed debts:					
Bonds payable	$18,490,000	$0	$2,290,000	$0	$16,200,000
Capital leases	156,666	0	37,979	0	118,687
Other fixed liabilities	367,498	282,098	288,242	0	361,354
Total fixed debts	$19,014,164	$282,098	$2,616,221	$0	$16,680,041

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

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

For the year ended June 30, 2018

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	$4,326,804	$896,614	$5,223,418
Corporate personal property replacement tax	121,014	121,014	242,028
Tuition chargeback revenue	0	0	0
Total local government	4,447,818	1,017,628	5,465,446
State government:			
ICCB base operating grant	1,062,238	91,002	1,153,240
ICCB equalization grant	46,000	4,000	50,000
ICCB career and technical education formula grant	105,930	0	0
Total state government	1,214,168	95,002	1,309,170
Total federal government	0	0	0
Student tuition and fees:			
Tuition	6,127,138	520,368	6,647,506
Fees	310,077	108,475	418,552
Total tuition and fees	6,437,215	628,843	7,066,058
Other sources:			
Interest	65,192	0	65,192
Other	36,717	12,278	48,995
Total other sources	101,909	12,278	114,187
Total revenue	12,201,110	1,753,751	13,954,861
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
Adjusted revenue	$12,201,110	$1,753,751	$13,954,861

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

For the year ended June 30, 2018

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	$5,513,925	$0	$5,513,925
Academic support	404,071	0	404,071
Student services	2,279,554	0	2,279,554
Public services	125,790	0	125,790
Operation and maintenance of plant	0	1,363,955	1,363,955
Institutional support	2,502,923	151,684	2,654,607
Scholarships, student grants, and waivers	323,279	0	323,279
Total expenditures	11,149,542	1,515,639	12,665,181
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	$11,149,542	$1,515,639	$12,665,181
By object:			
Salaries	$7,145,487	$538,335	$7,683,822
Employee benefits	1,051,473	156,413	1,207,886
Contractual services	468,683	115,763	584,446
General materials and supplies	937,739	78,297	1,016,036
Conference and meeting expense	145,740	1,966	147,706
Fixed charges	118,502	48,663	167,165
Utilities	0	503,227	503,227
Capital outlay	9,571	15,919	25,490
Other	1,272,347	57,056	1,329,403
Total expenditures	11,149,542	1,515,639	12,665,181
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	$11,149,542	$1,515,639	$12,665,181

* 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, 2018

Revenue by source:	
State government:	
Illinois Map Grant	$999,284
SURS on behalf contributions	5,829,559
ICCB -	
Program Improvement Grant	11,770
Total state government	6,840,613
Federal government:	
Department of Education:	
College Work Study Grants	34,960
Pell Grants	3,863,572
Supplemental Educational Opportunity Grant	37,764
Direct Loans	558,835
Trio-Student Support services	237,161
Trio-Upward Bound	260,642
Trio-Upward Bound Math & Science	182,033
Perkins Postsecondary-Federal Allocation	114,861
Perkins Career Corporate Development	7,652
UISFL Grant	10
Department of Labor:	
TAACCT BioProgress Grant	118,675
Total federal government	5,416,165
Other sources	21,584
Total restricted purposes fund revenues	12,278,362

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2018

Expenditures by program:	
Instruction	$217,913
Student services	714,888
Public services	267
Institutional support	5,850,868
Scholarships, student grants, and waivers	5,494,415
Total restricted purposes fund expenditures by program	$12,278,351
Expenditures by object:	
Salaries	$410,089
Employee benefits (including SURS on-behalf)	5,947,803
Contractual services	7,277
General materials and supplies	92,535
Travel, conference and meeting expense	24,938
Student financial aid	5,494,415
Capital outlay	95,696
Other	205,598
Total restricted purposes fund expenditures by object	$12,278,351

Carl Sandburg College - Community College District 518
Uniform Financial Statement #5
Current Funds* - Expenditures by Activity
For the year ended June 30, 2018

Instructional:	
Programs	$4,471,109
Support	1,260,729
Total instructional	5,731,838
Academic support:	
Learning resource center	98,722
Instructional materials center	176,174
Other academic support	129,175
Total academic support	404,071
Student services:	
Admissions and records	119,823
Counseling and career guidance	605,238
Financial aid administration	224,488
Other student services	2,044,893
Total student services	2,994,442
Public service/continuing education:	
Community education	61,838
Customized training (instructional)	58,990
Community services	5,229
Other public service	0
Total public service/continuing education	126,057
Auxiliary services	633,826
Operations and maintenance of plant:	
Maintenance	398,111
Custodial	249,623
Grounds	147,406
Plant utilities	412,402
Other operations and maintenance	156,413
Total operations and maintenance of plant	1,363,955
Institutional support:	
Executive management	233,132
Fiscal operations	305,655
Community relations	444,855
Administrative support services	2,133,382
Board of trustees	49,226
General institution	850,806
Institutional research	134,593
Administrative data processing	582,006
Other institutional support	6,107,961
Total institutional support	10,841,616
Scholarships, student grants, and waivers	5,817,694
Total current funds expenditures	$27,913,499

