

SALE DATE AND TIME:

**June 1, 2026
10:30 A.M. CDT**

NEW ISSUE – BOOK-ENTRY ONLY

RATING⁺: MOODY'S "Aa3"

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

\$39,530,000*

**COMMUNITY COLLEGE DISTRICT NO. 518
COUNTIES OF KNOX, WARREN, HENDERSON, MERCER, STARK, FULTON,
HANCOCK, HENRY, McDONOUGH AND SCHUYLER AND STATE OF ILLINOIS
(CARL SANDBURG)
GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2026**

Dated: Date of Issuance

Due: December 30, as Shown on the Inside Cover Page

The General Obligation Community College Bonds, Series 2026 (the "Bonds"), of Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the "District"), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on June 30 and December 30 of each year, with December 30, 2026 as the first interest payment date. UMB Bank, N.A., St. Louis, Missouri, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the Bonds will be used to pay (i) presently outstanding and unpaid claims against the District, (ii) certain interest on the Bonds and (iii) costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS – Security and Payment" herein.

The Bonds are subject to optional redemption prior to maturity on the dates and at the redemption price described herein under "THE BONDS – Optional Redemption."

The Bonds are offered at public sale, subject to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about June 18, 2026.



AS MUNICIPAL ADVISOR

The date of this Official Statement is June __, 2026.

*Preliminary, subject to change.
+See "BOND RATING" herein.

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$39,530,000* General Obligation Community College Bonds, Series 2026

<u>Maturity</u> <u>(December 30)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾</u> <u>(499635)</u>
2028	10,000			
2029	1,245,000			
2030	1,515,000			
2031	1,800,000			
2032	2,110,000			
2033	2,435,000			
2034	2,795,000			
2035	3,165,000			
2036	3,575,000			
2037	3,985,000			
2038	4,415,000			
2039	4,870,000			
2040	5,345,000			
2041	2,265,000			

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(1) CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment), except for the omission of certain information permitted to be omitted pursuant to such Rule.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, LLC, Naperville, Illinois, is serving as municipal advisor (the “Municipal Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

**Community College District No. 518
Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough
and Schuyler and State of Illinois
(Carl Sandburg)
2400 Tom L. Wilson Boulevard
Galesburg, Illinois 61401
(309) 344-2518**

* * * * *

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Dr. Gayle Keiser, Vice Chair
Jeff Whitsitt, Secretary
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Gayla J. Pacheco
Angel Peterson

Connor McLauchlan, Non-Voting Student Trustee

President and Chief Executive Officer

Dr. Seamus Reilly

Vice President of Business & Finance/CFO

Leslie T. Anderson

* * * * *

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Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025
- C. Form of Continuing Disclosure Undertaking
- D. Official Notice of Sale and Bid Form

\$39,530,000*
Community College District No. 518
Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry,
McDonough and Schuyler and State of Illinois
(Carl Sandburg)
General Obligation Community College Bonds, Series 2026

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the “District”), in connection with the offering and sale of its \$39,530,000* General Obligation Community College Bonds, Series 2026 (the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully-registered form, without coupons, in denominations of \$5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by UMB Bank, N.A., St. Louis, Missouri, as paying agent and registrar (the “Registrar”).

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 30 and December 30, beginning December 30, 2026. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in St. Louis, Missouri. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month of the interest payment date (the “Record Date”).

The Bonds are subject to optional redemption prior to maturity as discussed under “Optional Redemption” herein.

*Preliminary, subject to change.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar (the “Register”), and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully-registered Bond or Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered Bond or Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully-registered Bond shall constitute full and due authorization of such Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

Authority and Purpose

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois (the “Community College Act”), the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Trustees (the “Board”) of the District on May 28, 2026, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to pay (i) presently outstanding and unpaid claims against the District, as more fully described herein, (ii) certain interest on the Bonds and (iii) costs associated with the issuance of the Bonds. See “USE OF PROCEEDS” herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the

levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, other than the interest due on the Bonds on December 30, 2026, which interest will be paid from proceeds of the Bonds. The Bond Resolution will be filed with the County Clerks of The Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler, Illinois (collectively, the "County Clerks"), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel.

Optional Redemption

The Bonds due on or after December 30, 2036, are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 30, 2035, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Redemption Procedures

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of Bonds, the respective principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price), such Bonds or portion of Bonds will cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

USE OF PROCEEDS

Proceeds of the Bonds will be used to pay claims against the District, namely, the District's outstanding \$40,140,000 General Obligation Debt Certificates (Limited Tax), Series 2025, which were issued on December 30, 2025 (the "Certificates"). The District will call the Certificates for redemption prior to maturity on June 18, 2026, the closing date for the Bonds. Proceed of the Bonds in amount sufficient to pay the principal and interest due on the Certificates will be deposited with UMB Bank, N.A., St. Louis, Missouri, the paying agent and registrar of the Certificates, on such date.

Proceeds of the Certificates are being used to build and equip the Charger Center (the "Project"). The Charger Center, a proposed 60,000 square foot space, is expected to include a multi-purpose, multi-court gymnasium with flexible seating, conference space, fitness area and running track. Additionally, the Charger Center is expected to include turf athletic fields, locker rooms, concession facilities, an athletic training space, classrooms, e-sports and a golf simulator. The Project is expected to be completed in the 2027 fall semester.

Geotechnical and survey work is ongoing in preparation for a late spring groundbreaking. Currently, design stands at 60,000 square feet and includes two wood courts; seating capacity of 2,500; fitness studio; training and recovery areas; athletic office suite; conference rooms, e-sports arena, golf simulator room; four locker rooms; and concessions. The design maximizes flexibility and utility to support growth in athletic programs and recruitment as well as large campus, community and regional events. The design will also include approximately 53,000 square feet of outdoor athletic space and 72,000 square feet of parking. The Center is set to be one of the largest convention spaces in the District.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds.....	\$	-
[Net] Original Issue (Discount)/Premium.....		-
Total Sources	<u>\$</u>	<u>-</u>

Estimated Uses of Funds

To Pay the Certificates.....	\$	-
Pay Interest on the Bonds.....		-
Costs of Issuance...(1).....		-
Total Uses	<u>\$</u>	<u>-</u>

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Municipal Advisor’s fee, Registrar’s fee, rating agency fee and other costs of issuance.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need

for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler Counties, Illinois. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.5% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two

years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that Cook County’s tax sale system is likewise unconstitutional based on those earlier rulings. The Illinois General Assembly has not yet considered legislation to modify the tax sale system in Illinois. The District makes no prediction as to the effect of such rulings on the State’s tax sale process or the likelihood, or effect, of any legislation modifying such tax sale process in the future.

Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal

place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following

the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the “Limitation Law”), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies (including community college districts) in Cook County, the Collar Counties and numerous other counties.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-510 permits the county boards of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly scheduled election other than the consolidated primary, which is the February election in odd-numbered years. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their EAV in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (a) each county in which the taxing body is located has held a referendum and (b) the proposition is passed in a county or counties containing a majority of the EAV of the taxing body.

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. McDonough County and Schuyler County held successful referenda regarding the applicability of the Limitation Law in April, 1997 and November, 1996, respectively. A referendum on the applicability of the Limitation Law has yet to be initiated in Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock and Henry Counties. No guarantee exists, however that such referenda will not be held in the future.

If the Limitation Law were to apply in the future to the District, the limitations set forth therein will not apply to the taxes levied by the District to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State of Illinois (the “State”). The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District’s finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District’s consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents,

delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

State funding sources constituted 10.08% of the District's combined Education Fund and Operations and Maintenance Fund revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Federal Revenues

Illinois community college districts receive direct and indirect funding from various federal programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois community college districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues or the District's ability to comply with federal laws and regulations in the future. See "FEDERAL AID" herein for more information.

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors impact the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Moody's Ratings, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and

outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Commission under the Exchange Act, and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine

this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

General Description

Established in 1966, the District is located in western Illinois, approximately 185 miles west of Chicago, Illinois. The District encompasses over 1.8 million acres, including all or portions of ten counties, and serves an estimated population of 96,575. Nearly one-half of the District's 2024 EAV (42.3%) is located in Knox County, Illinois (the "County"). The county seat of the County, the City of Galesburg, Illinois (the "City"), is home to the District's main campus. The District operates a branch campus in Carthage, Illinois.

The District offers more than 40 degree and certificate programs, including welding, nursing and dental hygiene and one of only four mortuary science programs in the State. The Carthage campus provides transfer, career, workforce development, community education and general study programs and serves eight-unit school districts in Fulton, Hancock, Henderson and McDonough Counties. The District has served the area for more than 50 years with accreditation from the Higher Learning Commission. Tuition is \$181 per semester hour for in-district and online students, \$268 per semester hour for out-of-district students and \$303 per semester hour for out-of-state students. The average student age is 22.

The transportation network serving the area includes Interstates 74, 80 and 88 along with U.S. Routes 34 and 67. The District is home to a major railroad switching yard, providing for the allocation of freight cars to points east and west of the Mississippi River.

Additional higher educational opportunities are available to District residents through Knox College (in the City) and Monmouth College. In addition, Bradley University and Western Illinois University are within commuting distance from the City.

Recent District Developments

The multimillion-dollar Science & Technology Center, which broke ground on April 26, 2023, now serves as the crown jewel of the Galesburg campus, representing the most impactful project undertaken since the District's primary construction in 1969. The state-of-the-art facility houses programs for health professions, natural sciences, nursing and dental hygiene, as well as a business center and wellness suite. It welcomed its first students for the 2024 fall semester.

The newly-renovated Student Center, which opened on March 17, 2025, now stands as a vibrant center of the District’s main campus, representing one of the most significant transformation projects undertaken in years. The facility houses essential student services including admissions, academic advising, financial aid, tutoring and accessibility support, career counseling and student leadership development, as well as collaborative study rooms and Innkeeper’s Coffee, and consolidates previously scattered services into a centralized location.

In July 2025, the District was awarded a \$1.8 million grant from the Illinois Department of Commerce and Economic Opportunity to create an agriculture tech-focused incubator in the City (the “518 Collective”). Currently, the District has no existing business incubators to serve emerging ag technicians or support new business development that will advance the industry. The incubator is expected to fill a critical need in the District’s wide rural district, where agriculture is a leading industry. The 518 Collective will build on the District’s existing services and regional partnerships and serve as a hub for technology-focused startups and entrepreneurs in west central Illinois, with a primary focus on ag tech startups. The 518 Collective will provide physical workspace, workforce training, business development services, mentorship and networking opportunities to help early-stage companies succeed.

The District’s capital improvement plan (the “Plan”) totals \$57.1 million for the years 2025 to 2029, with remaining and future bond proceeds projected to fund over 85% of projects in the Plan. Large projects include the Administration Building and Conference Center. Also, the District has substantial fund balances and currently plans to reduce these balances by approximately \$10 million over the next five years. The majority of this reduction—about \$10 million—is expected to be spent on the construction of a new industrial arts facility.

The Board of Trustees

The District is governed by the Board, whose members are elected for staggered terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District and to oversee the property and facilities of the District. The Board elects a Chair, Vice Chair and Secretary from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
Chair.....	Joshua Gibb	April 2029
Vice Chair.....	Dr. Gayle Keiser	April 2029
Secretary.....	Jeff Whitsitt	April 2031
Trustee.....	Tom Colclasure	April 2027
Trustee.....	Lee Johnson	April 2029
Trustee.....	Gayla J. Pacheco	April 2029
Trustee.....	Angel Peterson	April 2031
Student Trustee ⁽¹⁾	Connor McLauchlan	Appointed

(1) Non-voting member.

Administration

The President and Chief Executive Officer is Dr. Seamus Reilly who has served in this capacity since July 2018. Prior to assuming his role as President, Dr. Reilly had served as the Vice President of Institutional Advancement for Parkland College in Champaign, Illinois, since 2008. Dr. Reilly chaired the Fine and Applied Arts Department at Parkland College from 2006-2008 and was director of literature, philosophy and religion there from 2001-2003. Dr. Reilly also served as the acting director of business and technical writing at the University of Illinois from 1997-1998.

Dr. Reilly holds a Bachelor of Arts degrees in English and history as well as a Master of Arts degrees in modern English and American literature from the University College Dublin. Dr. Reilly earned his doctorate in English from the University of Illinois in 1997.

Leslie T. Anderson is the Vice President of Business & Finance/Chief Financial Officer and has been with the District since July 2025. Prior to joining the District, Ms. Anderson served as a consulting Chief Financial Officer (CFO) for CliftonLarsonAllen working with higher education and non-profit clients across the country. Ms. Anderson is an Illinois licensed Certified Public Accountant and has over 25 years of accounting and finance experience with 15 of those years serving in a CFO role.

Employees

The District currently has 214 employees. Of the total number of employees, 47 are represented by Sandburg Education Association. The contract expires on June 30, 2029. The District believes that it has a solid working relationship with its union.

Student Tuition and Fees

Fiscal Year	Tuition & Fees	Percent of Growth (%)	Tuition and Fees Per Credit Hour-Residents Rate
2021	\$ 4,807,232	-19.48 ⁽¹⁾	\$170
2022	4,912,991	+2.20	175
2023	4,109,889	-16.35	175
2024	4,309,978	+4.87	175
2025	4,462,476	+3.54	178 ⁽²⁾

(1) Percent of change based on 2020 tuition and fees of \$5,970,144.

(2) For Fiscal Year 2026, the Board increased the rate of the tuition and fees to \$181.

Source: The District.

Enrollment

The student enrollment and annual full-time equivalent enrollment of the District for the last five years is shown below. The District's student enrollment as of the start of fiscal year 2026 is 1,642.

Below is the historical and projected enrollment for the District.

<u>School Year</u>	<u>Historical</u>	<u>School Year</u>	<u>Projected</u>
2021-2022	1,687	2026-2027	1,691
2022-2023	1,688	2027-2028	1,742
2023-2024	1,688	2028-2029	1,794
2024-2025	1,603	2029-2030	1,848
2025-2026 ⁽¹⁾	1,642	2030-2031	1,904

(1) As of November, 2025.

Source: District records and estimates.

The administration continues to closely monitor enrollment trends and remains focused on increasing enrollment. Some of the District's enrollment growth initiatives include the following:

- partnership with ReUp Education to enroll, retain and graduate stop-out students;
- Charge Forward program addition which provides a stable, predictable schedule of online classes and Tuesday night weekly face-to-face class meetings equating to no more than three classes at a time for the completion of an associate degree in two years;
- expansion of the associate degree in nursing, phlebotomy, 8-week nursing assistant and medical assisting at the Carthage campus;
- education courses and full-time faculty added to support a seamless transfer into education programs at four-year institutions;
- expansion of noncredit offerings through workforce development and community education;
- addition of full-time faculty at the Carthage campus to support offerings in biology, chemistry, English, health professions, nursing and public speaking;
- engineering courses proposed to align with the growing demand and transfer opportunities to four-year institutions; and
- early adopter in the community college Common App initiative.

Credit Hours

Below are the historical and projected credit hours for the District.

<u>School Year</u>	<u>Historical Credit Hours</u>	<u>School Year</u>	<u>Projected Credit Hours</u>
2021-2022	27,229	2026-2027	27,622
2022-2023	27,638	2027-2028	28,450
2023-2024	27,949	2028-2029	29,304
2024-2025	26,072	2029-2030	30,183
2025-2026 ⁽¹⁾	26,817	2030-2031	31,088

(1) Credit hours as of November 2025.
Source: District records and estimates.

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SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the City, the County and the State.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010-2020</u>
The City.....	33,706	32,195	30,052	-6.66
The County	55,836	52,919	49,967	-5.58
The State	12,419,293	12,830,632	12,812,508	-0.14

Source: U.S. Census Bureau, 2000 Census, 2010 Census and 2020 Census

Income and Housing

The following table sets forth the comparative income and home value levels for the City, the County, the State and the United States.

	<u>The</u> <u>City</u>	<u>The</u> <u>County</u>	<u>The</u> <u>State</u>	<u>United</u> <u>States</u>
Median Home Value.....	\$96,400	\$111,900	\$263,300	\$332,700
Median Household Income.....	48,297	57,030	83,390	80,734
Median Family Income.....	71,913	82,396	106,018	99,999
Per Capita Income.....	27,222	31,878	46,406	44,673

Source: 2020-2024 American Community Survey 5-year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau on January 29, 2026.

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the City for the last five calendar years.

<u>Calendar</u> <u>Year</u>	<u>Retail Sales</u>
2021	\$ 692,169,969
2022	684,723,762
2023	703,705,661
2024	732,908,281
2025	803,906,549

Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes (“CPPRT”) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the “Personal Property Tax”) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the “Sharing Act”) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2021, through the most recently completed fiscal year of June 30, 2025, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2026:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>CPPRT</u> <u>Receipts</u>
2021	\$ 405,760
2022	877,326
2023	915,614
2024	551,732
2025	369,978
2026 ⁽¹⁾	407,858

(1) Estimated.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-2025 and the Department for fiscal year 2026.

Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

<u>Company Name</u>	<u>Product or Service</u>	<u>Location</u>	<u>Approximate employees at location</u>
Smithfield Foods, Inc.....	Pork processing & packing.....	Monmouth	1,559
OSF St. Mary's/OSF Holy Family.....	Hospital.....	The City	1,057
Burlington Northern/Santa Fe Railroad.....	Railway.....	The City	1,031
Dick Blick Art Materials.....	Distributor of arts & crafts supplies	The City	714
Galesburg Community Unit School District Number 205.....	Education.....	The City	582
Hy-Vee.....	Supermarket.....	The City	578
Knox College.....	Higher education.....	The City	480
The County.....	County government.....	The City	420
Monmouth-Roseville Community Unit School District Number 238.....	Education.....	Monmouth	274
The District.....	Higher education.....	The City	214

Source: The District

Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for March 2025 and March 2026 for the City compared with the County and the State.

	<u>The City</u>	<u>The County</u>	<u>The State</u>
Average, 2021 ⁽¹⁾	7.2%	6.6%	6.1%
Average, 2022.....	5.7	5.4	4.6
Average, 2023.....	5.6	5.4	4.5
Average, 2024.....	5.4	5.2	5.0
Average, 2025.....	5.5	5.1	4.6
March, 2025.....	4.9	4.8	4.7
March, 2026.....	6.5	6.5	5.2

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.
Source: Illinois Department of Employment Security

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FINANCIAL INFORMATION

Trend of EAV

(Estimated 33-1/3% of Fair Market Value)

The following table reflects the EAV trend of the District by property type, growth rate and new property.

<u>Property Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential	\$ 774,123,329	\$ 805,882,993	\$ 864,743,692	\$ 948,464,475	\$ 1,031,358,386
Farm	828,252,242	882,301,592	946,200,766	1,014,721,401	1,094,588,935
Commercial	265,400,753	273,501,531	289,576,987	285,687,722	302,106,373
Industrial	19,824,097	20,128,549	20,154,679	20,160,484	22,021,862
Mineral.....	2,560,065	21,503,733	22,138,504	28,657,070	31,756,229
Railroad	117,182,608	137,385,887	152,748,076	159,453,460	149,137,134
Total ⁽¹⁾	<u>\$ 2,007,343,094</u>	<u>\$ 2,140,704,285</u>	<u>\$ 2,295,562,704</u>	<u>\$ 2,457,144,612</u>	<u>\$ 2,630,968,919</u>
Percent of Change.....	3.74% ⁽²⁾	6.64%	7.23%	7.04%	7.07%
New Property Amounts.....	\$10,635,632	\$27,620,544	\$7,247,579	\$7,456,356	\$13,570,101

(1) Excludes tax increment financing (“TIF”) incremental EAV and abated enterprise zone EAV. See “Tax Increment Financing Districts Located within the District” and “Enterprise Zones Located within the District” herein.

(2) Based on the District’s 2019 EAV of \$1,934,960,040.

Source: County Clerks’ Offices

EAV by County⁽¹⁾

<u>County</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Knox	\$ 856,872,968	\$ 895,537,924	\$ 966,204,639	\$ 1,031,413,099	\$ 1,111,793,711
Warren	378,483,788	405,460,222	426,304,828	454,569,065	485,052,926
Hancock	336,362,497	357,735,040	390,716,970	424,195,742	452,493,440
Henderson	182,662,984	196,080,843	210,576,460	223,867,237	239,687,597
McDonough	194,150,216	223,503,896	235,632,307	251,298,636	264,755,927
Mercer	29,036,582	30,793,242	32,679,019	35,042,735	37,961,965
Fulton	20,815,978	22,333,550	23,643,446	26,381,707	28,293,952
Schuyler	5,009,530	5,427,244	5,869,384	6,401,487	6,939,114
Henry	3,742,199	3,609,439	3,694,458	3,713,665	3,712,276
Stark	206,352	222,885	241,193	261,239	278,011
Total	<u>\$ 2,007,343,094</u>	<u>\$ 2,140,704,285</u>	<u>\$ 2,295,562,704</u>	<u>\$ 2,457,144,612</u>	<u>\$ 2,630,968,919</u>

(1) Excludes TIF incremental EAV and abated enterprise zone EAV.

Source: County Clerks’ Offices

Tax Increment Financing Districts Located within the District

A portion of the District’s EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the “Base EAV”). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The TIF districts are not expected to expire in the near future and the District is not aware of any new TIF districts planned in the immediate future.