* 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 2019

	All fiscal year 2018 noncapital audited operating expenditures from the following funds:		
1	Education Fund	$11,078,896	
2	Operations and Maintenance Fund	1,420,306	
3	Public Building Commission Operation and Maintenance Fund	0	
4	Bond and Interest Fund	2,083,456	
5	Public Building Commission Rental Fund	0	
6	Restricted Purposes Fund	12,182,038	
7	Audit Fund	68,393	
8	Liability, Protection, and Settlement Fund	2,211,640	
9	Auxiliary Enterprises Fund (subsidy only)	0	
10	Total noncapital expenditures (sum of lines 1-9)		$29,044,729
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$852,315	
12	Total costs included (line 10 plus line 11)		$29,897,044
13	Total certified semester credit hours for FY 2018	36,020	
14	Per capita cost (line 12 divided by line 13)		$830.02
15	All FY 2018 state and federal operating grants for noncapital expenditures, except ICCB grants	$6,319,136	
16	FY 2018 state and federal grants per semester credit hour (line 15 divided by line 13)		175.44
17	District's average ICCB grant rate (excluding equalization grants) for FY 2019		38.50
18	District's student tuition and fee rate per semester credit hour for FY 2019		165.00
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		$451.08

Approved:______________________________ 9/19/2018

Chief Financial Officer Date

______________________________ 9/19/2018

President Date

Other Supplemental Financial Information

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

June 30, 2018

ASSETS AND DEFERRED OUTFLOWS	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Cash and cash equivalents	$8,273,630	$0	$0	$0
Deposits	0	0	0	0
Investments	0	0	37,360	9,325,259
Receivables, net:				
Property taxes	3,119,453	632,547	632,547	0
Government claims and grants	38,681	20,619	0	0
Other	217,182	0	0	41,132
Advances to other funds	0	1,664,245	380,319	0
Prepaid items	199,554	0	0	0
Inventories	0	0	0	0
Property and equipment, net	0	0	0	0
Total assets	11,848,500	2,317,411	1,050,226	9,366,391
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	$11,848,500	$2,317,411	$1,050,226	$9,366,391

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Liabilities:				
Accounts payable	$298,042	$0	$0	$0
Accrued liabilities	27,315	0	0	0
Advances from other funds	1,956,833	0	0	2,546,710
Unearned tuition and fees	0	216,272	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	2,282,190	216,272	0	2,546,710
Deferred inflows of resources:				
Deferred property taxes	4,438,856	901,474	901,474	0
Deferred grant revenue	0	0	0	0
Deferred concessions	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	4,438,856	901,474	901,474	0
Fund balance (deficit):				
Net investment in capital assets	0	0	0	0
Restricted	0	32,614	0	0
Unrestricted	5,127,454	1,167,051	148,752	6,819,681
Total fund balance (deficit)	5,127,454	1,199,665	148,752	6,819,681
Total liabilities, deferred inflows of resources and fund balances	$11,848,500	$2,317,411	$1,050,226	$9,366,391

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types (Continued)

June 30, 2018

ASSETS AND DEFERRED OUTFLOWS	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Cash and cash equivalents	$0	$450	$0	$0	$0
Deposits	0	0	0	0	0
Investments	6,840	0	0	0	4,065,995
Receivables, net:					
Property taxes	2,222,140	0	0	63,255	1,609,833
Government claims and grants	0	0	596,886	0	0
Other	0	3,334	0	0	17,435
Advances to other funds	1,328,281	167,309	0	0	0
Prepaid items	0	0	0	0	0
Inventories	0	7,100	0	0	0
Property and equipment, net	0	40,963	0	0	0
Total assets	3,557,261	219,156	596,886	63,255	5,693,263
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	$3,557,261	$219,156	$596,886	$63,255	$5,693,263
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	$0	$2,202	$0	$0	$0
Accrued liabilities	0	12,401	0	0	0
Advances from other funds	0	0	78,948	28,619	342,891
Unearned tuition and fees	0	41,194	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	55,797	78,948	28,619	342,891
Deferred inflows of resources:					
Deferred property taxes	3,166,877	0	0	90,147	2,294,250
Deferred grant revenue	0	0	93,423	0	0
Deferred concessions	0	0	0	0	0
Deferred OPEB	0	0	0	0	0
Total deferred inflows	3,166,877	0	93,423	90,147	2,294,250
Fund balance (deficit):					
Net investment in capital assets	0	40,963	0	0	0
Restricted	390,384	0	424,515	0	0
Unrestricted	0	122,396	0	(55,511)	3,056,122
Total fund balance (deficit)	390,384	163,359	424,515	(55,511)	3,056,122
Total liabilities, deferred inflows of resources and fund balances	$3,557,261	$219,156	$596,886	$63,255	$5,693,263

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2018

ASSETS AND DEFERRED OUTFLOWS	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust	Agency Fund	Total
Cash and cash equivalents	$0	$4,127,191	$0	$12,401,271
Deposits	0	551,917	0	551,917
Investments	0	3,327,091	0	16,762,545
Receivables, net:				
Property taxes	0	0	0	8,279,775
Government claims and grants	0	0	0	656,186
Other	0	10,193	0	289,276
Advances to other funds	1,085,837	237,273	90,737	4,954,001
Prepaid items	0	0	0	199,554
Inventories	0	0	0	7,100
Property and equipment, net	0	0	0	40,963
Total assets	1,085,837	8,253,665	90,737	44,142,588
Deferred outflows of resources:				
Deferred pension	0	0	0	0
Deferred OPEB	0	0	0	0
Unamortized loss on refunding	0	0	0	0
Total deferred outflows of resources	0	0	0	0
Total assets and deferred outflows	$1,085,837	$8,253,665	$90,737	$44,142,588
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	$0	$0	$90,737	$390,981
Accrued liabilities	0	0	0	39,716
Advances from other funds	0	0	0	4,954,001
Unearned tuition and fees	0	0	0	257,466
Accrued compensated absences	0	0	0	0
Capital lease payable	0	0	0	0
OPEB Liability	0	0	0	0
Bonds payable, net of amortized premiums (discounts)	0	0	0	0
Total liabilities	0	0	90,737	5,642,164
Deferred inflows of resources:				
Deferred property taxes	0	0	0	11,793,078
Deferred grant revenue	0	0	0	93,423
Deferred concessions	0	0	0	0
Deferred OPEB	0	0	0	0
Total deferred inflows	0	0	0	11,886,501
Fund balance (deficit):				
Net investment in capital assets	0	0	0	40,963
Restricted	0	8,253,665	0	9,101,178
Unrestricted	1,085,837	0	0	17,471,782
Total fund balance (deficit)	1,085,837	8,253,665	0	26,613,923
Total liabilities, deferred inflows of resources and fund balances	$1,085,837	$8,253,665	$90,737	$44,142,588

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types - (Continued)

June 30, 2018

	GASB			
ASSETS AND DEFERRED OUTFLOWS	**General Fixed Assets Account**	**General Long Term Debt Account**	**Other Adjustments**	**Adjusted Total**
Cash and cash equivalents	$0	$0	$0	$12,401,271
Deposits	0	0	0	551,917
Investments	0	0	0	16,762,545
Receivables, net:				
Property taxes	0	0	0	8,279,775
Government claims and grants	0	0	0	656,186
Other	0	0	0	289,276
Advances to other funds	0	0	(4,954,001)	0
Prepaid items	0	0	0	199,554
Inventories	0	0	0	7,100
Property and equipment, net	16,390,800	0	0	16,431,763
Total assets	16,390,800	0	(4,954,001)	55,579,387
Deferred outflows of resources:				
Deferred pension	0	0	40,245	40,245
Deferred OPEB	0	83,281	0	83,281
Unamortized loss on refunding	0	22,095	0	22,095
Total deferred outflows of resources	0	105,376	40,245	145,621
Total assets and deferred outflows	$16,390,800	$105,376	($4,913,756)	$55,725,008
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	$0	$0	$0	$390,981
Accrued liabilities	0	0	(12,401)	27,315
Advances from other funds	0	0	(4,954,001)	0
Unearned tuition and fees	0	0	261,463	518,929
Accrued compensated absences	0	0	361,354	361,354
Capital lease payable	0	118,687	0	118,687
OPEB Liability	0	8,671,841	0	8,671,841
Bonds payable, net of amortized premiums (discounts)	0	16,581,320	0	16,581,320
Total liabilities	0	25,371,848	(4,343,585)	26,670,427
Deferred inflows of resources:				
Deferred property taxes	0	0	0	11,793,078
Deferred grant revenue	0	0	0	93,423
Deferred concessions	0	0	0	0
Deferred OPEB	0	746,991	0	746,991
Total deferred inflows	0	746,991	0	12,633,492
Fund balance (deficit):				
Net investment in capital assets	16,390,800	(8,293,244)	0	8,138,519
Restricted	0	0	0	9,101,178
Unrestricted	0	(17,720,219)	(570,171)	(818,608)
Total fund balance (deficit)	16,390,800	(26,013,463)	(570,171)	16,421,089
Total liabilities, deferred inflows of resources and fund balances	$16,390,800	$105,376	($4,913,756)	$55,725,008

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, 2018

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Revenues:				
Local government	$4,447,818	$1,017,628	$874,582	$0
State government	1,214,168	95,002	0	0
State of Illinois SURS on-behalf payments	0	0	0	0
Federal government	0	0	0	0
Student tuition and fees	6,437,215	628,843	0	0
Sales and service fees	0	0	0	0
Interest	65,192	0	464	107,012
Other	36,717	12,278	0	0
Total revenues	12,201,110	1,753,751	875,046	107,012
Expenditures/expenses:				
Current:				
Instruction	5,513,925	0	0	0
Academic support	404,071	0	0	0
Student services	2,279,554	0	0	0
Public services	125,790	0	0	0
Auxiliary services	0	0	0	0
Operation and maintenance of plant	0	1,363,955	0	0
Institutional support	2,502,923	104,266	657,163	800
Scholarships, student grants, and waivers	323,279	0	0	0
Depreciation expense	0	0	0	0
Debt service:				
Principal retirement	0	37,979	0	0
Interest	0	9,439	0	0
Bond issuance costs	0	0	0	0
Total expenditures/expenses	11,149,542	1,515,639	657,163	800
Excess (deficiency) of revenues over expenditures/expenses	1,051,568	238,112	217,883	106,212
Other financing sources (uses):				
Sale of capital assets	15,000	0	0	0
Transfers in	438,823	3,800	7,269	0
Transfers out	(376,695)	0	0	(403,525)
Total other financing sources (uses)	77,128	3,800	7,269	(403,525)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,128,696	241,912	225,152	(297,313)
Fund balance/net position at beginning of of year (deficit), as previously reported	3,998,758	957,753	(76,400)	7,116,994
Prior period adjustment	0	0	0	0
Fund balance/net position at beginning of year (deficit), as restated	3,998,758	957,753	(76,400)	7,116,994
Fund balance/net position (deficit) at end of year	$5,127,454	$1,199,665	$148,752	$6,819,681