<u>Location</u>	<u>Year Established</u>	<u>Adjusted Base EAV</u>	<u>2024 EAV</u>	<u>Incremental EAV</u>
Knoxville TIF 1.....	2003	\$ 6,769,245	\$ 13,656,705	\$ 6,887,460
TIF 6 Grand Ave.....	2023	4,126,860	5,141,680	1,014,820
TIF IV Central/East Main St.....	2008	9,808,716	13,059,139	3,250,423
TIF V I-74/East Main St.....	2008	75,480	104,200	28,720
Carthage TIF.....	2007	5,117,958	12,172,166	7,054,208
Hamilton Downtown TIF.....	2007	22,957,089	30,527,655	7,570,566
Hamilton TIF.....	2010	2,807,240	4,131,589	1,324,349
Nauvoo TIF.....	2011	7,015,894	9,618,274	2,602,380
Colchester TIF.....	2010	1,682,601	2,509,490	826,889
Monmouth TIF.....	1999 ⁽¹⁾	2,890,030	6,133,540	3,243,510
Alexis TIF.....	2004	1,677,280	3,420,053	1,742,773
Monmouth Fareway TIF.....	2019	-	1,099,050	1,099,050
Monmouth Main St. TIF.....	2021	23,779,690	30,737,357	6,957,667
Total.....		<u>\$ 88,708,083</u>	<u>\$ 132,310,898</u>	<u>\$ 43,602,815</u>

(1) Extended an additional 12 years in 2021.

Source: Knox, Hancock, McDonough and Warren County Clerks’ Offices

Enterprise Zones Located within the District

A portion of the District’s EAV is contained in an enterprise zone (“EZ”), as detailed below. When an EZ is established, all or a portion of taxes on real property located within the EZ and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated may be abated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation.

<u>Name</u>	<u>Abated EAV</u>
Galesburg.....	\$ 3,358,210
Macomb/Bushnell/McDonough County.....	114,497
Monmouth/Warren County.....	12,849,650
Total.....	<u>\$ 16,322,357</u>

Source: Knox, McDonough and Warren County Clerks’ Offices

Tax Rates

(Per \$100 EAV)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Statutory Maximum Rate</u>
Bond & Interest	\$ 0.164	\$ 0.182	\$ 0.172	\$ 0.161	\$ 0.167	N/A
Audit.....	0.005	0.005	0.005	0.005	0.005	\$0.005
Tort Immunity.....	0.128	0.122	0.120	0.128	0.141	N/A
Social Security/Medicare.....	0.008	0.008	0.008	0.008	0.008	N/A
Prior Year Adjustment.....	(0.003)	(0.002)	(0.002)	(0.009)	(0.016)	N/A
Building.....	0.050	0.048	0.049	0.049	0.050	0.050
Protection/Health & Safety.....	0.050	0.012	0.012	0.049	0.035	0.050
Avg Additional Tax.....	0.071	0.068	0.062	0.062	0.068	0.070
Educational.....	0.170	0.163	0.165	0.167	0.170	0.170
Total.....	<u>\$ 0.643</u>	<u>\$ 0.604</u>	<u>\$ 0.591</u>	<u>\$ 0.621</u>	<u>\$ 0.628</u>	

Source: Knox County Clerk’s Office

Representative Tax Rates for Property within the District
(Per \$100 EAV)

The following table of representative tax rates is for a resident of the District living in the City.

<u>Taxing Body</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
The District.....	\$ 0.643	\$ 0.604	\$ 0.591	\$ 0.621	\$ 0.628
The County.....	1.288	1.290	1.297	1.264	1.238
Knox County Soil & Water Conservation	0.001	0.001	0.001	0.001	0.001
Township of the City of Galesburg.....	0.146	0.144	0.133	0.127	0.121
The City.....	1.520	1.596	1.513	1.520	1.464
Galesburg Sanitary District.....	0.310	0.313	0.304	0.299	0.296
Galesburg City Fire.....	1.081	1.043	0.932	0.924	0.923
Community Unit School District Number 205.....	4.902	4.740	4.707	4.944	4.608
Total.....	<u>\$ 9.890</u>	<u>\$ 9.731</u>	<u>\$ 9.478</u>	<u>\$ 9.699</u>	<u>\$ 9.278</u>

Source: Knox County Clerk’s Office

Tax Extensions and Collections

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Extensions	\$ 13,025,772	\$ 12,948,710	\$ 13,369,775	\$ 15,063,713	\$ 16,495,432
Collections	12,966,009	13,095,536	13,675,748	15,078,346	16,293,187 ⁽¹⁾
% Collected	99.54%	101.13%	102.29%	100.10%	98.77%

(1) In process of collections.

Source: Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler County Treasurers’ Offices

Largest Taxpayers

The taxpayers listed below represent 8.98% of the District's 2024 EAV which is \$2,630,968,919 (which excludes TIF incremental EAV and abated EZ EAV totaling \$59,925,172). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

<u>Taxpayer</u>	<u>Description</u>	<u>2024 EAV</u>	<u>% of EAV</u>
Burlington Northern & Santa Fe Railway Co.....	Railway.....	\$ 156,724,553	5.96%
Cardinal Point LLC.....	Wind Farm.....	19,426,422	0.74%
Union Electric.....	Electric.....	15,497,584	0.59%
Consolidated Grain & Barge.....	Grain Elevator.....	9,468,199	0.36%
Americold & Affiliated Companies.....	Manufacturing.....	8,797,170	0.33%
Smithfield Fresh Meats Corp.....	Manufacturing.....	8,473,870	0.32%
OSF Healthcare System.....	Hospital.....	7,747,330	0.29%
Wal-Mart Real Estate.....	Retailer.....	4,432,220	0.17%
Y&O Galesburg LLC	Retailer.....	2,858,460	0.11%
Crop Production Services Inc.....	Commercial.....	<u>2,753,188</u>	<u>0.10%</u>
Total.....		<u>\$ 236,178,996</u>	<u>8.98%</u>

Source: County's Assessor's office, other than the taxpayer descriptions, which are derived from publicly-available sources.

Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded debt of the District as of the closing of the Bonds and the payment and redemption of the Certificates.

<u>Issue Description</u>	<u>Dated</u> <u>Date</u>	<u>Original</u> <u>Amount of</u> <u>Issue</u>	<u>Current</u> <u>Amount</u> <u>Outstanding</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>
GO Community College Bonds, Series 2021 (the "2021 Bonds").....	12/30/21	\$ 26,650,000	\$ 20,570,000	12/30/40
GO Community College Bonds, Series 2024 (the "2024 Bonds").....	12/10/24	4,300,000	3,240,000	12/30/28
The Bonds.....	06/18/26	39,530,000 *	<u>39,530,000</u> *	12/30/41 *
Total			<u>\$ 63,340,000</u> *	

*Preliminary, subject to change.

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding debt of the District as of the closing of the Bonds and the payment and redemption of the Certificates.

Fiscal Year	Principal Outstanding	Less: The Certificates*	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2027	\$ 6,275,000	\$ (2,585,000) ⁽¹⁾	\$ -	\$ 3,690,000	\$ 3,690,000	5.83%
2028	5,700,000	(3,390,000) ⁽¹⁾	-	2,310,000	6,000,000	9.47
2029	5,815,000	(3,560,000) ⁽¹⁾	10,000	2,265,000	8,265,000	13.05
2030	5,030,000	(3,745,000) ⁽¹⁾	1,245,000	2,530,000	10,795,000	17.04
2031	5,220,000	(3,935,000) ⁽¹⁾	1,515,000	2,800,000	13,595,000	21.46
2032	5,430,000	(4,140,000) ⁽¹⁾	1,800,000	3,090,000	16,685,000	26.34
2033	5,640,000	(4,350,000) ⁽¹⁾	2,110,000	3,400,000	20,085,000	31.71
2034	5,870,000	(4,575,000) ⁽¹⁾	2,435,000	3,730,000	23,815,000	37.60
2035	6,095,000	(4,805,000) ⁽¹⁾	2,795,000	4,085,000	27,900,000	44.05
2036	6,350,000	(5,055,000)	3,165,000	4,460,000	32,360,000	51.09
2037	1,285,000	-	3,575,000	4,860,000	37,220,000	58.76
2038	1,290,000	-	3,985,000	5,275,000	42,495,000	67.09
2039	1,300,000	-	4,415,000	5,715,000	48,210,000	76.11
2040	1,315,000	-	4,870,000	6,185,000	54,395,000	85.88
2041	1,335,000	-	5,345,000	6,680,000	61,075,000	96.42
2042	-	-	2,265,000	2,265,000	63,340,000	100.00
	<u>\$ 63,950,000</u>	<u>\$ (40,140,000)</u>	<u>\$ 39,530,000</u>	<u>\$ 63,340,000</u>		

*Preliminary, subject to change.

(1) Mandatory sinking fund payments.

Overlapping General Obligation Bonded Debt
(As of May 11, 2026)

<u>Taxing Bondy</u>	<u>Bonded Debt</u> ⁽¹⁾	<u>Allocated to the District</u>	
		<u>Percent</u> ⁽²⁾	<u>Amount</u>
Fulton County.....	\$290,000	4.33%	\$12,545
McDonough County.....	2,210,000	46.31%	1,023,473
Mercer County (including PBC).....	2,035,000	8.38%	170,472
The City.....	19,195,000	100.00%	19,195,000
City of Monmouth.....	31,242,610	100.00%	31,242,610
Roseville Fire Protection District.....	434,000	100.00%	434,000
Carthage Public Library District.....	1,020,000	100.00%	1,020,000
Monmouth Park District.....	348,000	100.00%	348,000
School District Number 327.....	265,000	100.00%	265,000
Community Unit School District Number 2.....	1,697,000	0.08%	1,392
Community Unit School District Number 4.....	4,615,000	0.07%	3,092
Community Unit School District Number 103.....	3,085,000	99.88%	3,081,360
Community Unit School District Number 170.....	1,749,500	73.41%	1,284,220
Community Unit School District Number 185.....	5,815,000	0.02%	1,163
Community Unit School District Number 200.....	10,460,000	0.04%	4,602
Community Unit School District Number 202.....	16,400,000	100.00%	16,400,000
Community Unit School District Number 205.....	50,160,000	100.00%	50,160,000
Community Unit School District Number 208.....	6,935,000	99.80%	6,921,269
Community Unit School District Number 210.....	715,500	98.67%	706,012
Community Unit School District Number 224.....	1,192,300	0.03%	322
Community Unit School District Number 225.....	900,000	0.20%	1,764
Community Unit School District Number 235.....	7,670,000	100.00%	7,670,000
Community Unit School District Number 238.....	17,348,300	100.00%	17,348,300
Community Unit School District Number 265.....	8,275,000	23.25%	1,924,186
Community Unit School District Number 276.....	565,000	99.84%	564,119
Community Unit School District Number 304.....	4,350,000	99.98%	4,349,087
Community Unit School District Number 316.....	252,000	99.90%	251,748
Community Unit School District Number 322.....	6,420,000	0.14%	8,731
Community Unit School District Number 325.....	610,000	100.00%	610,000
Community Consolidated School District Number 328.....	5,380,000	100.00%	5,380,000
Community Consolidated School District Number 347.....	5,018,000	100.00%	5,018,000
Total.....			<u>\$ 175,400,467</u>

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

(2) Percentages are based on 2024 EAVs.

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Debt.....	\$63,950,000
Less: The Certificates.....	(\$40,140,000) *
The Bonds.....	\$39,530,000 *
Leases.....	\$96,771
Net Direct Debt	\$63,436,771 *
Overlapping Bonded Debt.....	\$175,400,467
Net Direct Debt and Overlapping Bonded Debt.....	\$238,837,238 *
EAV (2024) ⁽¹⁾	\$2,630,968,919
Statutory Debt Limit (2.875% of EAV).....	\$75,640,356
Statutory Debt Margin	\$12,203,585 *

(1) Excludes TIF incremental EAV and abated EZ EAV. See “Tax Increment Financing Districts Located within the District” and “Enterprise Zones Located within the District” herein.

*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation (2024).....	\$7,892,906,757
EAV (2024) ⁽¹⁾	\$2,630,968,919
Population Estimate for Fiscal Year 2025.....	96,575
Net Direct Debt to EAV.....	2.41% *
Net Direct Debt to Estimated Market Valuation	0.80% *
Net Direct Debt and Overlapping Bonded Debt to EAV	9.08% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	3.03% *
Net Direct Debt Per Capita	\$656.87 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$2,473.08 *

(1) Excludes TIF incremental EAV and abated EZ EAV. See “Tax Increment Financing Districts Located within the District” and “Enterprise Zones Located within the District” herein.

*Preliminary, subject to change.

Short-Term Financing Record

In the last five years, the District has not issued any tax anticipation warrants or revenue anticipation notes and has no plans to issue tax anticipation warrants or revenue anticipation notes in the foreseeable future.

Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

Default Record

The District has no record of default and has met its debt repayment obligations promptly.

SUMMARY OF OPERATING RESULTS

Combined Education Fund and Operations and Maintenance Fund Revenue Sources
(Years Ended June 30)

Below is a combined summary of the Education Fund and Operations and Maintenance Fund revenue sources exclusive of “on-behalf” payments made by the State to SURS, as defined herein. This summary is provided since the rating agency combines these funds as the “General Fund” in its report.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Local Sources.....	39.32 %	45.67 %	44.73 %	42.67 %	42.68 %
State Sources.....	9.95	11.29	10.71	10.24	10.08
Federal Sources.....	9.88 ⁽¹⁾	0.07	0.08	0.07	0.06
Student Tuition and Fees.....	39.80	42.40	39.64	38.92	39.19
Other Sources.....	<u>1.05</u>	<u>0.57</u>	<u>4.84</u>	<u>8.10</u>	<u>7.99</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

(1) Higher Federal Sources is due in large part to the District’s receipt of hereinafter-defined HEERF funds. See “STATE AID-Federal COVID-19 Funds Distributed to the District” herein.

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2021- June 30, 2025.

Summary of Operating Funds
(Years Ended June 30)

Below is a combined summary of the Education Fund and Operations and Maintenance Fund. This summary is provided since the rating agency combines these funds as the “General Fund” in its report.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Receipts.....	\$ 15,478,005	\$ 14,723,533	\$ 16,081,675	\$ 16,870,598	\$ 16,528,789
Disbursements.....	<u>12,588,636</u>	<u>13,001,562</u>	<u>13,159,505</u>	<u>13,748,178</u>	<u>16,405,103</u>
Net Surplus (Deficit).....	2,889,369	1,721,971	2,922,170	3,122,420	123,686
Other Sources (Uses).....	(337,005)	323,666	(103,938)	63,687	(356,589)
Beginning Fund Balance.....	<u>9,629,077</u>	<u>12,181,441</u>	<u>14,227,078</u>	<u>17,045,310</u>	<u>20,231,417</u>
Ending Fund Balance.....	<u>\$ 12,181,441</u>	<u>\$ 14,227,078</u>	<u>\$ 17,045,310</u>	<u>\$ 20,231,417</u>	<u>\$ 19,998,514</u>
Fund Balance as % of Expenditures	96.77%	109.43%	129.53%	147.16%	121.90%

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2021- June 30, 2025.

Operations and Maintenance Fund (Restricted)
 (Years Ended June 30)

Below is a summary of the Operations and Maintenance Fund (Restricted).

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Receipts.....	\$ 1,092,305	\$ 991,292	\$ 266,404	\$ 273,025	\$ 1,191,333
Disbursements.....	<u>788,656</u>	<u>489,154</u>	<u>221,824</u>	<u>609,849</u>	<u>364,402</u>
Net Surplus (Deficit).....	303,649	502,138	44,580	(336,824)	826,931
Other Sources (Uses).....	-	-	-	171	-
Beginning Fund Balance.....	<u>(100,117)</u>	<u>203,532</u>	<u>705,670</u>	<u>750,250</u>	<u>413,597</u>
Ending Fund Balance.....	<u>\$ 203,532</u>	<u>\$ 705,670</u>	<u>\$ 750,250</u>	<u>\$ 413,597</u>	<u>\$ 1,240,528</u>

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2021- June 30, 2025.

Working Cash Fund

The Working Cash Fund is established by Section 3-33.1 of the Community College Act. The fund is established for the purpose of enabling the District to have on hand at all times sufficient money to meet the demands for ordinary and necessary expenditures for all community college purposes. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances. Working Cash Fund Bonds may be issued for the purpose of creating or increasing a working cash fund.

Moneys in the Working Cash Fund are not regarded as current assets available for community college purposes and may only be used by to provide moneys with which to meet ordinary and necessary disbursements for salaries and other community college purposes. The moneys may be loaned to the educational or operations and maintenance funds in order to avoid the issuance of tax anticipation warrants and notes.

Public Act 103-0278, effective July 28, 2023, provides that a community college district may abate its working cash fund at any time, upon the adoption of a resolution providing for the same, and may direct the transfer at any time of moneys in the Working Cash Fund to any fund or funds of the district most in need of the money, provided that the district maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then-current value, as equalized or assessed by the Department of the taxable property in the District. The legislation provides community colleges additional flexibility in meeting their operational and capital needs.

Working Cash Fund Summary
(Years Ended June 30)

Below is a summary of the Working Cash Fund.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Receipts.....	\$ 93,107	\$ (9,447)	\$ 205,216	\$ 365,812	\$ 535,183
Disbursements.....	1,199	-	-	1,975	-
Net Surplus (Deficit).....	91,908	(9,447)	205,216	363,837	535,183
Other Sources (Uses).....	(30,547)	(43,054)	(93,825)	(59,688)	(200,000)
Beginning Fund Balance.....	8,466,703	8,528,064	8,475,563	8,586,954	8,891,103
Ending Fund Balance.....	<u>\$ 8,528,064</u>	<u>\$ 8,475,563</u>	<u>\$ 8,586,954</u>	<u>\$ 8,891,103</u>	<u>\$ 9,226,286</u>

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2021- June 30, 2025.

Budget Summary

Below is the District’s budget summary for the fiscal year ending June 30, 2026. The District realizes that it has high fund balances (over 100% of annual expenditures). Current plans are to spend down roughly \$10 million over the next five years. The majority of the spend down would go toward a new industrial arts facility (approximately \$10 million). Future benchmark for fund balance would be around 75% of annual expenditures.

<u>Fund</u>	<u>Fund Balances</u> <u>July 1, 2025 ⁽¹⁾</u>	<u>FY26</u> <u>Revenue</u>	<u>FY26</u> <u>Expenditures</u>	<u>FY26</u> <u>Other Sources/</u> <u>(Uses)</u>	<u>Estimated</u> <u>Fund Balances</u> <u>June 30, 2026</u>
Education.....	\$ 15,501,088	\$ 14,995,592	\$ 14,995,592	\$ -	\$ 15,501,088
Operations & Maintenance.....	4,497,426	1,544,144	2,048,003	-	3,993,567
Auxiliary	588,940	952,007	1,235,481	-	305,466
Restricted Purposes.....	569,348	7,000,000	7,374,447	-	194,901
Audit.....	137,606	131,456	131,456	-	137,606
Liability, Protection & Settlement.....	5,440,193	3,980,842	3,800,105	-	5,620,930
Working Cash.....	9,226,286	200,000	200,000	-	9,226,286
Bond and Interest.....	280,500	4,354,005	4,278,849	-	355,656
Operations & Maintenance Restricted.....	1,240,528	920,195	1,670,195	-	490,528
Building Bond Proceeds..... ⁽²⁾	3,095,577	200,000	4,250,000	-	(954,423)
STEF	7,228,016	150,000	255,000	-	7,123,016
SILO.....	1,221,134	25,000	25,000	-	1,221,134
Total All Funds	<u>\$ 49,026,642</u>	<u>\$ 34,453,241</u>	<u>\$ 40,264,128</u>	<u>\$ -</u>	<u>\$ 43,215,754</u>

(1) The beginning fund balance was revised from the adopted budget to reflect the actual ending fund balance for the prior fiscal year. The budget is adopted before the audit for the prior fiscal year is available.

(2) Includes proceeds of the 2024 Bonds.

Source: The District

STATE AID

General

The State provides aid to local community college districts via grant programs administered by the Illinois Community College Board (the “ICCB”). Many community college districts rely on such “State Aid” for a significant portion of their budgets. For the fiscal year ended June 30, 2025, the District received approximately 10.08% of its general fund revenue from sources at the State, including State Aid. See “SUMMARY OF OPERATING RESULTS—Combined Education Fund and Operations and Maintenance Fund Revenue Sources” herein.

The State subsidizes the costs of higher education by allocating tax dollars between the following four areas: (a) direct operating support, (b) indirect operating support, (c) institutional grant programs and (d) student financial aid programs.

The Community College System Operating Budget is funded based upon unrestricted and restricted grants. Unrestricted grants have no grant guidelines or expenditure requirements and can be used for any operating purpose. Such grants include but are not limited to the Base Operating Grant, Equalization Grant, Small College Grant and Technical Education Formula Grant (as more fully discussed below). Restricted grants must be spent according to grant and expenditure guidelines and include the Workforce Development Grant, Adult Education Grant and Career and Technical Education Grant (as more fully discussed below).

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

Direct Operating Support

Public community colleges are funded primarily through direct operating support. Most of the funds for operating support are used for meeting general costs such as salaries, contracts for services, energy, supplies, travel and scholarships; however, operating support can also be appropriated to specific activities such as workforce preparation programs, adult basic education, career and technical education or legislative initiatives.

Indirect Operating Support

Public community colleges also benefit from indirect operating support through payments or benefits provided by the State to or for faculty and staff. Rather than being paid to community colleges, such funds are spent by other State entities on behalf of community college employees. Examples of indirect operating support include employee health insurance provided by the State employee benefits plan and funding for community college employees’ pensions paid to SURS.