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, 2018

	Bond and Interest	Auxiliary Enterprise Fund	Restricted Purposes	Audit	Liability Protection Funds
Revenues:					
Local government	$2,898,034	$0	$0	$87,447	$2,058,399
State government	0	0	1,011,054	0	0
State of Illinois SURS on-behalf payments	0	0	5,829,559	0	0
Federal government	0	0	5,416,165	0	0
Student tuition and fees	0	0	0	0	0
Sales and service fees	0	160,623	0	0	0
Interest	82	0	0	0	41,537
Other	0	114,403	21,584	0	12,138
Total revenues	2,898,116	275,026	12,278,362	87,447	2,112,074
Expenditures/expenses:					
Current:					
Instruction	0	0	217,913	0	0
Academic support	0	0	0	0	0
Student services	0	0	714,888	0	0
Public services	0	0	267	0	0
Auxiliary services	0	615,575	0	0	0
Operation and maintenance of plant	0	0	0	0	0
Institutional support	3,738	0	5,850,868	68,393	2,267,748
Scholarships, student grants, and waivers	0	0	5,494,415	0	0
Depreciation expense	0	18,251	0	0	0
Debt service:					
Principal retirement	2,290,000	0	0	0	0
Interest	575,984	0	0	0	0
Bond issuance costs	0	0	0	0	0
Total expenditures/expenses	2,869,722	633,826	12,278,351	68,393	2,267,748
Excess (deficiency) of revenues over expenditures/expenses	28,394	(358,800)	11	19,054	(155,674)
Other financing sources (uses):					
Sale of capital assets	0	0	0	0	5,500
Transfers in	0	424,995	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources (uses)	0	424,995	0	0	5,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	28,394	66,195	11	19,054	(150,174)
Fund balance/net position at beginning of of year (deficit), as previously reported	361,990	97,164	424,504	(74,565)	3,206,296
Prior period adjustment	0	0	0	0	0
Fund balance/net position at beginning of year (deficit), as restated	361,990	97,164	424,504	(74,565)	3,206,296
Fund balance/net position (deficit) at end of year	$390,384	$163,359	$424,515	($55,511)	$3,056,122

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, 2018

	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust	Agency Fund	Totals
Revenues:				
Local government	$0	$0	$0	$11,383,908
State government	0	0	0	2,320,224
State of Illinois SURS on-behalf payments	0	0	0	5,829,559
Federal government	0	0	0	5,416,165
Student tuition and fees	0	0	0	7,066,058
Sales and service fees	0	0	0	160,623
Interest	8,330	85,090	0	307,707
Other	0	0	0	197,120
Total revenues	8,330	85,090	0	32,681,364
Expenditures/expenses:				
Current:				
Instruction	0	0	0	5,731,838
Academic support	0	0	0	404,071
Student services	0	0	0	2,994,442
Public services	0	0	0	126,057
Auxiliary services	0	0	0	615,575
Operation and maintenance of plant	0	0	0	1,363,955
Institutional support	0	1,350	0	11,457,249
Scholarships, student grants, and waivers	0	0	0	5,817,694
Depreciation expense	0	0	0	18,251
Debt service:				
Principal retirement	0	0	0	2,327,979
Interest	0	0	0	585,423
Bond issuance costs	0	0	0	0
Total expenditures/expenses	0	1,350	0	31,442,534
Excess (deficiency) of revenues over expenditures/expenses	8,330	83,740	0	1,238,830
Other financing sources (uses):				
Sale of capital assets	0	0	0	20,500
Transfers in	0	0	0	874,887
Transfers out	(32,798)	(61,869)	0	(874,887)
Total other financing sources (uses)	(32,798)	(61,869)	0	20,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(24,468)	21,871	0	1,259,330
Fund balance/net position at beginning of of year (deficit), as previously reported	1,110,305	8,231,794	0	25,354,593
Prior period adjustment	0	0	0	0
Fund balance/net position at beginning of year (deficit), as restated	1,110,305	8,231,794	0	25,354,593
Fund balance/net position (deficit) at end of year	$1,085,837	$8,253,665	$0	$26,613,923

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, 2018

	GASB General Fixed Assets Account	GASB General Long Term Debt Account	Other Adjustments	Adjusted Total
Revenues:				
Local government	$0	$0	$0	$11,383,908
State government	0	0	0	2,320,224
State of Illinois SURS on-behalf payments	0	0	(5,829,559)	0
Federal government	0	0	0	5,416,165
Student tuition and fees	0	0	(1,762,628)	5,303,430
Sales and service fees	0	0	0	160,623
Interest	0	0	0	307,707
Other	0	0	5,854,559	6,051,679
Total revenues	0	0	(1,737,628)	30,943,736
Expenditures/expenses:				
Current:				
Instruction	(108,676)	0	(10,486)	5,612,676
Academic support	0	0	(530)	403,541
Student services	0	0	(4,980)	2,989,462
Public services	0	0	(41)	126,016
Auxiliary services	0	0	0	615,575
Operation and maintenance of plant	(41,314)	0	14	1,322,655
Institutional support	(685,379)	731,998	5,595	11,509,463
Scholarships, student grants, and waivers	0	0	(1,750,177)	4,067,517
Depreciation expense	1,286,819	0	0	1,305,070
Debt service:				
Principal retirement	0	(2,327,979)	0	0
Interest	0	(74,164)	0	511,259
Bond issuance costs	0	0	0	0
Total expenditures/expenses	451,450	(1,670,145)	(1,760,605)	28,463,234
Excess (deficiency) of revenues over expenditures/expenses	(451,450)	1,670,145	22,977	2,480,502
Other financing sources (uses):				
Sale of capital assets	(21,642)	0	0	(1,142)
Transfers in	0	0	0	874,887
Transfers out	0	0	0	(874,887)
Total other financing sources (uses)	(21,642)	0	0	(1,142)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(473,092)	1,670,145	22,977	2,479,360
Fund balance/net position at beginning of of year (deficit), as previously reported	16,863,892	(19,080,055)	(593,148)	22,545,282
Prior period adjustment	0	(8,603,553)	0	(8,603,553)
Fund balance/net position at beginning of year (deficit), as restated	16,863,892	(27,683,608)	(593,148)	13,941,729
Fund balance/net position (deficit) at end of year	$16,390,800	($26,013,463)	($570,171)	$16,421,089

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, 2018

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	$4,285,776	$4,326,804	$41,028
Corporate personal property replacement tax	125,000	121,014	(3,986)
Total local government	4,410,776	4,447,818	37,042
State government:			
ICCB base operating grant	0	1,062,238	1,062,238
ICCB equalization grant	0	46,000	46,000
ICCB career and technical education formula grant	0	105,930	105,930
Total state government	0	1,214,168	1,214,168
Student tuition and fees	6,296,475	6,437,215	140,740
Interest	15,103	65,192	50,089
Miscellaneous - other	55,956	36,717	(19,239)
Total revenues	10,778,310	12,201,110	1,422,800
Expenditures:			
Instruction:			
Salaries	4,503,008	4,460,785	42,223
Employee benefits	540,000	481,731	58,269
Contractual services	215,199	156,506	58,693
General materials and supplies	344,227	267,821	76,406
Conference and meeting expense	82,405	86,352	(3,947)
Capital Outlay	2,372	9,571	(7,199)
Other	62,800	51,159	11,641
Total instruction	5,750,011	5,513,925	236,086

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, 2018

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Academic support:			
Salaries	229,758	226,939	2,819
Employee benefits	36,500	34,148	2,352
Contractual services	92,507	89,338	3,169
General materials and supplies	47,257	46,169	1,088
Conference and meeting expense	1,145	845	300
Other	0	6,632	(6,632)
Total academic support	407,167	404,071	3,096
Student services:			
Salaries	1,122,884	1,133,722	(10,838)
Employee benefits	207,000	193,306	13,694
Contractual services	26,965	87,997	(61,032)
General materials and supplies	43,716	42,356	1,360
Conference and meeting expense	30,916	19,320	11,596
Other	668,344	802,853	(134,509)
Total student services	2,099,825	2,279,554	(179,729)
Public services:			
Salaries	121,182	91,917	29,265
Employee benefits	20,000	11,282	8,718
Contractual services	18,800	11,974	6,826
General materials and supplies	11,015	5,446	5,569
Conference and meeting expense	2,100	1,638	462
Fixed charges	1,400	1,400	0
Other	2,000	2,133	(133)
Total public services	176,497	125,790	50,707
Institutional support:			
Salaries	1,246,662	1,232,124	14,538
Employee benefits	321,877	331,006	(9,129)
Contractual services	139,600	122,868	16,732
General materials and supplies	621,550	575,947	45,603
Conference and meeting expense	57,912	37,585	20,327
Fixed charges	115,425	117,102	(1,677)
Other	100,450	86,291	14,159
Total institutional support	2,603,476	2,502,923	100,553

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, 2018

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Scholarships, student grants, and waivers -			
Other	0	323,279	(323,279)
Total scholarships, student grants, and waivers	0	323,279	(323,279)
Total expenditures	11,036,976	11,149,542	(112,566)
Excess (deficiency) of revenues over expenditures	(258,666)	1,051,568	1,310,234
Other financing sources -			
Sale of capital assets	0	15,000	15,000
Transfers in	591,500	438,823	(152,677)
Transfers out	(311,228)	(376,695)	(65,467)
Excess (deficiency) of revenues and other financing sources over expenditures	$21,606	1,128,696	$1,107,090
Fund balance at beginning of year		3,998,758	
Fund balance at end of year		$5,127,454	

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, 2018

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	$858,185	$896,614	$38,429
Corporate personal property replacement tax	125,000	121,014	(3,986)
Total local government	983,185	1,017,628	34,443
State government:			
ICCB base operating grant	0	91,002	91,002
ICCB equalization grant	0	4,000	4,000
Total state government	0	95,002	95,002
Student tuition and fees	608,340	628,843	20,503
Interest	2,165	0	(2,165)
Other:			
Rent	5,000	12,268	7,268
Miscellaneous	0	10	10
Total other revenue	5,000	12,278	7,278
Total revenues	1,598,690	1,753,751	155,061
Expenditures:			
Operation and maintenance of plant:			
Salaries	573,071	538,335	34,736
Employee benefits	174,000	156,413	17,587
Contractual services	130,500	102,322	28,178
General materials and supplies	86,900	78,297	8,603
Conference and meeting expense	2,850	1,966	884
Fixed charges	3,000	1,245	1,755
Utilities	398,170	412,402	(14,232)
Capital outlay	14,030	15,919	(1,889)
Other	75,000	57,056	17,944
Total operation and maintenance of plant	1,457,521	1,363,955	93,566