Institutional Grant Programs

Additionally, grant programs provide funds for specific activities undertaken by educational programs. Funding for such programs as Cooperative Work Study and Nursing Grants is appropriated to the Illinois Board of Higher Education (“IBHE”) and then distributed by the IBHE based upon competitive application and program criteria. Private colleges are also eligible to apply for such grants.

As noted previously, the ICCB also administers grant programs and distributes funding to community colleges. The two principal operating grants for community colleges are the Base Operating Grant and the Equalization Grant, both of which are allocated to each local community college district based upon a prescribed formula. Generally, ICCB grants to community colleges amount to the difference between the total funds needed to offer educational programs and the total funds available from local property taxes and tuition and fees. Rate adjustments are required when State appropriations for ICCB grants fall short of equaling the calculated needs of the system. The funds of both the Base Operating Grant and the Equalization Grant are distributed on a monthly basis, though the State has delayed payment of these grants in recent years.

In addition to the grants discussed in this section, the State distributes numerous other grants to Illinois community colleges on an annual basis.

Student Financial Aid

State tax dollars support higher education through direct support to students; such financial aid is distributed through the Illinois Student Assistance Commission. The primary source of direct student assistance is need-based. Need-based programs, such as the Monetary Award Program, cover a portion of the costs of tuition and fees for students at public community colleges. The State also provides several programs that pay some or all of the costs of tuition and fees for students who have served in the military or are preparing for high-demand occupations such as nursing and certain teaching positions. In the event the federal government, the State or any agency pays tuition for any community college student, neither the district of such student’s residence nor the student is required to pay that tuition, or any portion thereof, that is otherwise paid.

History of State Funding⁽¹⁾

	Fiscal Year Ended June 30				
	2021	2022	2023	2024	2025
Base Operating Grants.....	\$ 1,367,673	\$ 1,491,371	\$ 1,529,821	\$ 1,557,845	\$ 1,497,268
Career & Technical Education.....	-	-	126,917	119,563	119,237
Equalization Grants.....	50,000	50,000	50,000	50,000	50,000
Other Grants.....	-	-	15,000	-	-
Total.....	<u>\$ 1,417,673</u>	<u>\$ 1,541,371</u>	<u>\$ 1,721,738</u>	<u>\$ 1,727,408</u>	<u>\$ 1,666,505</u>

(1) Includes the Education Fund and Operations and Maintenance Fund.

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2021- June 30, 2025.

The District also receives funding from State grants for specific, outcomes driving initiatives such as Taking Back the Trades, Mental Health Early Action on Campus Act, Pipeline for the Advancement of the Healthcare Workforce (PATH), Innovative Bridge and Transitions (IBT) and Noncredit Strategies At Work (NSAW). These grants have grown from \$40,000 in fiscal year 2021 to \$1.1 million in fiscal year 2025.

FEDERAL AID

General

Community colleges, like the District, receive federal funding. Most federal funding for the District goes toward financial aid to students and research grants, not operating funds. The District participates in federal financial aid programs like the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Direct Loan Program. See below for a description of each program.

- *Federal Pell Grant*: This grant is for students with financial need who are pursuing their first undergraduate degree.
- *Federal Supplemental Educational Opportunity Grant*: This grant is designed to help students with the lowest expected family contribution with their education costs.
- *Federal Direct Loan Program*: This program offers different types of student loans, including Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Parent PLUS loans.

Federal COVID-19 Funds Distributed to the District

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act, (ii) Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and (iii) American Rescue Plan of 2021, was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District was allocated Higher Education Emergency Relief Fund (“HEERF”) funding. The table below describes the HEERF funds received by the District. The District also received \$508,102 of Governor’s Emergency Education Relief (“GEER”) funds. Such HEERF funds and GEER funds were accounted for in the District’s Restricted Purposes Fund and were not used to pay operating expenses.

HEERF Allocation	Fiscal Year Ended June 30				<u>Total</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
Student Portion.....	\$ 579,600	\$ 579,871	\$ 2,329,890	\$ 255,792	\$ 3,745,153
Institutional Funds.....	<u>27,231</u>	<u>2,098,684</u>	<u>2,546,214</u>	<u>388,364</u>	<u>5,060,493</u>
Total.....	<u>\$ 606,831</u>	<u>\$ 2,678,555</u>	<u>\$ 4,876,104</u>	<u>\$ 644,156</u>	<u>\$ 8,805,646</u>

Source: The District

RETIREMENT PLANS

Pension and Retirement Plan

The District contributes to the State Universities Retirement System (“SURS”), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby 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 the 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’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by accessing the website at www.SURS.org.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined rate. The State’s contribution is calculated by an actuary pursuant to the provisions of the Illinois Pension Code, as amended (the “Pension Code”). The Pension Code requires the State to contribute annually the constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045.

Financial Reporting Under GASB Standards

The Governmental Accounting Standards Board (“GASB”) promulgates standards for financial reporting with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SURS’s actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State contribution or the District contribution for SURS.

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected

benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “Discount Rate,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

At June 30, 2024, SURS reported a Net Pension Liability of \$30.2 billion. The proportionate share of the State’s Net Pension Liability associated with the District is \$65,923,634 or 0.2181%. The amount of the proportionate share of the Net Pension Liability to be recognized for the District as of the measurement date is \$0 due to a special funding situation. For the purposes of financial reporting, the State and participating employers (such as the District) are considered to be under a special funding situation.

The District’s proportionate share of collective pension expense is recognized similarly to on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. As a result, the District recognized revenue and pension expense of \$4,353,240 for the fiscal year ended June 30, 2025.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different

from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails

to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

BOND RATING

Moody's has assigned its municipal rating of "Aa3" to the Bonds. The rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by Moody's, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in "Appendix C – Form of Continuing Disclosure Undertaking."

The Board has adopted disclosure policies and procedures which specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

The District timely filed its fiscal year ended June 30, 2022 audited financial statements on the MSRB's Electronic Municipal Market Access ("EMMA") system but did not associate such audited financial statements to the CUSIP numbers for the 2021 Bonds. The District has since modified the filing to include the 2021 Bonds. The District has established procedures to ensure timely filings in the future. The District has retained PMA Securities, LLC, Naperville, Illinois ("PMA"), to act as the District's Dissemination Agent for its continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("Chapman and Cutler"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on June 1, 2026. The best bid submitted at the sale was submitted by _____, _____, _____ (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____. The Underwriter has represented to the District that the Bonds have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee equals \$ _____.

MUNICIPAL ADVISOR

PMA has been retained as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds and also from the investment of Bond proceeds. PMA’s compensation for serving as municipal advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved by the District for distribution to the Underwriter.

The District's officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/

Vice President of Business and Finance/CFO
Community College District No. 518, Counties
of Knox, Warren, Henderson, Mercer, Stark,
Fulton, Hancock, Henry, McDonough and
Schuyler and State of Illinois

June __, 2026

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community College District No. 518, Counties of Knox,
Warren, Henderson, Mercer, Stark, Fulton, Hancock,
Henry, McDonough and Schuyler and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Trustees of Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Community College Bonds, Series 2026 (the “*Bonds*”), to the amount of \$ _____, dated June 18, 2026, due on December 30 of the years and in the amounts and bearing interest as follows:

2028	\$	%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%

the Bonds due on or after December 30, 2036, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 30, 2035, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and

legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Appendix B

Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025

The Annual Comprehensive Financial Report of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Wipfli LLP, Sterling, Illinois (the “Auditor”), and approved by formal action of the Board of Trustees of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal years ended June 30, 2025 and 2024

**Carl Sandburg College District 518
Galesburg, IL / sandburg.edu**



**CARL SANDBURG COLLEGE, ILLINOIS
COMMUNITY COLLEGE DISTRICT #518
2400 Tom L. Wilson Blvd.
Galesburg, IL 61401**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024**

Prepared by: Business Office

Carl Sandburg College - Community College District 518

Years Ended June 30, 2025 and 2024

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Carl Sandburg College - Community College District 518

Years Ended June 30, 2025 and 2024

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Carl Sandburg College - Community College District 518

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Introductory Section



**CARL
SANDBURG
COLLEGE**

sandburg.edu

President's Letter

November 6, 2025

Dear Members of the Board,

I am pleased to submit to the Board and the residents of District 518 the Annual Comprehensive Financial Report for Fiscal Year 2025. This document represents a record of the College's financial activities for the year ending June 30, 2025.

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.

Sandburg 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 maintains its strong financial position. State support is consistent, and the college has benefitted from a significant increase in competitive grant awards over the last two years. EAV has maintained its strong growth which has significantly enhanced the financial position. This past year saw the opening of the Science and Technology Center, the largest construction project since the original campus was built, and the opening of the newly renovated student development center.

I appreciate the opportunity to present this report and want to thank the staff and leadership team for their commitment to excellence. I am privileged to serve this institution and grateful for the community, students, faculty and staff, and board for their collaborative efforts to change lives and make dreams a reality.

Respectfully,

Dr. Seamus Reilly
President

EXCELLENCE / COLLABORATION / INTEGRITY / RESPECT

sandburg.edu

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



November 6, 2025

To members of the Board of Trustees and
citizens of Carl Sandburg College District No. 518:

TRANSMITTAL LETTER

The Annual Comprehensive 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, 2025, 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, 2025. 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 10 counties in Illinois. The main campus is located in Galesburg, IL, with a branch campus in Carthage, IL. We serve a diverse group of students. In the fall of 2024, the College enrolled 1,603 students, with an average age of 22 years. Women represented 65 percent of the student body and 57 percent were part-time students. Many students balance the demands of college with work and family responsibilities.



Galesburg campus: 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401 / p: 309.341.2518 / f: 309.344.1395
Carthage campus: 305 Sandburg Drive, Carthage, IL 62321 / p: 217.357.3129 / f: 217.357.5312
sandburg.edu



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

Fiscal year	2021	2022	2023	2024	2025
Fall college enrollment	1,755	1,687	1,688	1,688	1,603
Annual full-time equivalents	1,002	908	943	932	869
Continuing education credit hours	424	289	260	201.5	232
Total annual credit hours	30,065	27,229	27,638	27,949	26,072

The College has the resources required to serve student enrollment. In 2021, The Higher Learning Commission North Central Association of College and Schools continued accreditation for 10 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, 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

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.

Vision statement

Where dreams come to life and lives come to change.

Major goals and objectives

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

- Creativity
- Collaboration
- Communication
- Quality
- Inclusivity



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Carthage campus: 305 Sandburg Drive, Carthage, IL 62321 / p: 217.357.3129 / f: 217.357.5312
sandburg.edu



Financial information

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

INTERNAL CONTROL

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

BUDGETING CONTROLS

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

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

Economic condition

Carl Sandburg College District 518 has been affected by the dropping enrollment across the state; however, the College is well positioned to expand its dual-credit offerings and provide opportunities for high school students to earn college credit, reduce their overall debt load and transfer to complete their baccalaureate degree. A recent study shows that Illinois significantly outperforms the national average with nearly 54% of community college transfer students completing their degree within six years of beginning at a community college.





The shift from full-time to part-time enrollment is something the College will address through the blending of compressed courses, online delivery and the use of technology. Additionally, the College is investing in programs and establishing partnerships designed to serve the needs of its communities such as those in health-related fields. As a result, Carl Sandburg College District 518 is experiencing growth and expansion in some areas including dual-credit and career and technical education.

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):

FISCAL YEAR	2025	2024	2023	2022	2021
Current:					
Education	0.2222	0.2203	0.2252	0.2281	0.2377
Operations & maintenance	0.0500	0.0492	0.0487	0.0479	0.0500
Liability, protection & settlement	0.1411	0.1282	0.1197	0.1222	0.1278
Audit	0.0050	0.0049	0.0049	0.0048	0.0050
Working cash	-	-	-	-	-
Social Security/Medicare	0.0080	0.0080	0.0081	0.0079	0.0081
Bond and interest	0.1666	0.1610	0.1721	0.1815	0.1641
Plant:					
Operations & maintenance (restricted) — life safety	0.0352	0.0492	0.0122	0.0120	0.0500
Total	0.6281	0.6208	0.5908	0.6044	0.6429

The College District’s 2024 tax levy base of \$2,630,968,919 increased by roughly 7% over the 2023 tax base. Property tax revenue has continued to see strong growth, particularly in the farmland segment, the College’s largest segment, which is also augmented by steady growth in both the residential and commercial property segments. During fiscal year 2024, local property taxes accounted for approximately 40% of total revenues.

DEBT

Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments are funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2022, the college issued capital bonds for the purpose of building a new Science & Technology Center. This new building opened in August 2024 with the project enabling the college to create new labs, and expand its programs in high-demand fields like health care and technology.





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 2025 was by investing in new equipment that ensures that educational programs are supported with up-to-date resources for instruction. Relocating student services to Building B was intended to make advisors more accessible to students and enhance the student experience and foster a sense of community. The College continues to update communication and security equipment to address evolving threats and leverage new technology.

The College was successful in extending our labor agreement through June 30, 2026, as a result of our Interest-based bargaining (IBB) process with Sandburg Education Association (SEA). This incorporates the belief that each student is entitled to an education of the highest quality and that the attainment of this objective is dependent upon the quality and morale of the employees.

Prospects for the future

Carl Sandburg College District 518 maintains a favorable financial position. Budget goals for fiscal year 2025 were met, and the College received a revised S & P rating of A+ (positive outlook). State funding has been stable for several years, and the college has benefitted from additional state support for career and technical programs (CTE) to augment equipment and support student and staff recruitment. 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 annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 22nd consecutive year 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 annual comprehensive 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 our current annual comprehensive 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 annual comprehensive 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,

Dr. Seamus Reilly, President



**Illinois Community College District No. 518
Principal Officials as of June 30, 2025**

Board of Trustees

Name	Position	Term Expires
Mr. Gayla J. Pacheco	Chairperson	2029
Mr. Joshua Gibb	Vice Chairperson	2029
Dr. Gayle Keiser	Secretary	2029
Mr. Thomas Colclasure	Trustee	2027
Mr. Lee Johnson	Trustee	2025
Dr. Angel Peterson	Trustee	2031
Mr. Jeff Whitsitt	Trustee	2025

Officers of the College

Dr. Seamus Reilly	President
Ms. Carrie Hawkinson	Vice President of Academic Services
Ms. Autumn Scott	Vice President of Student Development
Ms. Michelle Johnson	Vice President of Institutional Resources

Administrative Staff

Ms. Ellen Burns	Dean of Career Technical Education
Mr. Don Damitz	Executive Director of Administrative Computing/Programming
Mr. Stephen Descalzo	Director of TRIO Student Support Services
Mrs. Emily Bean	Chief Information Officer
Ms. Taylor Finch-McVay	Director of Accreditation
Ms. Lisa Hanson	Dean of Enrollment Management
Ms. Kenzi Yates	Director of WDCE/Community Education
Ms. Daniella Irle	Dean of Student Engagement/Athletics Director
Mr. Eric Johnson	Chief Advancement Officer
Ms. Gabriella Hurtado	Director of Recruitment
Ms. Beth Kunkle	Director of Accounting Services/Comptroller
Ms. Ashley Lee	Director of TRIO Upward Bound Project
Ms. Laura Nagel	Executive Director of Marketing & Public Relations
Mrs. Megan Jones	Coordinator of Transfer and Dual Credit
Ms. Jodi Pospeschil	Director of Branch Campus
Ms. Emily Schaeffer	Dean of Nursing Professions
Ms. Angela Snow	Director of Advising/Registrar
Ms. Veronica Thor	Director of International Student Services
Ms. Valerie Hinderliter	Coordinator of Nursing & Health Professions
Ms. Randi Torrance	Director of TRIO Upward Bound Math-Science Project
Mr. Dustin Zimmerman	Director of Financial Aid

Board of Trustees

President

Vice President,
Student Development

Vice President,
Academic Services

Vice President,
Institutional
Resources

Vice President,
Advancement

CFO/Vice President,
Business & Finance

Executive Director,
Marketing

Student Success

Career & Technical
Education

Accreditation

Alumni

Business Services

Marketing

Student Wellness

Nursing Professions

CIO

Scholarships

Internal
Communications

Student Life

Health Professions

Data Assurance &
Statistical Research

Giving

Advertising/Media

TRIO SSS, TRIO
Upward Bound, TRIO
Upward Bound Math
Science

Transfer (Humanities
& Fine Arts, Social &
Business Sciences,
Math & Natural
Sciences)

Human Resources

Public Relations

Diversity & Inclusion

Teaching & Learning
Center

Institutional Grants

Social Media

Academic Support
Services

Carthage campus

Professional
Development

Photography/
Videography

ADA/504 Coord

Physical Plant

Printing/Mail Services

Financial Aid

Sandburg & Chargers
website
(design/content)

Recruitment

Athletics/Health &
Fitness

Library Services

Public Safety



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Carl Sandburg College
Community College District 518
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Carl Sandburg College - Community College District 518 (the "College"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Carl Sandburg College - Community College District 518 as of June 30, 2025 and 2024, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Carl Sandburg College Foundation, which represent 100% of the assets and revenues of discretely presented component unit as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Carl Sandburg College Foundation, is based solely on the report of the other auditors.

Basis for Unmodified Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carl Sandburg College - Community College District 518's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 6, 2025

Carl Sandburg College - Community College District 518

Management Discussion and Analysis

This section of Carl Sandburg College – Community College District 518's (the "College") Annual Comprehensive Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2025 and 2024. 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 13 to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

Financial Highlights

For the year ended June 30, 2025, the College recorded total operating revenues of \$4,682,787 and total operating expenses of \$30,766,216. The difference produced an operating loss of \$26,093,429. Net non-operating revenue of \$31,186,984 offsets this loss and results in an overall increase in net position of \$5,093,555.

Non-operating revenue included local property and replacement taxes of \$15,543,957, state source revenue of \$7,494,274, federal grants and contracts revenue of \$5,262,802, and investment income of \$3,266,355.

Operating revenue accounted for 13% of the College's total revenue, while non-operating revenues accounted for the remaining 87%. Operating revenue consisted of tuition and fees of \$4,462,476 and auxiliary enterprises revenue of \$220,311.

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

Overall, the College's financial position remained stable during fiscal year 2025 and overall results compared to budget were favorable.

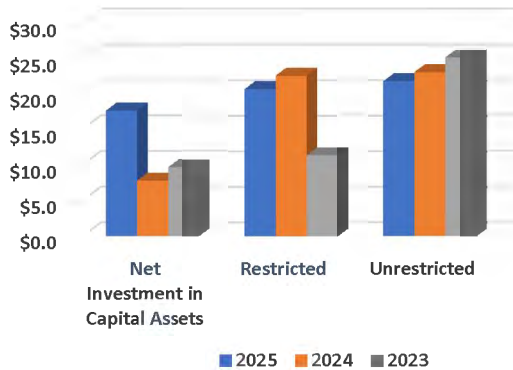
Carl Sandburg College - Community College District 518

Management Discussion and Analysis

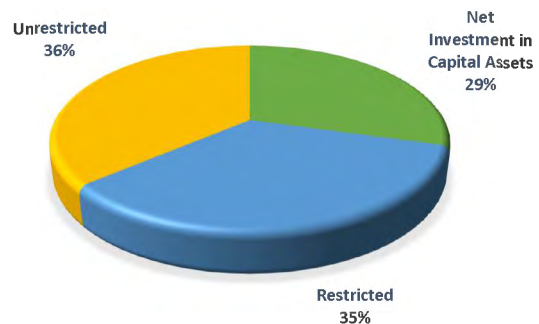
Net Position As of June 30, (in millions)					
	2025	Restated 2024*	Increase (Decrease) 2025-2024	Restated 2023*	Increase (Decrease) 2024-2023
Current assets	\$62.2	\$67.7	(\$5.5)	\$75.8	(\$8.1)
Non-current assets					
Capital assets, net of depreciation	46.9	36.2	10.7	18.6	17.6
Other	8.7	7.8	0.9	8.4	(0.6)
Total assets	<u>117.8</u>	<u>111.7</u>	<u>6.1</u>	<u>102.8</u>	<u>8.9</u>
Total deferred outflows of resources	<u>0.3</u>	<u>0.3</u>	<u>0.0</u>	<u>0.3</u>	<u>0.0</u>
Total assets and deferred outflows of resources	<u>118.1</u>	<u>112.0</u>	<u>6.1</u>	<u>103.1</u>	<u>8.9</u>
Current liabilities	6.8	8.4	(1.6)	4.8	3.5
Non-current liabilities	31.0	29.1	1.9	32.0	(2.9)
Total liabilities	<u>37.8</u>	<u>37.5</u>	<u>0.3</u>	<u>36.8</u>	<u>0.6</u>
Total deferred inflows of resources	<u>21.6</u>	<u>21.0</u>	<u>0.6</u>	<u>20.0</u>	<u>1.0</u>
Total liabilities and deferred inflows of resources	<u>59.4</u>	<u>58.5</u>	<u>0.9</u>	<u>56.8</u>	<u>1.6</u>
Net position					
Net investment in capital assets	17.7	7.8	9.9	9.7	(1.9)
Restricted	20.7	22.6	(1.9)	11.4	11.2
Unrestricted	20.3	23.1	(2.8)	25.2	(2.1)
Total	<u>\$58.7</u>	<u>\$53.5</u>	<u>\$5.2</u>	<u>\$46.3</u>	<u>\$7.2</u>

*Fiscal Year 2024 was restated for the implementation of GASB Statement No. 101 and FY2023 was restated due to a correction of an error.

**Net Position as of June 30,
2025, 2024, and 2023**



**Composition of Net Position
as of June 30, 2025**



Carl Sandburg College - Community College District 518

Management Discussion and Analysis

Fiscal Year 2025 Compared to 2024

Current assets decreased \$5.5 million and non-current assets increased \$11.6 million due primarily to the completion of the new Science & Technology Building and renovation of student development center.

Current liabilities decreased from \$8.4 million to \$6.8 million. Decreases were primarily due to accounts payable associated with the construction and renovation projects.

Non-current liabilities increased \$1.9 million due to the issuance of working cash bonds in December 2024 for the multi-phase building program.

Deferred inflows of resources increased \$0.6 million largely driven by deferred property taxes and grant revenue.

Total net position as of June 30, 2025 increased by \$5.2 million. The restricted net position includes \$11.3 million of debt service payments, grants and scholarships, and working cash reserves.

Fiscal Year 2024 Compared to 2023

Current assets decreased \$8.1 million and non-current assets increased \$17.0 million due primarily to the completion of the new Science & Technology Building.

Current liabilities increased from \$4.8 million to \$8.4 million. Increases were primarily due to additional accounts payable associated with the construction of the Science & Technology Building as well as an increase in accrued interest.

Non-current liabilities decreased \$2.9 million due to reduction of outstanding general obligation bonds for the multi-phase building program.

Deferred inflows of resources increased \$1.0 million largely driven by deferred property taxes and grant revenue.

Total net position as of June 30, 2024 increased by \$7.2 million. The restricted net position is restricted for \$11.2 million of debt service payments, grants and scholarships, capital projects, and working cash reserves.

Carl Sandburg College - Community College District 518

Management Discussion and Analysis

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

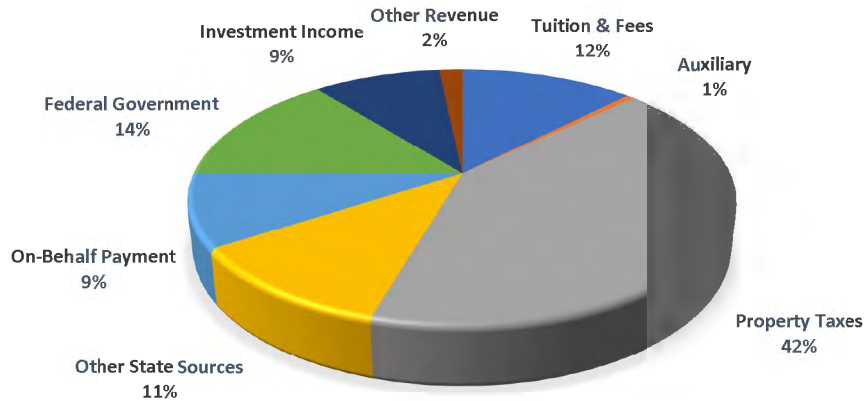
	2025	Restated 2024*	Increase (Decrease) 2025-2024	Restated 2023*	Increase (Decrease) 2024-2023
Operating revenue					
Tuition and fees	\$4.5	\$4.3	\$0.2	\$4.1	\$0.2
Auxiliary	0.2	0.2	0.0	0.2	0.0
Total operating revenue	<u>4.7</u>	<u>4.5</u>	<u>0.2</u>	<u>4.3</u>	<u>0.2</u>
Less operating expenses	<u>30.8</u>	<u>26.8</u>	<u>4.0</u>	<u>24.7</u>	<u>2.1</u>
Operating loss	<u>(26.1)</u>	<u>(22.3)</u>	<u>(3.8)</u>	<u>(20.4)</u>	<u>(1.9)</u>
Non-operating revenue					
Property taxes	15.2	13.7	1.5	13.4	0.3
Replacement taxes	0.3	0.6	(0.3)	0.9	(0.3)
Other state sources	4.1	3.9	0.2	3.5	0.4
On-behalf payments	3.4	3.3	0.1	3.3	0.0
Federal government	5.2	4.8	(0.4)	5.7	(0.9)
Facilities revenue	0.0	0.0	0.0	0.0	0.0
Investment income	3.3	3.4	(0.1)	2.1	1.3
Nongovernmental grants and gifts	0.1	0.1	0.0	0.1	0.0
Other revenue	0.2	0.3	(0.1)	0.2	0.1
Gain (loss) on disposal of assets	0.0	0.0	0.0	0.0	0.0
Interest expense	(0.6)	(0.6)	0.0	(0.5)	(0.1)
Total net non-operating revenues	<u>31.2</u>	<u>29.5</u>	<u>1.7</u>	<u>28.7</u>	<u>0.8</u>
Capital contributions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Increase (decrease) in net position	5.1	7.2	(2.1)	8.3	(1.1)
Net position, beginning of year, as restated	<u>53.6</u>	<u>46.3</u>	<u>7.3</u>	<u>38.0</u>	<u>8.3</u>
Net position, end of year	<u>\$58.7</u>	<u>\$53.5</u>	<u>\$5.2</u>	<u>\$46.3</u>	<u>\$7.2</u>

* Fiscal Year 2024 was restated for implementation of GASB Statement No. 101 and Fiscal Year 2023 was restated due to a correction of an error.

Carl Sandburg College - Community College District 518

Management Discussion and Analysis

Revenue by Source Fiscal Year Ended June 30, 2025



Fiscal Year 2025 Compared to 2024

Operating revenue increased \$0.2 million over the prior year. Property tax revenue continues to grow as the equalized assessed values in the district have continued to increase.

Operating expenses increased \$4.9M or 18.9% year over year driven largely by increased salary and benefits costs as well as increased depreciation expense associated with the completion of new construction and building renovation projects.

Net non-operating revenue increased \$1.8 million. This is the net result of decreases replacement taxes and investment income combined with increases in other non-operating revenues from Federal and other State grants revenues.

Fiscal Year 2024 Compared to 2023

Operating revenue increased \$0.2 million over the prior year. Property tax revenue continues to grow as the equalized assessed values in the district have continued to increase.

Operating expenses increased \$2.1M or 8.5% year over year driven largely by increased salary and benefits costs.

Net non-operating revenue increased \$0.8 million. This is the net result of decreases in federal grants and replacement taxes combined with increases in other non-operating revenues from investment and other State grants revenues.

Carl Sandburg College - Community College District 518

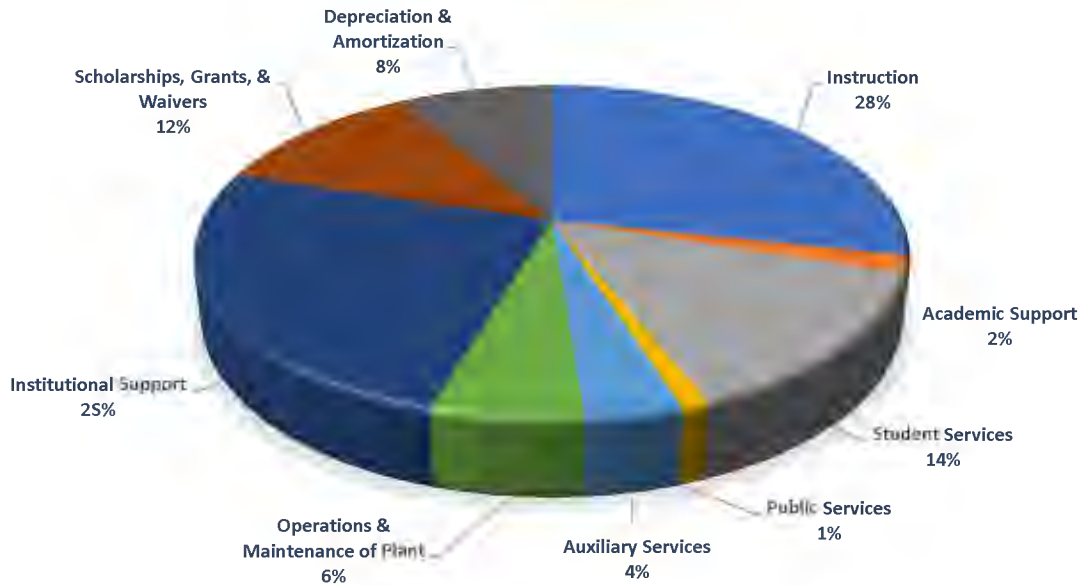
Management Discussion and Analysis

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

Operating expense	2025	Restated 2024*	Increase (Decrease) 2025-2024	Restated 2023*	Increase (Decrease) 2024-2023
Instruction	\$8.4	\$8.2	\$0.1	\$6.8	\$1.4
Academic support	0.5	0.5	0.0	0.4	0.1
Student services	4.1	4.0	0.1	4.2	(0.2)
Public services	0.3	0.1	0.2	0.1	0.0
Auxiliary services	1.1	1.0	0.1	1.0	0.0
Operations & maintenance of plant	1.7	1.5	0.2	1.3	0.2
Institutional support	8.9	6.6	2.3	6.0	0.6
Scholarships, grants, waivers	3.4	3.1	0.3	3.1	0.0
Depreciation and amortization	2.5	1.8	0.7	1.8	0.0
Total	\$30.8	\$26.8	\$4.0	\$24.7	\$2.1

* Fiscal Year 2024 was restated for implementation of GASB Statement No. 101 and Fiscal Year 2023 was restated due to a correction of an error.

Operating Expenses Fiscal Year Ended June 30, 2025



Carl Sandburg College - Community College District 518

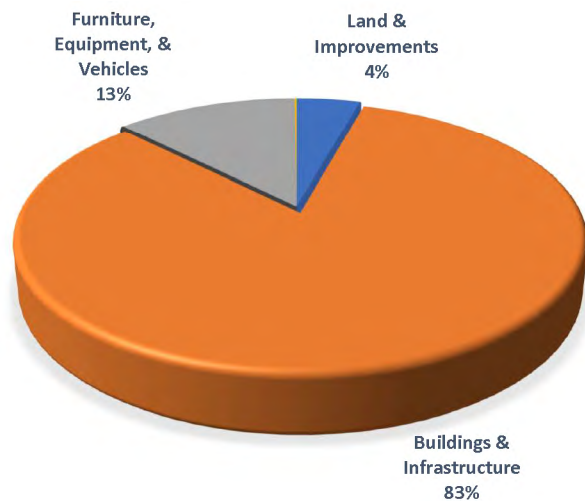
Management Discussion and Analysis

Capital Assets, Net June 30, (in millions)					
	2025	2024	Increase (Decrease) 2025-2024	Restated 2023*	Increase (Decrease) 2024-2023
Capital assets					
Land & improvements	\$3.4	\$3.5	(\$0.1)	\$3.2	\$0.3
Buildings & infrastructure	67.4	35.1	32.3	34.4	0.7
Furniture, equipment, & vehicles	10.0	7.1	2.9	6.5	0.6
Construction in progress	0.1	22.2	(22.1)	4.6	17.6
Lease assets – equipment & vehicles	0.4	0.4	0.0	0.4	0.0
Subscription assets	0.4	0.4	0.0	0.5	(0.1)
Total	81.7	68.7	13.0	49.6	19.1
Less accumulated depreciation and amortization					
	(34.8)	(32.5)	(2.3)	(31.0)	(1.5)
Net capital assets	\$46.9	\$36.2	\$10.7	\$18.6	\$17.6

* Fiscal Year 2023 was restated due to a correction of an error.

During Fiscal Year 2025, total Capital Assets increased \$13M or 19% and Net Capital Assets increased \$10.7M or 29.5% due to completion of the new Science & Technology building and renovation of the student development center. The current bonding strategy continues to allow the College to invest in additional facilities, technology, and improvements to meet the changing needs of students, faculty, staff, and the communities supported. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Financial Statements.

Capital Assets as of June 30, 2025



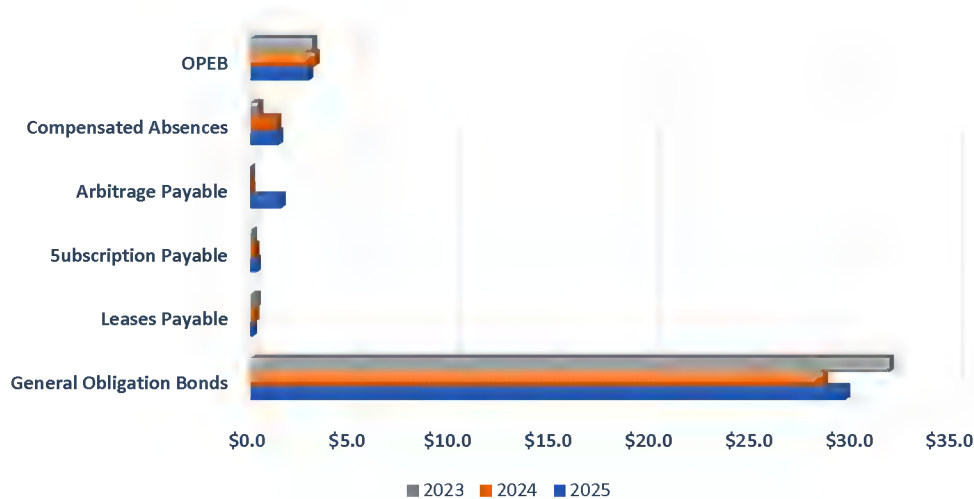
Carl Sandburg College - Community College District 518

Management Discussion and Analysis

Debt June 30, (in millions)					
	2025	Restated 2024*	Increase (Decrease) 2025-2024	Restated 2023*	Increase (Decrease) 2024-2023
General obligation bonds, net	\$29.6	\$28.5	\$1.1	\$31.8	(\$3.3)
Leases	0.1	0.2	(0.1)	0.3	(0.1)
Subscriptions	0.3	0.2	0.1	0.1	0.1
Arbitrage payable	1.5	0.0	1.5	0.0	0.0
Compensated absences	1.4	1.3	0.1	0.4	0.9
OPEB	2.9	3.2	(0.3)	3.1	0.1
Total	\$35.8	\$33.4	\$2.4	\$35.7	(\$2.3)

* Fiscal Year 2024 was restated for the implementation of GASB Statement No. 101. Fiscal Year 2023 was restated due to a fixed asset correction.

Debt Composition Trend



Fiscal Year 2025 Compared to 2024

During fiscal year 2025, the College paid \$2.9 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Financial Statements.

Fiscal Year 2024 Compared to 2023

During fiscal year 2024, the College paid \$2.8 million in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Financial Statements.

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 Leslie Anderson, Vice President of Business & Finance, 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401.

Basic Financial Statements

Carl Sandburg College - Community College District 518

Statements of Net Position

<i>As of June 30</i>	2025	Restated 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,777,249	\$ 28,040,282
Short-term investments	17,888,094	24,697,798
Property tax receivable	16,762,319	13,466,908
Government receivables	543,091	958,307
Student tuition receivables, net of allowance	644,994	220,131
Other receivables	450,633	53,649
Prepaid items	87,236	220,679
Total current assets	62,153,616	67,657,754
Noncurrent assets:		
Non-depreciable capital assets	485,331	22,610,382
Depreciable capital assets	81,285,045	46,142,969
Accumulated depreciation and amortization	(34,828,147)	(32,496,166)
Capital assets, net	46,942,229	36,257,185
Long-term investments	8,667,992	7,792,676
Total noncurrent assets	55,610,221	44,049,861
Total assets	117,763,837	111,707,615
Deferred outflow of resources		
Deferred pension	51,960	44,440
Deferred OPEB	220,495	234,402
Total deferred outflow of resources	272,455	278,842

Carl Sandburg College - Community College District 518

Statements of Net Position (Continued)

<i>As of June 30</i>	2025	Restated 2024
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,127,427	\$ 3,437,779
Accrued liabilities	-	52,926
Unearned tuition and fees	856,643	574,067
Accrued compensated absences, current	943,016	847,333
Lease obligations, current	87,302	80,951
Subscription liability, current	116,163	87,263
Bonds payable, current	3,661,381	3,270,176
Total current liabilities	6,791,932	8,350,495
Noncurrent liabilities:		
Accrued compensated absences	464,471	417,342
Lease obligations	9,469	96,771
Subscription liability	177,470	142,665
Bonds payable, net	25,896,852	25,258,233
Net OPEB liability	2,913,064	3,156,826
Arbitrage payable	1,491,207	-
Total noncurrent liabilities	30,952,533	29,071,837
Total liabilities	37,744,465	37,422,332
Deferred inflow of resources		
Deferred property taxes	16,912,245	15,252,254
Deferred grant revenue	1,311,175	1,283,485
Deferred OPEB	3,410,781	4,464,315
Total deferred inflow of resources	21,634,201	21,000,054
Net position		
Net investment in capital assets	17,658,499	7,834,607
Restricted - expendable:		
Debt service	280,500	279,781
Grants and scholarships	1,784,861	2,000,121
Working cash	9,226,286	8,891,103
Capital projects	3,841,122	6,449,880
Audit and liability protection	5,577,799	4,973,655
Unrestricted	20,288,559	23,134,924
Total net position	\$ 58,657,626	\$ 53,564,071

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years ended June 30</i>	2025	Restated 2024
Operating revenues:		
Student tuition and fees, net of scholarship allowance	\$ 4,462,476	\$ 4,309,978
Auxiliary enterprises revenue	220,311	196,965
Total operating revenues	4,682,787	4,506,943
Operating expenses:		
Instruction	8,350,073	8,189,353
Academic support	489,690	464,928
Student services	4,073,333	4,049,758
Public services	291,585	127,413
Auxiliary services	1,076,433	1,028,223
Operations and maintenance	1,736,390	1,483,808
Institutional support	8,873,651	6,574,997
Scholarships, student grants, and waivers	3,376,381	3,050,657
Depreciation, amortization, and other expense	2,508,680	1,798,097
Total operating expenses	30,776,216	26,767,234
Operating (loss)	(26,093,429)	(22,260,291)
Non-operating revenues (expenses)		
Property taxes	15,173,979	13,734,981
Replacement taxes	369,978	551,732
Other state sources	4,077,237	3,911,728
On-behalf payments	3,417,037	3,282,976
Federal government	5,262,802	4,813,008
Facilities revenue	2,485	3,580
Investment income	3,266,355	3,421,714
Nongovernmental grants and gifts	68,978	96,663
Other revenue	223,568	318,385
Loss on disposal of assets	(30,454)	(45,001)
Interest, service charges, and issuance costs	(644,981)	(614,760)
Total non-operating revenues (expenses)	31,186,984	29,475,006
Change in net position	5,093,555	7,214,715
Net position, beginning of year, as restated	53,564,071	46,349,356
Net position, end of year	\$ 58,657,626	\$ 53,564,071

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Statements of Cash Flows

<i>Years ended June 30</i>	2025	Restated 2024
Cash flows from operating activities:		
Tuition and fees	\$ 6,425,407	\$ 6,432,634
Payments to suppliers	(11,420,882)	(5,297,468)
Payments to employees	(11,939,961)	(10,848,118)
Payments to students for scholarships	(5,481,599)	(5,283,623)
Auxiliary enterprise changes	227,005	189,082
Other	214,024	478,292
Net cash from operating activities	(21,976,006)	(14,329,201)
Cash flows from non-capital financing activities:		
Proceeds from property taxes	13,538,559	13,813,293
Proceeds from personal property replacement taxes	369,978	551,732
Proceeds from grants	9,851,923	9,305,377
Net cash from non-capital financing activities	23,760,460	23,670,402
Cash flows from capital and related financing activities:		
Purchases of capital assets	(12,992,141)	(19,518,110)
Principal paid on long-term debt	(3,149,283)	(3,087,197)
Proceeds from issuance of long-term debt	4,300,000	230,976
Interest paid on long-term debt	(1,015,157)	(1,012,576)
Net cash from capital and related financing activities	(12,856,581)	(23,386,907)
Cash flows from investing activities:		
Interest received	399,653	1,217,948
Proceeds from maturities of investment securities	43,306,001	27,399,644
Purchases of investment securities	(34,896,560)	(11,693,524)
Net cash from investing activities	8,809,094	16,924,068
Net change in cash and cash equivalents	(2,263,033)	2,878,362
Cash and cash equivalents, beginning of year	28,040,282	25,161,920
Cash and cash equivalents, end of year	\$ 25,777,249	\$ 28,040,282

Carl Sandburg College - Community College District 518

Statements of Cash Flows (Continued)

<i>Years ended June 30</i>	2025	Restated 2024
Reconciliation of operating income to net cash from by operating activities:		
Operating income (loss)	\$ (26,093,429)	\$ (22,260,291)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization	2,508,680	1,798,097
State on-behalf payments for fringe benefits	3,417,037	3,282,976
Other operating sources	226,053	321,965
Change in assets and liabilities:		
Receivables	(430,198)	(9,258)
Other assets	133,443	(21,976)
Deferred outflow of resources	6,387	(4,934)
Accounts payable	(2,310,352)	3,041,918
Accrued liabilities		(77,377)
Accrued compensated absences	89,886	872,274
Unearned tuition and fees	282,576	43,575
Arbitrage payable	1,491,207	-
OPEB liability	(243,762)	40,267
Deferred inflows of resources	(1,053,534)	(1,356,437)
Net cash from operating activities	\$ (21,976,006)	\$ (14,329,201)
Noncash investing, capital, and financial:		
Increase (decrease) in fair value of investments	\$ 219,415	\$ 184,895
IT Subscription acquisition	232,037	230,976
Disposal of assets	(30,454)	(45,001)
State on-behalf payments for pension and OPEB plans	3,417,037	3,282,976

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Financial Position

<i>As of June 30</i>	2025	2024
Assets		
Current assets:		
Cash	\$ 169,668	\$ 431,739
Investments	26,902,470	24,459,130
Pledges receivable	140,996	197,479
Beneficial interest in perpetual trust	333,286	333,320
Prepaid expenses	76,652	-
Total assets	\$ 27,623,072	\$ 25,421,668
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 29,758	\$ 28,556
Scholarships payable	219,750	192,480
Total liabilities	249,508	221,036
Net assets		
Without donor restrictions	5,103,151	5,222,535
With donor restrictions	22,270,413	19,978,097
Total net assets	27,373,564	25,200,632
Total liabilities and net assets	\$ 27,623,072	\$ 25,421,668

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities

Years ended June 30	2025		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues, gains, and other support:			
Contributions	\$ 45,336	\$ 220,461	\$ 265,797
Contributed nonfinancial assets	111,385	-	111,385
Administrative fees	65,252	-	65,252
Investment Return, net	750,180	2,602,233	3,352,413
Change in value of beneficial interest in trust	-	3,131	3,131
Net asset released from restrictions	533,509	(533,509)	-
Total support and revenue	1,505,662	2,292,316	3,797,978
Expenses:			
Program services			
Scholarships and grants	982,396	-	982,396
Administrative fees	65,252	-	65,252
Salaries and wages	59,152	-	59,152
In-kind services	34,776	-	34,776
Total program services	1,141,576	-	1,141,576
Supporting services:			
Management and general			
Salaries and wages	44,364	-	44,364
Professional services	110,964	-	110,964
In-kind goods and facilities	24,445	-	24,445
Conference and meeting expense	13,392	-	13,392
Dues	2,013	-	2,013
Office supplies	66,512	-	66,512
Printing	22,748	-	22,748
Travel	19,970	-	19,970
Other	30,907	-	30,907
Total management and general	335,315	-	335,315
Fundraising			
Salaries and wages	44,364	-	44,364
In-kind services	52,164	-	52,164
Supplies and mailings	34,195	-	34,195
Donor gift and entertainment	17,432	-	17,432
Total fund raising	148,155	-	148,155
Total expenses	1,625,046	-	1,625,046
Changes in net assets	(119,384)	2,292,316	2,172,932
Net assets, beginning of year	5,222,535	19,978,097	25,200,632
Net assets, end of year	\$ 5,103,151	\$ 22,270,413	\$ 27,373,564

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Component Unit - Carl Sandburg College Foundation

Statements of Activities (Continued)

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

See Accompanying Notes to the Financial Statements.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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

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

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

Reporting Entity

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

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

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are described by FASB issued guidance. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. However, significant note disclosures (see Note 13) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

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.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

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

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

Cash and Equivalents

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

Investments

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

Receivables

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

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. The allowance for doubtful accounts relating to student receivables was \$173,862 and \$224,642 as of June 30, 2025 and 2024, respectively.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 2023 property tax levies passed on November 16, 2023 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2024 property tax levy which was passed on November 21, 2024. In addition, property taxes receivable represents the remaining 2024 property tax levy to be collected in fiscal year 2026.