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, 2018

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	16,160	13,441	2,719
Principal retirement	36,000	37,979	(1,979)
Interest	12,500	9,439	3,061
Utilities	82,000	90,825	(8,825)
Total institutional support	146,660	151,684	(5,024)
Total expenditures	1,604,181	1,515,639	88,542
Excess (deficiency) of revenues over expenditures	(5,491)	238,112	243,603
Other financing sources (uses) -			
Transfers in	45,000	3,800	(41,200)
Excess (deficiency) of revenues and other financing sources over expenditures	$39,509	241,912	$202,403
Fund balance at beginning of year		957,753	
Fund balance at end of year		$1,199,665	

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, 2018

	Budget	Actual	Variance With Budget
Operating revenues:			
Sales and service fees	$167,550	$160,623	($6,927)
Other	136,937	114,403	(22,534)
Total operating revenues	304,487	275,026	(29,461)
Operating expenses:			
Salaries	212,866	201,047	11,819
Employee benefits	34,800	34,148	652
Contractual services	55,434	43,331	12,103
General materials and supplies	212,751	186,713	26,038
Conference and meeting expense	53,295	54,287	(992)
Capital outlay	72,470	30,589	41,881
Depreciation	0	18,251	(18,251)
Other	71,023	65,460	5,563
Total operating expenses	712,639	633,826	78,813
Operating income before transfers in (out)	(408,152)	(358,800)	49,352
Transfers in	350,528	424,995	74,467
Net income	($57,624)	66,195	$123,819
Fund balance at beginning of year		97,164	
Fund balance at end of year		$163,359	

Carl Sandburg College - Community College District 518

Schedule of Operating Revenues and Expenses, by Program

Auxiliary Enterprise Fund

For the year ended June 30, 2018

	Auto Mechanics	Bookstore	Child Care Center	Cosmetology
Operating revenues:				
Sales and service fees	$20,664	$0	$0	$1,230
Other	0	88,114	23	0
Total operating revenues	20,664	88,114	23	1,230
Operating expenses:				
Salaries	0	0	0	0
Employee benefits	0	0	0	0
Contractual services	0	0	0	0
General materials and supplies	20,613	0	0	0
Conference and meetings	0	0	0	0
Capital outlay	0	0	0	0
Depreciation	0	0	0	0
Other	0	0	0	0
Total operating expenses	20,613	0	0	0
Operating income (loss)	$51	$88,114	$23	$1,230

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, 2018

	Dental Hygiene	Food Service	Athletics	Student Activities - Other Services	Totals
Operating revenues:					
Sales and service fees	$22,448	$0	$0	$116,281	$160,623
Other	259	14,273	0	11,734	114,403
Total operating revenues	22,707	14,273	0	128,015	275,026
Operating expenses:					
Salaries	0	0	103,879	97,168	201,047
Employee benefits	0	0	34,148	0	34,148
Contractual services	0	0	41,784	1,547	43,331
General materials and supplies	25,042	0	39,006	102,052	186,713
Conference and meetings	0	0	54,287	0	54,287
Capital outlay	0	0	0	30,589	30,589
Depreciation	0	0	0	18,251	18,251
Other	0	144	16,665	48,651	65,460
Total operating expenses	25,042	144	289,769	298,258	633,826
Operating income (loss)	($2,335)	$14,129	($289,769)	($170,243)	($358,800)

Carl Sandburg College - Community College District 518

Combining Balance Sheet - Liability Protection Funds

June 30, 2018

ASSETS	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments	$0	$0	$4,065,995	$4,065,995
Receivables, net:				
Property taxes	0	1,609,833	0	1,609,833
Other	0	0	17,435	17,435
Total assets	$0	$1,609,833	$4,083,430	$5,693,263
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities -				
Advances from other funds	$5,514	$223,364	$114,013	$342,891
Deferred inflows of resources -				
Deferred property taxes	0	2,294,250	0	2,294,250
Fund balance -				
Unrestricted	(5,514)	(907,781)	3,969,417	3,056,122
Total fund balance	(5,514)	(907,781)	3,969,417	3,056,122
Total liabilities, deferred inflows of resources, and fund balances	$0	$1,609,833	$4,083,430	$5,693,263

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, 2018

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government	$0	$2,058,399	$0	$2,058,399
Interest	0	0	41,537	41,537
Other	12,138	0	0	12,138
Total revenues	12,138	2,058,399	41,537	2,112,074
Expenditures -				
Current -				
Institutional support	14,749	2,252,999	0	2,267,748
Excess (deficiency) of revenues over expenditures	(2,611)	(194,600)	41,537	(155,674)
Other financing sources -				
Sale of capital assets	0	5,500	0	5,500
Excess (deficiency) of revenues and other financing sources over expenditures	(2,611)	(189,100)	41,537	(150,174)
Fund balance (deficit) at beginning of year	(2,903)	(718,681)	3,927,880	3,206,296
Fund balance (deficit) at end of year	($5,514)	($907,781)	$3,969,417	$3,056,122