Uncollected taxes are sold by the County Collector in order that those taxes can be distributed to respective taxing bodies. Final distribution on the current year is made by the County Collector's office at a date after the tax sale, usually no later than sometime during the first quarter of the following year.

Corporate personal property replacement tax is recorded on the accrual basis based on amounts held by the state.

Inventories

Inventories consist primarily of supplies and are reported at cost.

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 \$10,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Costs related to the development of computer software are expensed as incurred until (a) the College has completed the preliminary project stage and (b) management has implicitly or explicitly authorized or committed to funding the project. Activities related to the application development stage of internally generated software are capitalized at the amount of the associated outlays. Post-implementation activities are expensed as incurred. Costs associated with data conversion are also expensed if such activities are not necessary in order for internally developed software to become operational. Intangible assets are defined by the College (software) as assets with an initial unit cost of \$25,000.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Property, plant, and equipment of the college are depreciated using the straight-line method over the following useful lives.

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

Unearned Tuition and Fee Revenue

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

Long-term Debt

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

Compensated Absences

Vacation leave is accrued as a liability as it is earned. Sick leave is accrued as a liability if it is more likely than not to be used.

Lease Accounting

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

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

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

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

Subscription Based Information Technology Arrangements

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

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

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

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

For SBITAs or groups of SBITAs whose net present value is less than \$15,000, the College has elected to recognize the payments as an expense in the period incurred.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

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. Investments are reported at fair value.

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

Deferred Outflows/Inflows of Resources

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

Classification of Revenues and Expenses

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

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement. The College elected to not use the 10% de minimis indirect cost rate during the year ended June 30, 2025.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

On-Behalf Payments for Fringe Benefits and Salaries

Contributions made by the State of Illinois (State) relating to the State Universities Retirement Systems (SURS) and College Insurance Plan (CIP) on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2025 and 2024, the State made contributions of \$3,417,037 and \$3,282,976, respectively (Note 5, Note 6, and 7).

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Universities Retirement System (SURS) and additions/deductions to/from SURS fiduciary 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 financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. This situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense relative to the College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

Net Position

The College's net position is classified as follows:

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Recently Adopted Accounting Pronouncement

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The adoption of this guidance is reflected in the disclosure of the net position restatement for the year ended June 30, 2024. See Note 12 for the details of the restatement.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of this guidance resulted in a restatement of the beginning net position for the year ended June 30, 2024. See Note 12 for the details of the restatement.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 2: Cash and Investments

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

Cash and deposits consist of the following:

<i>As of June 30</i>	2025	2024
Cash on hand	\$ 4,314	\$ 6,600
Deposits with financial institutions	25,772,935	28,033,682
Totals	\$ 25,777,249	\$ 28,040,282

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

Investments consist of the following:

<i>As of June 30</i>	2025	2024
Money market	\$ 7,573,996	\$ 14,166,698
Certificate of deposit	9,186,478	12,253,658
U.S. government agency securities	9,795,612	6,070,118
Totals	\$ 26,556,086	\$ 32,490,474

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.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

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

As of June 30, 2025, the College had the following investments with stated maturities:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Money market	\$ 7,573,996	\$ 7,573,996	\$ -	\$ -	\$ -
Certificate of deposit	9,186,478	7,068,824	2,117,654	-	-
U.S. government agency securities	9,795,612	3,245,267	6,550,345	-	-
Totals	\$ 26,556,086	\$ 17,888,087	\$ 8,667,999	\$ -	\$ -

As of June 30, 2024, the College had the following investments with stated maturities:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Money market	\$ 14,166,698	\$ 14,166,698	\$ -	\$ -	\$ -
Certificates of deposit	12,253,658	7,100,152	5,153,506	-	-
U.S. government agency securities	6,070,118	3,430,948	2,639,170	-	-
Totals	\$ 32,490,474	\$ 24,697,798	\$ 7,792,676	\$ -	\$ -

Credit Risk

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

As of June 30, 2025, the College had the following investments with stated rating:

	Total	Investment Ratings by Standard & Poor's		
		AAA	AA	Unrated
Money market	\$ 7,573,996	\$ 7,573,996	\$ -	\$ -
Certificate of deposit	9,186,478	-	-	9,186,478
U.S. government agency securities	9,795,612	-	9,795,612	-
Totals	\$ 26,556,086	\$ 7,573,996	\$ 9,795,612	\$ 9,186,478

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

As of June 30, 2024, the College had the following investments with stated ratings:

	Total	Investment Ratings by Standard & Poor's		
		AAA	AA	Unrated
Money market	\$ 14,166,698	\$ 14,166,698	\$ -	\$ -
Certificate of deposit	12,253,658	-	-	12,253,658
Municipal bonds	6,070,118	-	6,070,118	-
Totals	\$ 32,490,474	\$ 14,166,698	\$ 6,070,118	\$ 12,253,658

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$25,772,935 and the bank balance was \$25,803,771. Of the bank balance, \$714,256 was covered by federal depository insurance; \$25,089,515 was collateralized with securities held by the pledging institution's trust department or agent in the College's name.

Concentration Risk

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

Foreign Currency Risk

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

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

Fair Value Measurement

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

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

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets; or
- inputs other than quotes prices that are observable for the asset or liability

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

The following table presents the College's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2025:

	Total	<u>Fair Value Measurements at Reporting Date Using</u>		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificate of deposit	\$ 9,186,478	\$ -	\$ 9,186,478	\$ -
U.S. government agency securities	9,795,612	-	9,795,612	-
Total investments	\$ 18,982,090	\$ -	\$ 18,982,090	\$ -

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, 2024:

	Total	<u>Fair Value Measurements at Reporting Date Using</u>		
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificate of deposit	\$ 12,253,658	\$ -	\$ 12,253,658	\$ -
U.S. government agency securities	6,070,118	-	6,070,118	-
Total investments	\$ 18,323,776	\$ -	\$ 18,323,776	\$ -

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Balance 7/1/2024	Increases	Decreases	Transfers/ Adjustments	Balance 06/30/25
Capital assets, not being depreciated:					
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	22,264,257	139,206	-	(22,264,257)	139,206
Total capital assets, not being depreciated	22,610,382	139,206	-	(22,264,257)	485,331
Capital assets, being depreciated/amortized:					
Buildings and additions	31,628,219	9,987,993	-	21,542,107	63,158,319
Infrastructure	3,511,179	84,755	-	616,036	4,211,970
Furniture and equipment	6,869,590	2,501,156	-	56,427	9,427,173
Land improvements	3,122,670	-	-	(27,716)	3,094,954
Vehicles	218,696	329,852	-	186	548,734
Leased assets - equipment	283,168	-	-	-	283,168
Leased assets - vehicles	97,714	-	-	-	97,714
SBITA assets	411,733	232,037	(180,757)	-	463,013
Total capital assets, being depreciated/amortized	46,142,969	13,135,793	(180,757)	22,187,040	81,285,045
Accumulated depreciation and amortization:					
Buildings and additions	21,042,007	1,168,150	-	(760)	22,209,397
Infrastructure	3,323,804	157,206	-	-	3,481,010
Furniture and equipment	5,887,504	609,646	-	(49,795)	6,447,355
Land improvements	1,627,338	274,645	-	48,174	1,950,157
Vehicles	213,197	56,112	-	4,453	273,762
Leased assets - equipment	165,182	56,634	-	-	221,816
Leased assets - vehicles	55,372	19,543	-	-	74,915
SBITA assets	181,762	168,730	(180,757)	-	169,735
Total accumulated depreciation and amortization	32,496,166	2,510,666	(180,757)	2,072	34,828,147
Total capital assets, being depreciated, net	13,646,803	10,625,127	-	22,184,968	46,456,898
Capital assets, net	\$ 36,257,185	\$ 10,764,333	\$ -	(79,289)	\$ 46,942,229

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 3: Capital Assets (Continued)

Changes in the various capital asset categories during the year ended June 30, 2024 are as follows:

	Balance 7/1/2023	Increases	Decreases	Transfers/ Adjustments	Balance 6/30/2024
Capital assets, not being depreciated:					
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	4,551,646	18,697,574	(45,000)	(939,963)	22,264,257
Total capital assets, not being depreciated	4,897,771	18,697,574	(45,000)	(939,963)	22,610,382
Capital assets, being depreciated/amortized:					
Buildings and additions	30,925,799	16,583	-	685,837	31,628,219
Infrastructure	3,511,179	-	-	-	3,511,179
Furniture and equipment	6,308,993	560,597	-	-	6,869,590
Land improvements	2,856,164	12,380	-	254,126	3,122,670
Vehicles	218,696	-	-	-	218,696
Leased assets - equipment	283,168	-	-	-	283,168
Leased assets - vehicles	150,610	-	(52,896)	-	97,714
SBITA assets	447,307	230,976	(266,550)	-	411,733
Total capital assets, being depreciated/amortized	44,701,916	820,536	(319,446)	939,963	46,142,969
Accumulated depreciation and amortization:					
Buildings and additions	20,305,261	736,746	-	-	21,042,007
Infrastructure	3,214,720	109,084	-	-	3,323,804
Furniture and equipment	5,437,120	450,384	-	-	5,887,504
Land improvements	1,356,213	271,125	-	-	1,627,338
Vehicles	213,197	-	-	-	213,197
Leased assets - equipment	108,548	56,634	-	-	165,182
Leased assets - vehicles	62,277	45,991	(52,896)	-	55,372
SBITA assets	320,178	128,133	(266,549)	-	181,762
Total accumulated depreciation and amortization	31,017,514	1,798,097	(319,445)	-	32,496,166
Total capital assets, being depreciated, net	13,684,402	(977,561)	(1)	939,963	13,646,803
Capital assets, net	\$ 18,582,173	\$ 17,720,013	\$ (45,001)	\$ -	\$ 36,257,185

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 4: Debt

The following is a summary of the College's long-term and short-term debt transactions for the year ended June 30, 2025:

	Restated Balance 7/1/2024	Increases	Decreases	Balance 06/30/25	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 25,740,000	\$ 4,300,000	\$ 2,900,000	\$ 27,140,000	\$ 3,330,000	\$ 23,810,000
Bond premiums	2,788,409	-	370,176	2,418,233	331,381	2,086,852
Lease obligations	177,722	-	80,951	96,771	87,302	9,469
Subscription liability	229,928	232,037	168,332	293,633	116,163	177,470
Compensated absences	1,264,674	142,813	-	1,407,487	943,016	464,471
Net OPEB liability	3,156,826	-	243,762	2,913,064	-	2,913,064
Arbitrage rebate payable	-	1,491,207	-	1,491,207	-	1,491,207
Totals	\$ 33,357,559	\$ 6,166,057	\$ 3,763,221	\$ 35,760,395	\$ 4,807,862	\$ 30,952,533

The following is a summary of the College's long-term and short-term debt transactions for the year ended June 30, 2024:

	Balance 7/1/2023	Restated Increases	Decreases	Balance 6/30/2024	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$ 28,595,000	-	\$ 2,855,000	\$ 25,740,000	\$ 2,900,000	\$ 22,840,000
Bond premiums	3,186,225	-	397,816	2,788,409	370,176	2,418,233
Lease obligations	279,236	-	101,514	177,722	80,951	96,771
Subscription liability	129,635	230,976	130,683	229,928	47,837	182,091
Compensated absences	392,401	1,135,392	263,118	1,264,675	847,333	417,342
Net OPEB liability	3,116,559	40,267	-	3,156,826	-	3,156,826
Totals	\$ 35,699,056	\$ 1,406,635	\$ 3,748,131	\$ 33,357,560	\$ 4,246,297	\$ 29,111,263

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 4: Debt (Continued)

Details on the debt as of June 30, 2025, are as follows:

1. The general obligation bonds, Series 2020, bear interest at 0.85 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2025. A portion of the bond proceeds (95.04%) were used for the purchase of capital assets. These bonds were fully paid off during fiscal year 2025.

2. The general obligation bonds, Series 2021, bear interest at 3.00 to 4.00 percent, which is due on December 30 and June 30 of each year, while principal amounts mature serially on December 30 of each year, with final maturity on December 30, 2040. A portion of the bond proceeds (98.12%) spent by June 30, 2025, were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2026	\$ 2,270,000	\$ 802,950	\$ 4,540,000
2027	2,400,000	709,550	3,109,550
2028	1,330,000	634,950	1,964,950
2029	1,285,000	582,650	1,867,650
2030	1,285,000	531,250	1,816,250
2031-2035	6,450,000	1,883,350	8,333,350
2036-2040	6,485,000	694,750	7,179,750
2041	1,335,000	20,025	1,355,025
Totals	\$ 22,840,000	\$ 5,859,475	\$ 30,166,525

3. The general obligation bonds, Series 2024, bear interest at 3.87% percent, which is due on December 30 and June 30 of each year, while principal amounts mature serially on December 30 of each year, with final maturity on December 30, 2028. A portion of the bond proceeds spent (98.73%) by June 30, 2025, were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

During the year ending June 30:	Principal	Interest	Total
2026	\$ 1,060,000	\$ 145,899	\$ 1,205,899
2027	1,290,000	100,426	1,390,426
2028	980,000	56,502	1,036,502
2029	970,000	18,770	988,770
Totals	\$ 4,300,000	\$ 321,597	\$ 4,621,597

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 4: Debt (Continued)

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

During the year ending June 30:	Principal	Interest	Total
2026	\$ 21,690	\$ 966	\$ 22,656
2027	3,747	29	3,776
2031 - 2035	-	-	-
Totals	\$ 25,437	\$ 995	\$ 26,432

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

During the year ending June 30:	Principal	Interest	Total
2026	\$ 65,612	\$ 3,352	\$ 68,964
2027	5,722	38	5,760
Totals	\$ 71,334	\$ 3,390	\$ 74,724

6. EAB Global, Inc. software subscription agreement dated March 2024 in the original principal amount of \$230,976, due in annual installments of \$48,885, \$50,352, \$51,862, \$53,418, and \$55,021 from March 2024 through March 2028, including imputed interest rate 6.0%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	\$ 43,302	\$ 8,560	\$ 51,862
2027	47,456	5,962	53,418
2028	51,907	3,114	55,021
Totals	\$ 142,665	\$ 17,636	\$ 160,301

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 4: Debt (Continued)

7. Learning Management software subscription agreement dated March 2024 in the original principal amount of \$89,616, due in annual installments of \$30,840, \$31,654, and \$32,528 from July 2024 through June 2027, including imputed interest at 6.0%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	\$ 28,125	\$ 3,529	\$ 31,654
2027	30,687	1,841	32,528
Totals	\$ 58,812	\$ 5,370	\$ 64,182

8. VMWare software subscription agreement dated March 2024 in the original principal amount of \$142,421, due in annual installments of \$50,265 from May 2025 through May 2028, including imputed interest at 6.0%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	\$ 44,736	\$ 5,529	\$ 50,265
2027	47,420	2,845	50,265
Totals	\$ 92,156	\$ 8,374	\$ 100,530

9. Technolutions, Inc. software subscription agreement dated May 2020 in the original principal amount of \$180,757, due in bi-annual installments of \$25,000, including imputed interest at 6.00%. This subscription was fully paid off during fiscal year 2025.

The annual requirements to amortize all debt outstanding as of June 30, 2025, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	Leases	Subscriptions	Total Principal	Interest	Total Principal and Interest
2026	\$ 3,330,000	\$ 943,016	\$ 87,302	\$ 116,163	\$ 4,476,481	\$ 970,785	\$ 5,447,266
2027	3,690,000	464,471	9,469	125,563	4,289,503	817,847	5,107,350
2028	2,310,000	-	-	51,907	2,361,907	697,411	3,059,318
2029	2,255,000	-	-	-	2,255,000	601,420	2,856,420
2030	1,285,000	-	-	-	1,285,000	531,250	1,816,250
2031 - 2035	6,450,000	-	-	-	6,450,000	1,883,350	8,333,350
2036 - 2040	6,485,000	-	-	-	6,485,000	694,750	7,179,750
2041 - 2043	1,335,000	-	-	-	1,335,000	20,025	1,355,025
Totals	\$27,140,000	\$ 1,407,487	\$ 96,771	\$ 293,633	\$ 28,937,891	\$ 6,216,838	\$ 35,154,729

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 4: Debt (Continued)

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2025, is \$75,640,356. General obligation debt, leases, and SBITAs at June 30, 2025 total \$29,948,637 resulting in a legal debt margin of \$45,691,719.

Arbitrage Rebate Payable

Under U.S. Treasury Department regulations, all government tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the federal government on every fifth anniversary of each bond issue. As of June 30, 2025, the College has set aside \$1,491,207 in arbitrage interest due to the IRS. No payment is due for fiscal year 2025.

Note 5: Defined Benefit Pension Plans

General Information about the Pension Plan

Plan description – The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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's financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) 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 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan 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 began participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2024, can be found in the Financial Section of SURS ACFR.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

Contributions - The State is primarily responsible for funding SURS 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 within SURS 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 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% of employee payroll. The normal cost is equal to the value of current year’s pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

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

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

Net Pension Liability

The net pension liability (NPL) was measured as of June 30, 2024 and June 30, 2023. SURS defined benefit plan reported a NPL of \$30,230,907,727 at June 30, 2024 and \$29,444,538,098 at June 30, 2023.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the College in fiscal year 2024 is \$0 and for fiscal year 2023 it was \$0. The proportionate share of the State’s NPL associated with the College at June 30, 2024 is \$65,923,634 or 0.2181% and at June 30, 2023 is \$67,104,102 or 0.2279%. The College's proportionate share changed by (0.0098)% from 0.2279% since the last measurement date of June 30, 2023. This amount is not recognized in the College's financial statements. The NPL and total pension liability as of June 30, 2024 was determined based on the June 30, 2023 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

Defined Benefit Pension Expense

For the years ending June 30, 2024 and June 30, 2023, SURS defined benefit plan reported a collective net pension expense of \$1,996,285,670 and \$1,884,388,521, respectively.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023 and 2022, respectively. As a result, the College recognized revenue and defined benefit pension expense of \$4,353,240 and \$4,294,521 from this special funding situation during the years ended June 30, 2025 and June 30, 2024, respectively.

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

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

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

<i>Fiscal year ended June 30, 2024 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 305,114,071	\$ -
Changes in assumption	483,809,428	-
Net difference between projected and actual earnings on pension plan investments	-	27,577,324
Totals	\$ 788,923,499	\$ 27,577,324

<i>Fiscal year ended June 30, 2023 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 62,591,844	\$ 12,277,871
Changes in assumption	70,957,694	420,880,693
Net difference between projected and actual earnings on pension plan investments	187,992,691	-
Totals	\$ 321,542,229	\$ 433,158,564

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

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

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 126,531,380
2026	756,545,086
2027	(49,545,529)
2028	(72,184,762)
Total	\$ 761,346,175

College's Deferral of Fiscal Year 2025 Contributions

The College paid \$51,960 and \$44,440 in federal, trust or grant contributions to SURS defined benefit pension plan during the years ended June 30, 2025 and June 30, 2024, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2024 and June 30, 2023, and are recognized as deferred outflows of resources as of June 30, 2025 and June 30, 2024.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period June 30, 2020 through June 30, 2023. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.15% to 15.00%, including inflation
Investment rate of return	6.50%

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

The long-term expected rate of return on defined benefit 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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36.0 %	7.13 %
Stabilized Growth		
Core Real Assets	8.0 %	5.06 %
Public Credit Fixed Income	6.5 %	4.10 %
Private Credit	2.5 %	7.36 %
Non-Traditional Growth		
Private Equity	11.0 %	10.92 %
Non-Core Real Assets	4.0 %	9.09 %
Inflation Sensitive		
U.S. TIPS	5.0 %	2.12 %
Principal Protection		
Core Fixed Income	10.0 %	1.34 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	2.90 %
Alternative Risk Premia	3.0 %	2.62 %
Long Duration	2.0 %	2.84 %
Long Volatility/Tail Risk	2.0 %	(1.22)%
Totals	100.0 %	5.63 %
Inflation		2.80 %
Expected Arithmetic Return		8.43 %

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 5: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.35% and 6.37% at June 30, 2024 and June 30, 2023, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and 6.50% at June 30, 2024 and June 30, 2023, respectively, and a municipal bond rate of 3.97% and 3.86% at June 30, 2024 and June 30, 2023, respectively (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024 and June 30, 2023, respectively). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.35% and 6.37% at June 30, 2024 and June 30, 2023, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

June 30, 2024		
1% Decrease	Current Single Discount	1% Increase
5.35%	Rate Assumption 6.35%	7.35%
\$ 36,700,168,358	\$ 30,230,907,727	\$ 24,839,790,537
June 30, 2023		
1% Decrease	Current Single Discount	1% Increase
5.37%	Rate Assumption 6.37%	7.37%
\$ 35,695,434,682	\$ 29,444,538,098	\$ 24,236,489,318

Additional information regarding the SURS basic financial statements, including the plan's net position can be found in the SURS Annual Comprehensive Financial Report by accessing the website at www.surs.org.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 6: Defined Contribution Pension Plan

General Information about the Pension Plan

Plan Description. The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided. A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2024, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 6: Defined Contribution Pension Plan (Continued)

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2024, the State's contributions to the RSP on behalf of individual employers totaled \$96,741,887. Of this amount, \$89,857,115 was funded via an appropriation from the State and \$6,884,772 was funded from previously forfeited contributions. For the year ended June 30, 2023, the State's contributions to the RSP on behalf of individual employers totaled \$90,330,044. Of this amount, \$81,991,471 was funded via an appropriation from the State and \$8,338,573 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal years 2024 and 2023. The College's share of pensionable contributions was 0.0840% and 0.0709% for fiscal years 2024 and 2023. As a result, the College recognized revenue and defined contribution pension expense of \$81,284 and \$63,999 from this special funding situation during the years ended June 30, 2025 and June 30, 2024, respectively, of which \$5,785 and \$5,908 constituted forfeitures during the years ended June 30, 2025 and June 30, 2024, respectively.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits

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

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

Benefit Provisions - A summary of other post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

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

Contributions - Beginning July 1, 2023, and through June 30, 2024, 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 0.75% 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 0.75% of the salary paid to its full-time employees who participate in the plan. Beginning July 1, 2024 and through June 30, 2026, the contribution rate shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed a 0.1 percentage point increase in the amount of salary actually required to be contributed for the previous fiscal year. Beginning July 1, 2026, the active member and employer contribution rates shall be a percentage of salary to be determined by the Department, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be contributed for the previous fiscal year. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1071 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2024 and June 30, 2023. CIP reported a net OPEB liability at June 30, 2024 of \$665,190,300 and at June 30, 2023 of \$706,333,410.

Employer Proportionate Share of Net OPEB Liability

The amount of the proportionate share of the net OPEB liability to be recognized for the College in fiscal year 2025 is \$2,913,064 or 0.4380%, and for fiscal year 2024 it was \$3,156,826 or 0.4469%. This amount is recognized in the financial statement. The change in the College's proportionate net OPEB liability was a decrease of 0.0089%. The proportionate share of the State's net OPEB liability associated with the College at June 30, 2024 and June 30, 2023 was \$2,913,064 or 0.4380% and \$3,156,826 or 0.4469%, respectively. The total proportionate share of the net OPEB liability associated with the College at June 30, 2024 and June 30, 2023 was \$5,826,128 and \$6,313,652, respectively. The net OPEB liability and total OPEB liability as of June 30, 2024 was determined based on the June 30, 2023 actuarial valuation. 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 2024.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

OPEB Expense

At June 30, 2024 and June 30, 2023, CIP reported a collective net OPEB expense (income) of \$(252,150,464) and \$(258,363,775), respectively.

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2024 and 2023, respectively. As a result, the College recognized on-behalf revenue of \$(1,017,487) and \$(1,075,544) for the fiscal year ended June 30, 2025 and June 30, 2024, respectively. Additionally, the College recognized OPEB expense (income) of \$(1,238,389) and \$(1,321,829) for the fiscal year ended June 30, 2025 and June 30, 2024, respectively.

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

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

<i>Fiscal year ended June 30, 2024 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 36,930	\$ 877,692
Changes in assumption	21,541	2,116,517
Net difference between projected and actual earnings on OPEB plan investments	0	1,444
Changes in proportion and differences between employer contributions and share of contributions	75,092	415,128
Total deferred amounts to be recognized in pension expense in future periods	133,563	3,410,781
OPEB contributions made subsequent to the measurement date	86,932	0
Totals	\$ 220,495	\$ 3,410,781

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

<i>Fiscal year ended June 30, 2023 (measurement date)</i>	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 47,505	\$ 950,384
Changes in assumption	0	3,086,079
Net difference between projected and actual earnings on OPEB plan investments	0	675
Changes in proportion and differences between employer contributions and share of contributions	117,270	427,177
Total deferred amounts to be recognized in pension expense in future periods	164,775	4,464,315
OPEB contributions made subsequent to the measurement date	69,627	0
Totals	\$ 234,402	\$ 4,464,315

The College reported \$86,932 and \$69,627 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2026 and June 30, 2025, respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2026	\$ (546,203)
2027	(546,203)
2028	(546,203)
2029	(546,203)
2030	(546,203)
2031	(546,203)
Total	\$ (3,277,218)

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend rates for plan year 2025 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trends rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024 and 3.86% as of June 30, 2023.

The increase in the single discount rate from 3.86% to 3.97% caused the total OPEB liability to increase by approximately \$6.3 million from 2023 to 2024.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.97% and 3.86% at June 30, 2024 and June 30, 2023, respectively, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.97%) or lower (2.97%) than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Single Discount Rate Assumption				
	1% Decrease (2.97%)	Current Single Discount Rate Assumption (3.97%)	1% Increase (4.97%)	
Net OPEB liability	\$ 3,182,564	\$ 2,913,064	\$ 2,682,337	

Sensitivity of Net OPEB Liability as of June 30, 2023 to the Single Discount Rate Assumption				
	1% Decrease (2.86%)	Current Single Discount Rate Assumption (3.86%)	1% Increase (4.86%)	
Net OPEB liability	\$ 3,444,129	\$ 3,156,826	\$ 2,909,432	

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

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower.

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Healthcare Cost Trend Rate Assumption				
	1% Decrease (b)	Healthcare Cost Trend Rates Assumption (a)	1% Increase (c)	
Net OPEB liability	\$ 2,617,373	\$ 2,913,064	\$ 3,271,272	

- (a) Current healthcare trend rates - Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 7: Other Post-Employment Benefits (Continued)

- (b) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate rate of 3.25% in 2041.
- (c) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041. Post-Medicare per capita costs: based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate rate of 5.25% in 2041.

Sensitivity of Net OPEB Liability as of June 30, 2023 to the Healthcare Cost Trend Rate Assumption

	Healthcare Cost Trend		
	1% Decrease (b)	Rates Assumption (a)	1% Increase (c)
Net OPEB liability	\$ 2,835,590	\$ 3,156,826	\$ 3,544,194

- (a) Current healthcare trend rates - Pre-Medicare per capita costs: 9.14% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate rate of 4.25% in 2040.
- (b) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 8.14% in 2024, 7.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 5.08% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2040.
- (c) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 10.14% in 2024, 9.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2040. Post-Medicare per capita costs: 0.00% from 2024 to 2028, 20.42% from 2029 to 2033, 7.08% in 2034 decreasing ratably to an ultimate rate of 5.25% in 2040.

Note 8: Risk Management

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 9: Commitments and Contingencies

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

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

Note 10: Impact of Pending Accounting Principles

GASB Statement No. 102, *Certain Risk Disclosures*, improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The College has not determined the effect of this Statement.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

GASB Statement No. 104, *Disclosures in Certain Capital Assets*, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

Note 11: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2025:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Carl Sandburg College Foundation	Galesburg, IL	Fall scholarships receivable		\$219,750
Carl Sandburg College Foundation	Galesburg, IL	Scholarships and grants	\$982,396	
Carl Sandburg College Foundation	Galesburg, IL	Reimbursement for salaries	147,880	
Carl Sandburg College Foundation	Galesburg, IL	Contributed nonfinancial assets	(111,385)	

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 11: Related Party Transactions (Continued)

The College has the following related party transactions for fiscal year ended June 30, 2024:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Carl Sandburg College Foundation	Galesburg, IL	Fall scholarships receivable		\$192,480
Carl Sandburg College Foundation	Galesburg, IL	Scholarships and grants	\$671,108	
Carl Sandburg College Foundation	Galesburg, IL	Reimbursement for salaries	0	
Carl Sandburg College Foundation	Galesburg, IL	Contributed nonfinancial assets	(86,310)	

Note 12: Accounting Changes and Error Corrections

As of July 1, 2024, the College adopted GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the needs of the financial statement users by improving accounting and financial reporting for compensated absences by governments. As a result of the implementation the following balances changed from the financial statements as of June 30, 2025.

<i>Years Ended June 30, 2025 and 2024</i>	Statement of Net Position	
	June 30, 2025	June 30, 2024
Net position, beginning of year, as previously reported	\$ 53,564,071	\$ 46,349,356
Change in accounting principles (GASB 101)	-	(824,862)
Net position, beginning of year, as restated	\$ 53,564,071	\$ 45,524,494

Note 13: Component Unit

Nature of Operations

The Carl Sandburg College Foundation (the Foundation) was organized and operates exclusively for educational purposes to assist in developing and augmenting the facilities and carrying out the educational functions of Carl Sandburg College - Community College District 518 (the "College"). The Foundation relies on contributions, from individuals and organizations, and investment income to provide financial assistance to students, primarily attending Carl Sandburg College. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except for taxes on unrelated income.

Management's Estimates

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States ("GAAP"). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

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

Undesignated - used to fund current operations of the Foundation.

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

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

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

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

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

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

Investments and Investment Return

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Pledge Receivables

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

Support, Revenues, and Expense Recognition

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

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

All other revenue is recorded when earned.

Administrative Fees

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

Functional Allocation of Expenses

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Income Taxes

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

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

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

Subsequent Events

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

Investments

The investments at June 30, 2025 consisted of the following:

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

The investments at June 30, 2024 consisted of the following:

Cash and cash equivalents	\$ 21,080,894
Equity mutual funds	3,378,124
Fixed income mutual funds	112

\$ 24,459,130

Risks and Uncertainties

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

Fair Value Measurement

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

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

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

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

Mutual funds: Valued at the daily closing price as reported by the funds. Mutual funds held by the Foundation are registered with the Securities and Exchange Commission. These mutual funds are required to publish their daily net asset value ("NAV") and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

Beneficial interest in perpetual trust: Fair value is determined by calculating the Foundation's share of the underlying investments in the trust.

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

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

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

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

The following table sets forth by level, within the hierarchy, the Foundation's assets are measured at fair value on a recurring basis as of as of June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Mutual funds - equity	\$21,080,894	\$21,080,894		
Mutual funds - bonds	3,378,124	3,378,124		
Money market funds	112	112	\$0	\$0
Beneficial interest in perpetual trust	333,320	0	0	333,320

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

The progression of beneficial interest in perpetual trust during the year ended June 30, 2024, is as follows:

Beginning balance	\$317,919
Change in spilt interest agreement	<u>15,401</u>
	<u>\$333,320</u>

Pledge Receivables

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

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

Unconditional pledges receivable consist of the following at June 30, 2024:

Amounts due in:	
Less than one year	\$ 60,025
One to five years	<u>151,291</u>
Total pledges receivable	211,316
Less present value effect	<u>13,837</u>
Total pledges receivable, net	<u>\$197,479</u>

Beneficial Interest in Perpetual Trusts

The Foundation is the sole beneficiary of an irrevocable perpetual trust under which distributions of 4% of the average fair market value of assets of the preceding three years are made to the Foundation. The principal is to be held for perpetuity with the investment earnings to be used for student scholarships. The Foundation is not the trustee of the trust, but has recorded the entire fair value of annual amounts to be received in the future. The Foundation has recognized its interest in the perpetual trust as part of net assets with donor restrictions. The Organization's interest under the trust was \$333,286 as of June 30, 2025, and the recorded value was \$333,320 as of June 30, 2024.

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Contributed Nonfinancial Assets

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

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

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

Services	\$83,465
Goods	4,000
Facilities	<u>2,845</u>
	<u><u>\$90,310</u></u>

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

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Net Assets without Donor Restrictions

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

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

Net assets without donor restrictions at June 30, 2024, were as follows:

Undesignated	\$	4,907,711
Board designated		
College programs		81,632
Emergency funds		113,159
Reserves for future needs		<u>120,033</u>
	\$	<u>5,222,535</u>

Net Assets with Donor Restriction

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2024:

Restricted for specified purposes	
Scholarships	\$13,823,087
Endowment subject to spending policy and appropriation	5,821,690
Foundation's spending policy	<u>333,320</u>
	<u>\$19,978,097</u>

Net Assets Released from Restrictions

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

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

Net assets were released from donor restrictions for the year ended were as follows June 30, 2024:

Purpose restrictions related to:	
Time restrictions expired	\$ 1,000
Scholarships	204,048
College programs	-
Funds appropriated for expenditure for various purposes based on fund agreements	<u>175,752</u>
	<u>\$ 380,800</u>

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Endowment

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

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

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

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

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

Donor restricted endowment funds are classified as net assets with donor restrictions. Changes in donor-restricted endowment funds for the year ending June 30, 2024, were restated as follows:

Endowment net assets, beginning of year as restated	\$7,997,246
Contributions and other revenue	138,775
Investment return, net	950,147
Interfund, net	(204,048)
Appropriation of endowment assets for expenditure	(373,511)
	<hr/>
Endowments net assets, end of year	<u><u>\$8,508,609</u></u>

Liquidity and Availability of Financial Assets

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

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

Financial assets at year end:

Cash	\$ 169,668
Investments	26,902,470
Pledges receivable	<u>140,996</u>
Total financial assets	27,213,134

Less amounts not available to be used within one year:

Net Assets with donor restrictions	22,270,413
Less net assets with time restrictions to be met in less than one year	<u>(51,000)</u>
	<u>22,219,413</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 4,993,721

The following table reflects the Foundation's financial assets as of June 30, 2024, reduced by amounts not available for general expenditures:

Total financial assets	\$ 25,421,668
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	(19,644,777)
Board designated endowment funds	(314,824)
Perpetual endowments	<u>(333,320)</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 5,128,747

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

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

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

Carl Sandburg College - Community College District 518

Notes to Financial Statements

Note 13: Component Unit (Continued)

Related Party Transactions

The Foundation is a component unit of the College for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated \$111,385 and \$86,310 of services, goods, and facilities to the Foundation during the year ended June 30, 2025 and June 30, 2024, respectively. The Foundation paid the College \$982,396 and \$671,108 for scholarships and grants for projects during the year ended June 30, 2025 and June 30, 2024, respectively. The Foundation also paid the College \$147,880 and \$0 to reimburse for salaries of College faculty used during the year ended June 30, 2025 and June 30, 2024, respectively. In addition, there is a payable to the College for scholarships awarded for Fall 2025 and Fall 2024 in the amount of \$219,750 and \$192,480 as of June 30, 2025 and June 30, 2024, respectively.

Concentrations

The Foundation maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these accounts at June 30, 2025 and June 30, 2024.

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

Required Supplementary Information

Carl Sandburg College - Community College District 518

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Portion of non-employer contributing entities' total proportion of collective net pension liability associated with the College	\$ 65,923,634	\$ 67,104,102	\$ 68,063,001	\$ 65,513,365	\$ 70,315,548	\$ 67,377,287	\$ 65,574,518	\$ 61,129,173	\$ 63,441,840	\$ 57,324,387
Employer covered payroll	\$ 9,281,906	\$ 8,738,247	\$ 8,716,514	\$ 8,750,555	\$ 8,562,352	\$ 8,507,917	\$ 8,551,157	\$ 8,496,436	\$ 8,852,780	\$ 8,838,527
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	710.24 %	767.94 %	780.85 %	748.68 %	821.22 %	791.94 %	766.85 %	719.47 %	716.63 %	648.57 %
SURS plan net position as a percentage of total pension liability	44.60 %	44.06 %	43.65 %	45.45 %	39.05 %	40.71 %	41.27 %	42.04 %	39.57 %	42.37 %

Carl Sandburg College - Community College District 518

Schedule of Pension Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal, trust, grant and other contribution	\$ 51,960	\$ 44,440	\$ 45,165	\$ 47,730	\$ 45,927	\$ 49,241	\$ 45,406	\$ 40,245	\$ 33,300	\$ 41,768
Contribution in relation to required contribution	51,960	44,440	45,165	47,730	45,927	49,241	45,406	40,245	33,300	41,768
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Employer covered payroll	\$ 10,252,003	\$ 10,414,529	\$ 9,987,751	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377
Contribution as a percentage of covered payroll	0.51 %	0.43 %	0.45 %	0.55 %	0.52 %	0.57 %	0.47 %	0.42 %	0.35 %	0.42 %

Carl Sandburg College - Community College District 518

Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years
(schedule to be built prospectively from 2016)

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net OPEB liability	0.44 %	0.45 %	0.46 %	0.47 %	0.45 %	0.46 %	0.47 %	0.48 %	0.47 %	
Proportion amount of the collective net OPEB liability	\$ 2,913,064	\$ 3,156,826	\$ 3,116,559	\$ 8,071,050	\$ 8,277,698	\$ 8,660,087	\$ 8,844,364	\$ 8,671,841	\$ 8,603,553	
Portion of non-employer contributing entities' total proportion of collective net OPEB liability associated with the College	\$ 2,913,064	\$ 3,156,826	\$ 3,116,559	\$ 8,071,050	\$ 8,277,698	\$ 8,660,087	\$ 8,844,364	\$ 8,557,627	\$ 8,964,170	
Total collective net OPEB liability associated with the College	\$ 5,826,128	\$ 6,313,652	\$ 6,233,118	\$ 16,142,100	\$ 16,555,396	\$ 17,320,174	\$ 17,688,728	\$ 17,229,468	\$ 17,567,723	
College's covered payroll	\$ 10,414,529	\$ 9,987,751	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377	
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	55.94 %	63.21 %	71.38 %	182.54 %	190.95 %	179.74	185.10 %	181.36 %	177.39 %	
College insurance plan net position as a percentage of total OPEB liability	(18.45)%	(17.87)%	(22.03)%	(6.38)%	(5.07)%	(4.13)%	(3.54)%	(2.87)%	(2.87)%	

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

Carl Sandburg College - Community College District 518

Schedule of OPEB Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 86,932	\$ 69,627	\$ 44,205	\$ 42,934	\$ 43,240	\$ 41,765	\$ 41,163	\$ 40,968	\$ 41,255	\$ 42,845
Contribution in relation to the required statutorily	86,932	69,627	44,205	42,934	43,240	41,765	41,163	40,968	41,255	42,845
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	
District's covered payroll	\$ 10,252,003	\$ 10,414,529	\$ 9,987,751	\$ 8,731,979	\$ 8,842,996	\$ 8,670,105	\$ 9,635,998	\$ 9,556,351	\$ 9,500,036	\$ 9,903,377
Contribution as a percentage of covered payroll	0.85 %	0.67 %	0.44 %	0.49 %	0.49 %	0.48 %	0.43 %	0.43 %	0.43 %	0.43 %

Carl Sandburg College - Community College District 518

Notes to Required Supplementary Information

Note 1: Changes of Benefit Terms

Public Act 103-0548, effective August 11, 2023, made changes to the calculation of service and eliminated the part-time adjustment for participants on or after September 1, 2024. This change was first reflected in the Total Pension Liability as of June 30, 2024.

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, 2020, to June 30, 2023, was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below.