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, 2018

	Budget	Actual	Variance With Budget
Revenues -			
Other	$16,250	$12,138	($4,112)
Expenditures -			
Employee benefits	16,250	14,749	1,501
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	$0	(2,611)	($2,611)
Fund balance (deficit) at beginning of year		(2,903)	
Fund balance (deficit) at end of year		($5,514)	

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, 2018

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	$2,099,436	$2,058,399	($41,037)
Interest income	4,430	0	(4,430)
Total revenues	2,103,866	2,058,399	(45,467)
Expenditures:			
Salaries	1,462,772	1,443,027	19,745
Employee benefits	262,200	256,596	5,604
Contractual services	261,518	251,776	9,742
General materials and supplies	24,086	40,483	(16,397)
Conference and meetings	4,500	1,272	3,228
Fixed charges	255,000	201,323	53,677
Other	10,000	58,522	(48,522)
Total expenditures	2,280,076	2,252,999	27,077
Excess (deficiency) of revenues over expenditures	(176,210)	(194,600)	(18,390)
Other financing sources (uses) - Sale of capital assets	0	5,500	5,500
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	($176,210)	(189,100)	($12,890)
Fund balance (deficit) at beginning of year		(718,681)	
Fund balance (deficit) at end of year		($907,781)	

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, 2018

	Budget	Actual	Variance With Budget
Revenues -			
Interest income	$62,930	$41,537	($21,393)
Expenditures -			
Other	0	0	0
Excess (deficiency) of revenues over expenditures	$62,930	41,537	($21,393)
Fund balance at beginning of year		3,927,880	
Fund balance at end of year		$3,969,417	

Carl Sandburg College - Community College District 518

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

Levy Years 2017, 2016, and 2015

	2017	2016	2015
Assessed Valuations:			
Knox County	$784,751,677	$765,254,890	$732,822,548
Fulton County	17,803,672	16,705,104	16,186,927
Hancock County	310,835,074	301,486,680	286,824,688
Henderson County	158,427,020	146,259,758	138,387,335
Henry County	3,625,198	3,654,212	3,729,849
McDonough County	176,088,824	167,435,102	160,923,502
Mercer County	25,102,123	23,680,062	22,834,512
Schuyler County	4,247,524	3,544,791	3,311,723
Stark County	179,126	162,615	149,978
Warren County	338,646,793	335,084,039	301,207,671
Total assessed valuations	$1,819,707,031	$1,763,267,253	$1,666,378,733
Tax Rate (per $100 assessed valuation):			
Educational Accounts	0.2444	0.2757	0.2463
Operations and Maintenance Accounts	0.1000	0.1000	0.0994
Bond and Interest Fund	0.1757	0.1661	0.1547
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1273	0.1205	0.1263
Total tax rate	0.6524	0.6673	0.6317
Tax Extensions:			
Educational Accounts	$4,425,831	$4,550,752	$4,090,897
Operations and Maintenance Accounts	1,802,947	1,742,897	1,650,476
Bond and Interest Fund	3,166,877	2,895,301	2,569,309
Audit Fund	90,147	87,145	83,047
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,294,250	2,099,494	2,097,602
Total tax extensions	$11,780,052	$11,375,589	$10,491,331

Carl Sandburg College - Community College District 518

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

Levy Years 2017, 2016, and 2015

	2017	2016	2015
Tax Collections to June 30:			
Education Fund	$1,311,934	$4,674,289	$4,076,346
Operations and Maintenance Fund	268,245	847,805	827,516
Bond and Interest Fund	942,345	2,816,748	2,560,170
Audit Fund	26,825	84,781	82,751
Protection, Health, Safety	268,245	847,805	817,090
Liability, Protection, and Settlement Fund	682,684	2,042,532	2,090,141
Total tax collections	$3,500,278	$11,313,960	$10,454,014
Percent of extensions collected	29.71%	99.46%	99.64%

State Grant Activity and Schedule of Enrollment Data

WIPFLi LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANT

Board of Trustees
Carl Sandburg College
Community College District 518
Galesburg, Illinois 61401

Report on the Financial Statements

We have audited the accompanying financial statements of the Career and Technical Education-Program Improvement Grant of Carl Sandburg College – Community College District 518 (the College) as of and for the year ended June 30, 2018, and the related notes to the 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 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board (ICCB).

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Career and Technical Education-Program Improvement Grant of Carl Sandburg College – Community College District 518 as of June 30, 2018, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States.

Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB). However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Career and Technical Education-Program Improvement Grant and do not purport to, and do not present fairly the financial position of the College, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Wipfli LLP

Sterling, Illinois
September 19, 2018

Carl Sandburg College - Community College District 518

Balance Sheet

Career and Technical Education Program Improvement Grant

June 30, 2018

ASSETS	
Cash	$0
LIABILITIES AND FUND BALANCE	
Liabilities	$0
Fund balance	0
Total liabilities and fund balance	$0

See Notes to ICCB Grant Programs Financial Statements.