- Salary increase. The overall assumed rates of salary increase range from 3.15 percent to 15.00 percent based on years of service, with an the underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return to 4.10 percent and assumed price inflation of 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts is 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, non-academic positions, and public safety positions. Rates are generally highest for public safety positions and lowest for academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and non-academic positions. Rates are generally higher for non-academic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase, with separate rates for academic and non-academic positions.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2021 scale, with separate rates for academic, non-academic, and public safety members.
- Disability rates. Separate rates are assumed for members in academic positions, non-academic positions and public safety positions, as well as for males and females. Public safety disability incidence is assumed to be 50 percent line-of-duty related and 50 percent ordinary.
- Plan election. For new non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For new academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for RSP.
- Cost of living adjustment. Annual annuity increases are assumed to be 3.00 percent for Tier 1 members and 1.20 percent for Tier 2 members.

Carl Sandburg College - Community College District 518

Notes to Required Supplementary Information (Continued)

Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2025.

Note 4: Changes of OPEB Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2021. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2022:

- Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year end 2025;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for plan year end June 30, 2024, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2024;
- The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024.

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

Statistical Section

Carl Sandburg College - Community College District 518

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	79 - 80
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	81 - 84
Debt Capacity These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the ability to issue additional debt in the future.	85 - 88
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	89 - 90
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	91 - 93

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

Carl Sandburg College - Community College District 518

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

TABLE A

		As Restated	As Restated	As Restated	As Restated	As Restated			As Restated	
	2025	2024****	2023	2022****	2021***	2020**	2019	2018	2017*	2016
Net investment in capital assets	\$ 17,658	\$7,835	\$9,667	\$9,792	\$9,265	\$9,312	\$9,596	\$8,138	\$8,008	\$8,096
Restricted - expendable:										
Debt Service	281	280	272	621	572	453	483	390	362	323
Grants and scholarships	1,785	2,000	2,581	2,348	504	538	420	425	425	0
Working cash	9,226	8,891	8,587	8,476	8,528	8,467	8,346	8,254	8,232	8,195
Capital projects	3,841	6,450								
Other	5,578	4,973								
Unrestricted	20,289	23,135	25,242	16,570	12,793	6,693	1,546	(786)	(3,085)	3,457
Total net position	\$58,658	\$53,564	\$46,349	\$37,807	\$31,662	\$25,463	\$20,391	\$16,421	\$13,942	\$20,071

*Implementation of GASB 75
 **Implementation of GASB 84
 ***Implementation of GASB 87
 ****Implementation of GASB 96
 *****Implementation of GASB 101

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

	2025	As Restated 2024*****	As Restated 2023	As Restated 2022*****	As Restated 2021***	2020	2019	2018	As Restated 2017**	2016
Operating expenses:										
Instruction	\$8,350	\$7,663	\$6,836	\$8,496	\$9,688	\$9,556	\$8,669	\$5,613	\$5,823	\$6,074
Academic support	490	449	401	454	539	614	560	404	391	408
Student services	4,073	3,740	4,153	4,521	4,761	4,447	4,250	2,989	2,825	2,727
Public services	292	122	146	84	173	179	184	126	135	182
Auxiliary services	1,076	993	1,005	931	832	984	758	616	631	618
Operation and maintenance	1,736	1,444	1,317	1,466	1,566	1,651	1,667	1,323	1,366	1,464
Institutional support	8,875	6,686	5,953	7,302	7,268	6,703	6,993	11,509	20,054	9,981
Scholarships, student grants, and waivers	3,376	3,047	3,149	5,582	4,010	4,876	3,669	4,068	2,815	2,654
Depreciation and amortization expense	2,509	1,798	1,771	1,553	1,563	1,558	1,303	1,305	1,385	1,378
Total operating expenses	30,777	25,942	24,731	30,389	30,400	30,568	28,053	27,953	35,425	25,486
Operating revenues:										
Charges for services:										
Student tuition and fees, net of scholarship allowance	4,463	4,310	4,110	4,913	4,807	5,970	5,140	5,303	4,524	4,498
Auxiliary enterprise	220	197	225	155	171	173	173	161	180	216
Total operating revenue	4,683	4,507	4,335	5,068	4,978	6,143	5,313	5,464	4,704	4,714
Operating loss	(26,094)	(21,435)	(20,396)	(25,321)	(25,422)	(24,425)	(22,740)	(22,489)	(30,721)	(20,772)
Nonoperating revenues (expenses):										
Property taxes	15,174	13,735	13,371	12,745	12,520	12,187	11,849	11,142	10,542	10,055
Replacement taxes	370	552	916	877	406	291	269	242	294	266
Other state sources	4,077	3,912	3,524	2,773	2,712	2,599	2,298	2,320	2,675	1,035
On-behalf payments	3,417	3,283	3,242	5,434	0	0	0	0	0	0
Federal grants	5,263	4,813	5,715	9,675	7,530	5,963	5,482	5,416	5,219	5,067
Facilities revenue	2	3	5	4	0	0	0	0	0	0
Investment income	3,266	3,422	2,084	(97)	384	851	636	308	153	483
Nongovernmental grants and gifts	69	97	68	48	23	75	24	32	52	150
Other revenue	224	318	326	286	8,125	7,963	6,594	6,020	6,517	5,102
Gain (loss) on disposal of assets	(30)	(45)	(32)	0	0	(207)	0	(1)	(288)	(2,776)
Interest expense	(645)	(615)	(488)	(643)	(81)	(312)	(445)	(511)	(572)	(709)
Net nonoperating revenues	31,187	29,475	28,731	31,102	31,619	29,410	26,707	24,968	24,592	18,673
Capital contribution	0	0	0	361	0	0	0	0	0	0
Change in net position	\$5,093	\$8,040	\$8,335	\$6,142	\$6,197	\$4,985	\$3,967	\$2,479	(\$6,129)	(\$2,099)

**Implementation of GASB 75

***Implementation of GASB 87

****Implementation of GASB 96

*****Implementation of GASB 101

Carl Sandburg College - Community College District 518

Assessed and Estimated Actual Value of Taxable Property

Last Ten Tax Levy Years

TABLE C

Tax Levy Year	Farm	Residential	Commercial	Industrial	Mineral	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2024	\$ 1,094,577,425	\$ 1,031,369,896	\$ 302,106,373	\$ 22,021,862	\$ 31,756,229	\$ 149,137,134	\$ 2,630,968,919	7,892,906,757	0.6281
2023	1,014,711,004	948,474,872	285,687,722	20,160,484	28,657,070	159,453,460	2,457,144,612	7,371,433,836	0.6208
2022	921,816,272	889,853,432	285,721,994	29,447,694	22,138,504	146,584,808	2,295,562,704	6,886,688,112	0.5908
2021	861,226,834	829,051,994	268,504,118	28,686,857	21,503,733	132,919,789	2,141,893,325	6,425,679,975	0.6044
2020	798,044,586	788,968,732	263,206,332	27,267,353	2,560,065	112,347,384	1,992,394,452	5,977,183,356	0.6429
2019	779,779,282	804,163,481	266,067,573	30,396,977	-	97,100,458	1,977,507,771	5,932,523,313	0.6594
2018	743,947,589	804,742,320	262,723,804	30,488,827	-	86,497,622	1,928,400,162	5,785,200,486	0.6431
2017	701,661,616	755,977,286	258,982,913	21,649,672	-	81,435,544	1,819,707,031	5,459,121,093	0.6524
2016	663,550,654	742,549,109	260,982,719	21,700,159	-	74,484,612	1,763,267,253	5,289,801,759	0.6673
2015	629,272,277	716,008,658	237,521,756	16,406,871	-	67,169,171	1,666,378,733	4,999,136,199	0.6317

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

Source: Knox County Clerk's Office

Carl Sandburg College - Community College District 518

Property Tax Levies and Collections

Last Ten Fiscal Years

TABLE D

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2024	2025	\$ 16,870,759	\$ 119,667	1%	\$ -	119,667	0.71%
2023	2024	15,063,713	1,787,538	11.87%	13,290,808	15,078,346	100.10%
2022	2023	13,369,775	1,682,304	12.58%	11,993,444	13,675,748	102.29%
2021	2022	12,948,710	3,458,408	26.71%	9,637,128	13,095,536	101.13%
2020	2021	13,025,772	2,601,388	19.97%	10,364,621	12,966,009	99.54%
2019	2020	12,774,131	1,637,512	12.82%	10,989,993	12,627,505	98.85%
2018	2019	12,327,157	1,104,430	8.96%	10,997,372	12,101,802	98.17%
2017	2018	11,962,549	3,500,278	29.26%	8,356,243	11,856,521	99.11%
2016	2017	11,398,135	4,092,846	35.91%	7,221,114	11,313,960	99.26%
2015	2016	10,542,391	3,049,198	28.92%	7,404,816	10,454,014	99.16%

Source: Knox County Treasurer's Office

Note - Property taxes of the counties in the district are levied based on a calendar year (January 1 - December 31) and are due in two installments in the calendar year following the year of the levy.

The first installment is usually due in June and is approximately one half the prior year's tax bill.

The second installment generally includes any adjustments to the assessed valuation and is usually due 30 days after assessments are billed (usually by mid-September).

Any tax levy receivable outstanding at the end of the second fiscal year, after the year of the levy is recorded as a receivable.

Property taxes collected in advance of the year to which they apply are recorded as deferred revenue.

Carl Sandburg College - Community College District 518

Property Tax Rates - Direct and Overlapping Governments (1)

Last Ten Tax Levy Years

TABLE E

Taxing Bodies	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Galesburg	1.4643	1.5203	1.5132	1.5957	1.5197	1.5080	1.5632	1.6006	1.7039	1.7828
Township of the City of Galesburg	0.1213	0.1272	0.1332	0.1444	0.1460	0.1438	0.1472	0.1512	0.1528	0.1574
Galesburg Unit School District 205	4.6080	4.9440	4.7066	4.7399	4.9021	4.8897	4.8344	4.8344	4.9576	4.7018
Knox County	1.2377	1.2637	1.2972	1.2899	1.2878	1.3150	1.3180	1.3631	1.3294	1.3245
Knox County Soil & Water Conservation	0.0005	0.0005	0.0005	0.0006	0.0005	0.0006	0.0006	0.0006	0.0007	-
Galesburg City Fire	0.9227	0.9235	0.9323	1.0428	1.0807	1.1467	1.1224	1.1176	1.0424	0.9500
Galesburg Sanitary District	0.2958	0.2985	0.3036	0.3134	0.3101	0.3057	0.3060	0.2986	0.3103	-
Total Overlapping Rate	8.6503	9.0777	8.8866	9.1267	9.2469	9.3095	9.2918	9.3660	9.4971	8.9165
Carl Sandburg College Dist. 518										
Educational	0.2222	0.2203	0.2252	0.2281	0.2377	0.2456	0.2387	0.2444	0.2757	0.2463
Building	0.0500	0.0492	0.0487	0.0478	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.1666	0.1610	0.1721	0.1815	0.1641	0.1707	0.1713	0.1757	0.1661	0.1547
Audit	0.0050	0.0049	0.0049	0.0048	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1411	0.1282	0.1197	0.1223	0.1278	0.1297	0.1202	0.1191	0.1104	0.1162
Protection, Health, and Safety	0.0352	0.0492	0.0122	0.0120	0.0500	0.0500	0.0500	0.0500	0.0500	0.0494
Social Security and Medicare	0.0080	0.0080	0.0081	0.0079	0.0083	0.0084	0.0079	0.0081	0.0101	0.0101
Total	0.6281	0.6208	0.5908	0.6044	0.6429	0.6594	0.6431	0.6524	0.6673	0.6317
Total rate	9.2784	9.6985	9.4774	9.7311	9.8898	9.9689	9.9349	10.0184	#####	9.5482
Carl Sandburg College										
Percentage of Total	6.77%	6.40%	6.23%	6.21%	6.50%	6.61%	6.47%	6.51%	6.57%	6.62%

(1) Tax rates are assessed in dollars per hundred of equalized assessed value.

Note - Tax rates displayed are representative for property within the district.

Source: Knox County Clerk's Office

Carl Sandburg College - Community College District 518

Principal Taxpayers Current Year and Nine Years Ago

Table F

Taxpayer	Type of Business	2025			2016		
		Taxable Assessed Value (approx.)	Percent District's Total EAV	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV	Percent District's Total EAV
Burlington Northern & Santa Fe Railway Co	Railway	\$156,724,553	1	5.96%	42,872,782	1	2.57%
Cardinal Point LLC	Wind Farm	19,426,422	2	0.74%			
Union Electric	Electric	15,497,584	3	0.59%	13,067,118	2	0.78%
Consolidated Grain & Barge	Grain Elevator	9,468,199	4	0.36%	4,803,161	8	0.29%
Americold & Affiliated Companies	Manufacturing	8,797,170	5	0.33%			
Smithfield Fresh Meats Corp	Manufacturing	8,473,870	6	0.32%			
OSF Healthcare System	Hospital	7,747,330	7	0.29%			
Wal-Mart Real Estate Bus	Retailer	4,432,220	8	0.17%	8,008,840	3	0.48%
Y&O Galesburg LLC ETAL	Retailer	2,858,460	9	0.11%			
Crop Production Services Inc	Commercial Business	2,753,188	10	0.10%			
Galesburg Hospital Corporation (Cottage Hosp	Hospital				7,165,080	4	0.43%
KC Acquisition Inc	Processing Plant				6,100,690	5	0.37%
NTN USA Corporation	Manufacturing				5,233,644	6	0.31%
Trigen LLC	Manufacturing				5,156,816	7	0.31%
Aspen Court LLC	Rental Property				4,301,393	9	0.26%
Menard Inc	Retailer				3,035,810	10	0.18%
		\$236,178,996		8.98%	\$99,745,334		5.99%

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

Carl Sandburg College - Community College District 518

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE G

Fiscal Year	General Bonded Debt	Leases	SBITA	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Bonded Debt Per Capita	Personal Income (amounts expressed in thousands)	Ratio of Total Outstanding Debt to Personal Income
2025	\$29,558,233	\$96,771	\$293,633	\$29,948,637	\$7,892,906,757	0.379%	96,575	306	\$3,123,910	0.96%
2024	28,528,409	177,722	229,928	28,936,059	7,371,433,836	0.393%	97,109	294	3,123,910	0.93%
2023	31,781,225	279,236	129,635	32,190,096	6,886,688,112	0.467%	104,753	303	5,363,354	0.60%
2022	35,169,807	377,832	283,404	35,831,043	6,425,679,975	0.558%	104,993	335	3,648,443	0.97%
2021	7,861,044	0	0	7,861,044	5,977,183,356	0.132%	100,791	78	2,566,441	0.31%
2020	10,996,528	34,574	0	11,031,102	5,932,523,313	0.186%	101,418	108	2,618,004	0.42%
2019	13,946,049	78,052	0	14,024,101	5,785,200,486	0.242%	102,634	136	2,613,342	0.54%
2018	16,581,320	118,687	0	16,700,007	5,459,121,093	0.306%	103,711	160	2,697,834	0.62%
2017	18,950,394	156,666	0	19,107,060	5,289,801,759	0.361%	103,711	183	2,697,834	0.71%
2016	20,934,468	192,162	0	21,126,630	4,999,136,199	0.423%	105,748	198	2,464,246	0.86%

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

Sources: Knox County Clerk's Office College records

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	General Bonded Debt	Less: Amounts Available for Debt Service	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
2025	\$29,558,233	\$280,500	\$29,277,733	\$7,892,906,757	96,575	0.371%	\$303
2024	28,528,409	279,781	28,248,628	7,371,433,836	97,109	0.383%	291
2023	31,781,225	272,213	31,509,012	6,886,688,112	104,753	0.458%	301
2022	35,169,807	620,968	34,548,839	6,425,679,975	104,993	0.538%	329
2021	7,861,044	571,528	7,289,516	5,977,183,356	100,791	0.122%	72
2020	10,996,528	453,488	10,543,040	5,932,523,313	101,418	0.178%	104
2019	13,946,049	483,245	13,462,804	5,785,200,486	102,634	0.233%	131
2018	16,581,320	390,384	16,190,936	5,459,121,093	103,711	0.297%	156
2017	18,950,394	361,990	18,588,404	5,289,801,759	103,711	0.351%	179
2016	20,934,468	322,557	20,611,911	4,999,136,199	105,748	0.412%	195

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

Sources: Knox County Clerk's Office
College records

Carl Sandburg College - Community College District 518

Computation of Direct and Overlapping Bonded Debt

June 30, 2025

TABLE I

Overlapping Agencies	Outstanding Debt (1)	Percent (2)	Amount
Fulton County	\$324,000	4.33%	\$14,017
Knox County	-	97.54%	-
McDonough County	995,000	46.31%	460,794
Mercer County (Including PBC)	2,225,000	8.38%	186,389
Dallas Rural Water	-	99.60%	-
City of Abingdon	-	100.00%	-
Village of East Galesburg	-	100.00%	-
City of Galesburg	21,215,000	100.00%	21,215,000
City of Monmouth	33,537,610	100.00%	33,537,610
City of Warsaw	-	100.00%	-
Roseville Fire Protection District	543,000	100.00%	543,000
Carthage Public Library District	316,000	100.00%	316,000
Monmouth Park District	386,000	100.00%	386,000
Dallas School District 327	303,000	100.00%	303,000
VIT Comm. Unit School District 2	1,910,300	0.08%	1,574
Mendon Comm. Unit School District 4	4,880,000	0.07%	3,270
Schuyler Industry Comm. Unit School District 5	-	19.45%	-
West Prairie Comm. Unit School District 103	3,345,000	99.88%	3,341,052
Bushnell Comm. Unit School District 170	1,976,100	73.41%	1,450,562
Macomb Comm. Unit School District 185	6,645,000	0.02%	1,319
Sherrard Comm. Unit School District 200	11,435,000	0.04%	5,032
Knoxville Comm. Unit School District 202	3,100,000	100.00%	3,100,000
Galesburg Comm. Unit School District 205	52,780,000	100.00%	52,780,000
ROWVA Comm. Unit School District 208	7,180,000	99.80%	7,165,797
Williamsfield Comm. Unit School District 210	1,017,500	98.67%	1,004,010
Galva Comm. Unit School District 224	1,466,300	0.03%	393
AlWood Comm. Unit School District 225	1,315,000	0.20%	2,579
West Cent. Comm. Unit School District 235	457,000	100.00%	457,000
Monmouth-Roseville Comm. Unit School District 238	17,907,800	100.00%	17,907,800
Farmington Central Comm. Unit School District 265	9,325,000	23.25%	2,168,354
Abingdon-Avon Comm. Unit School District 276	714,600	99.84%	713,483
United Comm. Unit School District 304	5,410,000	99.98%	5,408,862
Warsaw Comm. Unit School District 316	617,000	99.90%	616,384
Elmwood Comm. Unit School District 322	6,820,000	0.14%	9,247
Nauvoo-Colusa Comm. Unit School District 325	745,000	100.00%	745,000
Hamilton Comm. Consolidated School District 328	5,695,000	100.00%	5,695,000
La Harpe Consolidated School District 347	2,295,000	100.00%	2,295,000
Total overlapping bonded debt			161,833,528
Community College Dist. #518	\$29,948,637	100.00%	29,948,637
Total Direct & Overlapping General Obligation Bonded Debt			\$191,782,165

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly available sources.

(1) Estimated as of August 5, 2025.

(2) Percentages based on 2024 EAVs.