Carl Sandburg College - Community College District 518

Statement of Revenues, Expenditures, and Changes in Fund Balance

Career and Technical Education Program Improvement Grant

For the year ended June 30, 2018

Revenues -	
State sources	$11,770
Expenditures:	
Supplies	1,853
Equipment	9,917
Total expenditures	11,770
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
Fund balance at end of year	$0

See Notes to ICCB Grant Programs Financial Statements.

Note 1. Summary of Significant Accounting Policies:

General

The accompanying statements include only those transactions resulting from the Career and Technical Education-Program Improvement Grant. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2018. Funds obligated for goods prior to June 30, for which the goods are received prior to August 31, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15.

Fixed Assets

Fixed asset purchases are recorded as capital outlay and not capitalized.

Note 2. Payment of Prior Year's Encumbrances:

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

Restricted Grants

Career and Technical Education-Program Improvement Grant: This grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

WIPFLi LLP

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

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

We have examined management of Carl Sandburg College – Community College District 518 (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Carl Sandburg College – Community College District 518 during the period July 1, 2017 through June 30, 2018. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirement based on our examination.

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

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

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

Wipfli LLP

Sterling, Illinois
September 19, 2018

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, 2018

	Summer		Fall		Spring		Total	
	Total Semester Credit Hours by Term *							
	Unrestricted	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**
Categories:								
Baccalaureate	2,152.0	0.0	11,951.5	0.0	11,082.0	0.0	25,185.5	0.0
Business Occupational	441.0	0.0	416.5	0.0	603.5	0.0	1,461.0	0.0
Technical Occupation	32.5	0.0	870.5	177.0	893.5	146.0	1,796.5	323.0
Health Occupational	638.5	0.0	2,706.0	0.0	2,151.0	0.0	5,495.5	0.0
Remedial Development	146.0	0.0	1,142.0	0.0	470.0	0.0	1,758.0	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	3,410.0	0.0	17,086.5	177.0	15,200.0	146.0	35,696.5	323.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	30,155.0	0.0	30,155.0
	Dual Credit	**Dual Enrollment**	
Reimbursable semester credit hours (all terms)	5,385.0	17.5	
District equalized assessed valuation			$1,819,707,031

	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, 2018

Reconciliation of Total Semester Credit Hours
For the year ended June 30, 2018

	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	25,185.5	25,185.5	0.0	0.0	0.0	0.0
Business Occupational	1,461.0	1,461.0	0.0	0.0	0.0	0.0
Technical Occupation	1,796.5	1,796.5	0.0	323.0	323.0	0.0
Health Occupational	5,495.5	5,495.5	0.0	0.0	0.0	0.0
Remedial Development	1,758.0	1,758.0	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	35,696.5	35,696.5	0.0	323.0	323.0	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	30,155.0	30,155.0	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	5,385.0	5,385.0	0.0
Dual enrollment	17.5	17.5	0.0

Reconciliation of Total Correctional Semester Credit Hours
For the year ended June 30, 2018

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

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

Note 1. 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

WIPFLi LLP

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2018 and 2017, 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 19, 2018. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness the College's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Sterling, Illinois
September 19, 2018

WIPFLi LLP

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

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

Report on Compliance for Each Major Federal Program

We have audited Carl Sandburg College – Community College District 518's (the "College") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. 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, 2018.

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 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 19, 2018

Carl Sandburg College - Community College District 518

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2018

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	2017-4225-00	$1,453	$0
U.S. Department of Labor:				
Pass-through Southern Illinois University				
at Edwardsville - Trade Adjustment Assistance				
Career Training Community College and				
Building the Illinois Bioeconomy Program	17.282	TC-26491-14-60-A17	$118,675	$0
U.S. Department of Education:				
Direct awards:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity				
Grants (m)	84.007	P007AXX1115	$37,764	$0
Federal Work Study Program (m)	84.033	P033AXX1115	42,090	0
Federal Pell Grant Program (m)	84.063	P063XXX0511	3,869,626	0
Federal Direct Loan Program (m)	84.268	P268KXX0511	558,835	0
Total student financial assistance cluster			4,508,315	0
Direct awards -				
TRIO - Student Support Services	84.042	P042A150024 - 16	39,878	0
TRIO - Student Support Services	84.042	P042A150024 - 17	197,283	0
TRIO - Upward Bound -				
Crossing the Bridge to Success	84.047	P047A170443-17A	259,191	0
Math & Science	84.047	P047M170076	182,033	0
Total TRIO cluster			678,385	0
Pass-through Illinois Community College Board -				
Career and Technical Education Programs -				
Perkins Postsecondary Grants	84.048	CTE51818	122,512	0
Total U.S. Department of Education			$5,309,212	$0
Total federal awards expended			**$5,429,340**	**$0**

(m) Denotes major program

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, 2018 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, 2018.

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, 2018.

Note 4. Other Federal Award Information

The College did not receive or administer any insurance or loan guarantees during fiscal year ended June 30, 2018.

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Aid

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X yes	____ no

Section II – Financial Statement Findings

A. Internal Control

None

B. Compliance Finding

None

Section III – Federal Award Findings and Questioned Costs

A. Internal Control

None

B. Compliance Findings

None

Prior Year Findings:

June 30, 2017

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

A. Internal Control

None

B. Compliance Finding

None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None

B. Compliance Finding

None

June 30, 2016

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

A. Internal Control

None

B. Compliance Finding

None

II. Findings and Questioned Costs for Federal Awards

A. Internal Control

None

B. Compliance Finding

None

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

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