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
2025	\$75,640,356	\$29,948,637	\$45,691,719	39.593%
2024	70,642,908	28,936,059	41,706,849	40.961%
2023	65,997,428	32,190,096	33,807,332	48.775%
2022	61,579,433	32,026,236	29,553,197	52.008%
2021	57,281,340	7,861,044	49,420,296	13.724%
2020	56,853,348	11,031,102	45,822,246	19.403%
2019	55,441,505	14,024,101	41,417,404	25.295%
2018	52,316,577	16,700,007	35,616,570	31.921%
2017	50,693,934	19,107,060	31,586,874	37.691%
2016	47,908,389	21,126,630	26,781,759	44.098%
Assessed valuation - 2024 levy			<u>\$2,630,968,919</u>	
Debt limit (2.875% of total assessed value)			<u>\$75,640,356</u>	
Debt applicable to limit:				
General obligation bonds			29,558,233	
Leases payable			96,771	
SBITAs payable			<u>293,633</u>	
Total net debt applicable to limit			<u>29,948,637</u>	
Legal debt margin			<u>\$45,691,719</u>	

Sources: Knox County Clerk's Office College records

Carl Sandburg College - Community College District 518

Demographic and Economic Statistics

Last Ten Fiscal Years

TABLE K

Fiscal Year	Estimated Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2025	96,575	\$3,969,216	\$41,437	43.2	22,242	4.0%	1,603	15
2024	97,109	3,123,910	32,138	41.4	23,169	4.4%	1,688	16
2023	104,753	5,363,354	51,207	41.3	23,956	5.1%	1,688	16
2022	104,993	3,648,443	34,749	39.0	26,138	4.5%	1,687	14
2021	100,791	2,566,441	25,463	43.4	26,138	5.2%	1,755	14
2020	101,418	2,618,004	25,814	41.8	22,316	4.9%	1,925	14
2019	102,634	2,613,342	25,463	43.3	28,267	4.4%	1,860	17
2018	103,711	2,697,834	26,013	41.9	19,903	4.4%	1,947	15
2017	103,711	2,697,834	26,013	41.9	30,681	5.9%	1,927	17
2016	105,748	2,464,246	23,303	42.0	30,741	6.5%	2,082	17

Sources: U.S. Census Bureau, QuickFacts
 2021 American Community Survey 5-Year Estimates
 College records
 IL Dept. of Employment Security, Economic Information & Analysis Division
 ICCB Data and Characteristics
 Index of needs tables
 Esri.com
 Navteq
www.countyoffice.org
http://www.isbe.net/research/htmls/fall_housing.htm

Carl Sandburg College - Community College District 518

Principal Employers Current Year and Nine Years Ago

TABLE L

Employer	2025			2016		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Smithfield/Farmland Foods Inc	1,559	1	1.49%	1,600	1	1.91%
OSF St Marys/OSF Holy Family	1,057	2	1.01%	856	3	1.02%
Burlington Northern/Santa Fe Railroad	1,031	3	0.98%	1,100	2	1.31%
Dick Blick Art Materials	714	4	0.68%	530	6	0.63%
Galesburg Cust #205	582	5	0.55%	594	4	0.71%
HyVee	578	6	0.55%	574	5	0.68%
Knox College	480	7	0.46%			
Knox County	420	8	0.40%	420	9	0.50%
Carl Sandburg College	339	9	0.32%	332	10	0.40%
Monmouth-Roseville Cust #238	274	10	0.26%			
Bridgeway/Bridgeway Training				450	8	0.54%
Galesburg Cottage Hospital				500	7	0.60%
Total	7,034		6.70%	6,956		8.29%

Sources:

<https://www.knoxpartnership.com/ideal-location/major-employers/>

<https://cityofmonmouth.com/index.php/for-business/community-profile/232-major-employers>

<https://www.census.gov/quickfacts/>

https://www2.illinois.gov/ides/lmi/Pages/Worforce_Availability_Information.aspx

<https://illinois.virtuallmi.com/>

also emails from

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Carl Sandburg College - Community College District 518

Full-Time Equivalent Employees

Last Ten Fiscal Years

TABLE M

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction-Faculty	66	63	72	78	79	86	71	81	86	83
Full-time	44	41	40	39	40	39	39	39	47	50
Part-time	22	22	32	39	39	47	32	42	39	33
Administrative Staff	30	27	31	26	23	21	23	22	22	22
Full-time	30	27	31	26	23	21	22	21	21	22
Part-time	0	0	0	0	0	0	1	1	1	0
Other Non-Teaching Professional	69	59	68	64	59	62	63	66	56	58
Full-time	44	42	68	64	59	62	47	47	56	56
Part-time	25	17	0	0	0	0	16	19	0	2
Classified Staff	45	46	30	26	29	31	46	49	52	51
Full-time	41	41	30	26	29	30	45	48	43	43
Part-time	4	5	0	0	0	1	1	1	9	8
Total	210	195	201	194	190	200	203	218	216	214

Carl Sandburg College - Community College District 518

Operating Indicators

Last Ten Fiscal Years

TABLE N

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction: ¹										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	1,501	1,491	1,510	1,511	1,734	2,107	2,118	2,183	1,950	1,837
Vocational	0	0	0	0	0	0	0	2	0	0
Occupational	479	476	462	462	548	572	582	557	581	662
ABE	0	0	0	0	0	0	0	0	0	15
ASE	0	0	0	0	0	0	0	0	0	23
ESL	0	0	0	0	0	0	0	0	0	15
General Studies	0	0	0	0	0	0	0	0	0	0
General Associates	396	362	342	324	291	357	363	310	469	407
Total	2,376	2,329	2,314	2,297	2,573	3,036	3,063	3,052	3,000	2,959
Annual FTE Students ²	869	932	921	908	1,002	1,177	1,176	1,201	1,229	1,258
Total Reimbursable Credit Hours ³	26,072	27,949	27,638	27,229	30,065	35,308	35,282	36,020	36,863	37,748
Degrees awarded: ⁴										
Associate (transfer)	226	255	218	219	239	248	203	204	231	206
Associate in applied science	125	84	90	93	134	115	159	154	106	135
Career & technical certificates	65	84	76	78	118	117	105	125	143	150
Average annual faculty salary ⁵	\$61,772	\$59,302	\$56,554	\$59,721	\$59,487	\$59,275	\$60,419	\$58,761	\$56,853	\$56,285
Students per faculty ⁶	15	16	16	15	12	14	14	15	17	17
Institutional support: ⁷										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.89	1.47	1.58	1.23	1.16	1.07	1.34	1.30	1.32	1.40

¹Source: ICCB A1 Annual Student Enrollment and Completion

²Source: Total Reimbursable Credit Hours / 15 / 2

³Source: ICCB SU SR for each semester

⁴Source: ICCB A1 Annual Student Enrollment and Completion

⁵Source: ICCB C1 Faculty, Staff, Salary Data

⁶Source: IPEDS Fall Enrollment

⁷Source: ICCB Tax Revenue and Budget Information Survey

Carl Sandburg College - Community College District 518

Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Building - acres	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.4
Classroom - sq. ft.	39,508	47,163	41,139	44,975	44,975	44,975	44,975	44,975	44,975	43,938
Lab - sq. ft.	68,262	69,370	55,286	57,585	57,585	57,585	57,585	57,585	57,585	58,585
Academic support:										
Support - sq. ft.	8,886	4,204	3,754	4,268	4,268	4,268	4,268	4,268	4,268	4,284
Study - sq. ft.	17,339	15,733	15,115	17,184	17,184	17,184	17,184	17,184	17,184	17,654
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.	14,523	12,965	12,894	11,694	11,694	11,694	11,694	11,694	11,694	11,694
General administration:										
Office - sq. ft.	40,881	38,973	29,974	31,133	31,133	31,133	31,133	31,133	31,133	32,840
Institutional support:										
Landscaped grounds - acres	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.7
Parking lots - acres	8.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Acres - ICCB Table 2

Source: Acres - ICCB R3

FY24 - EXCEL spreadsheet totals are from totals in our system - Datatel

from changes made across campus to different areas.

We have updated with ICCB by jot form on 08/01/24.

changes include new Science and Technolgy Center and a few areas being moved around.

parking lot acreage changed due to removing lot B and adding to lot A

SPECIAL REPORTS SECTION

Supplemental Financial Information

Carl Sandburg College - Community College District 518

Supplemental Financial Information Section

Uniform Financial Statements

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

The Uniform Financial Statements include the following:

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

Certification of Per Capita Cost

- No. 6 - Certification of Per Capita Cost

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2025</i>	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund	Auxiliary Enterprises Fund
Fund balance, beginning of year	\$ 15,642,914	\$ 4,588,503	\$ 413,597	\$ 279,781	\$ 446,082
Revenues:					
Local tax revenue	5,680,201	1,374,320	1,189,347	3,892,073	-
ICCB Grants	1,543,321	123,184	-	-	-
All other State revenue	-	-	-	-	-
Federal revenue	10,424	-	-	-	-
Student tuition and fees	6,005,844	471,535	-	-	92,925
On-Behalf CIP	-	-	-	-	-
On-Behalf SURS	-	-	-	-	-
All other revenue	1,306,250	13,710	1,986	362	279,019
Total revenues	14,546,040	1,982,749	1,191,333	3,892,435	371,944
Expenditures:					
Instruction	6,814,200	-	-	-	-
Academic support	455,772	-	-	-	-
Student services	2,812,893	-	-	-	-
Public service	143,026	-	-	-	-
Auxiliary services	-	-	-	-	940,015
Operations and maintenance	-	1,893,395	-	-	-
Institutional support	3,936,013	180,431	364,402	3,940,016	22,656
Scholarships, grants, waivers	169,373	-	-	-	-
Depreciation	-	-	-	-	36,032
Total expenditures	14,331,277	2,073,826	364,402	3,940,016	998,703
Issuance of debt	232,037	-	-	48,300	-
Gain (loss) on disposal of assets	-	-	-	-	(30,454)
Transfers in	11,445	-	-	-	800,071
Transfers out	(600,071)	-	-	-	-
Net transfers	(356,589)	-	-	48,300	769,617
Fund balance, end of year	\$ 15,501,088	\$ 4,497,426	\$ 1,240,528	\$ 280,500	\$ 588,940

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2025</i>	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund
Fund balance, beginning of year	\$ 2,000,121	\$ 8,891,103	\$ 75,029	\$ 4,898,626
Revenues:				
Local tax revenue	-	-	118,826	3,289,190
ICCB Grants	1,101,007	-	-	-
All other State revenue	1,309,725	-	-	-
Federal revenue	5,252,378	-	-	-
Student tuition and fees	-	-	-	-
On-Behalf CIP	(1,017,487)	-	-	-
On-Behalf SURS	4,434,524	-	-	-
All other revenue	129,573	535,183	-	381,378
Total revenues	11,209,720	535,183	118,826	3,670,568
Expenditures:				
Instruction	2,637,969	-	-	-
Academic support	62,945	-	-	-
Student services	1,539,146	-	-	-
Public service	160,737	-	-	-
Auxiliary services	168,953	-	-	-
Operations and maintenance	144,545	-	-	-
Institutional support	2,608,021	-	56,249	3,129,001
Scholarships, grants, waivers	5,318,177	-	-	-
Depreciation	-	-	-	-
Total expenditures	12,640,493	-	56,249	3,129,001
Issuance of debt	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(200,000)	-	-
Net transfers	-	(200,000)	-	-
Fund balance, end of year	\$ 569,348	\$ 9,226,286	\$ 137,606	\$ 5,440,193

Carl Sandburg College - Community College District 518

Uniform Financial Statement #1 - All Funds Summary

<i>Year Ended June 30, 2025</i>	Building Bonds	Capital Endowment	Sandburg Initiates Life-changing Opportunities	Total
Fund balance, beginning of year	\$ 10,039,744	\$ 6,722,797	\$ 1,172,287	\$ 55,170,584
Revenues:				
Local tax revenue	-	-	-	15,543,957
ICCB Grants	-	-	-	2,767,512
All other State revenue	-	-	-	1,309,725
Federal revenue	-	-	-	5,262,802
Student tuition and fees	-	-	-	6,570,304
On-Behalf CIP	-	-	-	(1,017,487)
On-Behalf SURS	-	-	-	4,434,524
All other revenue	363,382	710,562	60,292	3,781,697
Total revenues	363,382	710,562	60,292	38,653,034
Expenditures:				
Instruction	-	-	-	9,452,169
Academic support	-	-	-	518,717
Student services	-	-	-	4,352,039
Public service	-	-	-	303,763
Auxiliary services	-	-	-	1,108,968
Operations and maintenance	-	-	-	2,037,940
Institutional support	11,559,249	205,343	-	26,001,381
Scholarships, grants, waivers	-	-	-	5,487,550
Depreciation	-	-	-	36,032
Total expenditures	11,559,249	205,343	-	49,298,559
Issuance of debt	4,251,700	-	-	4,532,037
Gain (loss) on disposal of assets	-	-	-	(30,454)
Transfers in	-	-	-	811,516
Transfers out	-	-	(11,445)	(811,516)
Net transfers	4,251,700	-	(11,445)	4,501,583
Fund balance, end of year	\$ 3,095,577	\$ 7,228,016	\$ 1,221,134	\$ 49,026,642

Carl Sandburg College - Community College District 518

Uniform Financial Statement #2

Summary of Capital Assets and Long-Term Debt

<i>As of June 30, 2025</i>	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets:					
Land	\$ 346,125	\$ -	\$ -	\$ -	\$ 346,125
Work in progress	22,264,257	139,206	-	(22,264,257)	139,206
Furniture and equipment	6,869,590	2,501,156	-	56,427	9,427,173
Land improvements	3,122,670	-	-	(27,716)	3,094,954
Buildings and additions	31,628,219	9,987,993	-	21,542,107	63,158,319
Vehicles	218,696	329,852	-	186	548,734
Infrastructure	3,511,179	84,755	-	616,036	4,211,970
Lease assets	380,882	-	-	-	380,882
SBITA assets	411,733	232,037	180,757	-	463,013
Total capital assets	68,753,351	13,274,999	180,757	(77,217)	81,770,376
Accumulated depreciation and amortization					
	32,496,166	2,510,666	180,757	2,072	34,828,147
Total net capital assets	\$ 36,257,185	\$ 10,764,333	\$ -	(79,289)	\$ 46,942,229
Long-term debt:					
Bonds payable	\$ 25,740,000	\$ 4,300,000	\$ 2,900,000	\$ -	\$ 27,140,000
Net OPEB liability	3,156,826	-	243,762	-	2,913,064
Lease obligations	177,722	-	80,951	-	96,771
Subscription liability	229,928	232,037	168,332	-	293,633
Accrued compensated absences	1,264,674	142,813	-	-	1,407,487
Arbitrage payable	-	1,491,207	-	-	1,491,207
Total long-term debt	\$ 30,569,150	\$ 6,166,057	\$ 3,393,045	\$ -	\$ 33,342,162

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

<i>Year Ended June 30, 2025</i>	Education	Operations and Maintenance	Total
Revenues:			
Local government:			
Property taxes	\$ 5,495,212	\$ 1,189,331	\$ 6,684,543
Replacement taxes	184,989	184,989	369,978
Total local government	5,680,201	1,374,320	7,054,521
State government:			
Base operating grants	1,378,084	119,184	1,497,268
Equalization grants	46,000	4,000	50,000
Career and technical education formula grant	119,237	-	119,237
Total state government	1,543,321	123,184	1,666,505
Total federal government	10,424	-	10,424
Student tuition and fees:			
Tuition	5,708,355	471,160	6,179,515
Student fees	297,489	375	297,864
Total tuition and fees	6,005,844	471,535	6,477,379
Other sources:			
Investment income	1,229,965	1,061	1,231,026
Facilities revenue	-	2,485	2,485
Nongovernmental grants and gifts	31,501	10,000	41,501
Other revenue	44,784	164	44,948
Total other sources	1,306,250	13,710	1,319,960
Total revenue	14,546,040	1,982,749	16,528,789
Less nonoperating items:			
Tuition chargeback	0	0	0
Adjusted revenue	\$ 14,546,040	\$ 1,982,749	\$ 16,528,789

Carl Sandburg College - Community College District 518

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

<i>Year Ended June 30, 2025</i>	Education	Operations and Maintenance	Total
Operating expenditures:			
By program:			
Instruction	\$ 6,814,200	\$ -	\$ 6,814,200
Academic support	455,772	-	455,772
Student services	2,812,893	-	2,812,893
Public services	143,026	-	143,026
Operations and maintenance	-	1,893,395	1,893,395
Institutional support	3,936,013	180,431	4,116,444
Scholarships, student grants, and waivers	169,373	-	169,373
Total expenditures	14,331,277	2,073,826	16,405,103
Less nonoperating items:*			
Net transfers	(356,589)	0	(356,589)
Adjusted expenditures	\$ 13,974,688	\$ 2,073,826	\$ 16,048,514
By object:			
Salaries	8,934,107	648,546	9,582,653
Employee benefits	1,538,049	206,290	1,744,339
Contractual services	817,531	92,978	910,509
General materials and supplies	721,748	127,907	849,655
Travel, conference and meeting expense	186,337	1,768	188,105
Fixed Charges	13,062	1,464	14,526
Utilities	-	772,505	772,505
Capital outlay	310,381	211,353	521,734
Principal Retirement	228,892	-	228,892
Interest, service charges, and issuance costs	21,494	-	21,494
Other	1,559,676	11,015	1,570,691
Total expenditures	14,331,277	2,073,826	16,405,103
Less nonoperating items:			
Net transfers	(356,589)	0	(356,589)
Adjusted expenditures	\$ 13,974,688	\$ 2,073,826	\$ 16,048,514

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

Carl Sandburg College - Community College District 518

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

Year Ended June 30, 2025

Revenue by source:

State government:

ICCB - Other	\$ 1,101,007
Illinois Student Assistance Commission	1,181,529
On-behalf CIP	(1,017,487)
On-behalf SURS	4,434,524
Other	128,196

Total state government	5,827,769
------------------------	-----------

Federal government:

Department of Education	5,063,700
Other	188,678

Total federal government	5,252,378
--------------------------	-----------

Other sources:

Nongovernmental grants and gifts	7,991
Other revenue	121,582

Total other sources	129,573
---------------------	---------

Total revenues	\$ 11,209,720
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Expenditures by program:

Instruction	2,637,969
Academic support	62,945
Student services	1,539,146
Public services	160,737
Auxiliary services	168,953
Operations and maintenance	144,545
Institutional support	2,608,021
Scholarships, student grants, and waivers	5,318,177

Total expenditures by program	\$ 12,640,493
-------------------------------	---------------

Expenditures by object:

Salaries	617,673
Employee benefits	3,610,208
Contractual services	329,293
General materials and supplies	368,785
Travel, conference and meeting expense	43,141
Capital outlay	371,793
Other	7,299,600

Total expenditures by object	\$ 12,640,493
------------------------------	---------------

Carl Sandburg College - Community College District 518

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2025

Instruction:

Program	\$ 7,921,390
Support	1,530,779

Total instruction	9,452,169
-------------------	-----------

Academic support:

LRC	314,971
Instructional Materials Center	62,945
Other Academic Support	140,801

Total academic support	518,717
------------------------	---------

Student services:

Admissions & Records	261,875
Counseling & Career Guidance	957,256
Financial Aid Administration	214,573
Other Student Services	2,918,335

Total student services	4,352,039
------------------------	-----------

Public service/continuing education:

Community Education	149,427
Customized Training	94,980
Community Services	12,329
Other Public Services	47,027

Total public service/continuing education	303,763
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Auxiliary	1,167,656
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Carl Sandburg College - Community College District 518

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2025

Operations and maintenance of plant:

Maintenance	435,052
Custodial	314,518
Grounds	272,528
Plant Utilities	665,007
Other Operations and Maintenance	350,835

Total operations and maintenance of plant	2,037,940
---	-----------

Institutional support:

Executive Management	265,245
Fiscal Operations	256,603
Community Relations	557,681
Administrative Support Services	2,744,522
Board of Trustees	29,688
General Institution	2,396,595
Institutional Research	255,887
Administrative Data Processing	686,088
Other Institutional Support	2,441,712

Total institutional support	9,634,021
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Scholarships, Grants, Waivers	5,487,550
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Total current funds expenditures	\$ 32,953,855
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* Current Funds include Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; and Liability, Protection, and Settlement.

Carl Sandburg College - Community College District 518

Fiscal Year 2026 Certification of Per Capita Cost

For Fiscal Year Ended June 30, 2025

All fiscal year 2025 noncapital audited operating expenditures from the following funds:

1. Education Fund	13,754,507
2. Operations and Maintenance Fund	1,862,472
3. Operations and Maintenance Fund - Restricted	-
4. Bond and Interest Fund	112,339
5. Public Building Commission Rental Fund	-
6. Restricted Purposes Fund	12,268,700
7. Audit Fund	56,249
8. Liability, Protection, and Settlement Fund	3,087,580
9. Auxiliary Enterprises Fund (subsidy only)	<u>-</u>
10. Total noncapital expenditures (sum of lines 1-9)	<u>\$ 31,141,847</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 1,665,221</u>
12. Total costs included (line 10 plus line 11)	<u>\$ 32,807,068</u>
13. Total certified semester credit hours for FY 2025	<u>26,072</u>
14. Per capita cost (line 12 divided by line 13)	<u>\$ 1,258.33</u>

Approved:

Chief Financial Officer

11/6/25

Date

President

11/6/25

Date

Other Financial Information

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

<i>As of June 30, 2025</i>	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 19,553,991	\$ -	\$ -	-
Investments	-	-	44,356	10,916,589
Property tax receivable	6,159,249	1,305,958	919,917	-
Government receivables	56,574	31,900	-	-
Student tuition receivables, net of allowance	644,994	-	-	-
Other receivables	3,015	-	-	250,168
Advances to other funds	-	4,512,503	1,202,882	-
Prepaid items	87,236	-	-	-
Capital assets	-	-	-	-
Total assets	26,505,059	5,850,361	2,167,155	11,166,757
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 26,505,059	\$ 5,850,361	\$ 2,167,155	\$ 11,166,757
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 1,125,913	\$ -	\$ -	-
Advances from other funds	1,797,147	-	-	3,938,741
Unearned tuition and fees	-	101	-	-
Accrued compensated absences	357,877	37,350	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Arbitrage liability payable	1,491,207	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	4,772,144	37,451	-	3,938,741
Deferred inflows of resources				
Deferred property taxes	6,231,827	1,315,484	926,627	-
Deferred grant revenue	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	6,231,827	1,315,484	926,627	-
Fund balance/net position (deficit):				
Net investment in capital assets	-	-	-	-
Restricted	-	-	1,240,528	-
Unrestricted	15,501,088	4,497,426	-	7,228,016
Total fund balance/net position	15,501,088	4,497,426	1,240,528	7,228,016
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 26,505,059	\$ 5,850,361	\$ 2,167,155	\$ 11,166,757

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

<i>As of June 30, 2025</i>	Bond and Interest	Auxiliary	Restricted Purpose	Audit
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ -	\$ 450	\$ -	-
Investments	8,119	-	-	-
Property tax receivable	4,352,234	-	-	130,596
Government receivables	-	-	454,617	-
Student tuition receivables, net of allowance	-	-	-	-
Other receivables	-	3,129	-	-
Advances to other funds	304,131	957,021	1,463,475	138,558
Prepaid items	-	-	-	-
Capital assets	-	204,934	-	-
Total assets	4,664,484	1,165,534	1,918,092	269,154
Deferred outflow of resources:				
Deferred pension	-	-	-	-
Deferred OPEB	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflow of resources	\$ 4,664,484	\$ 1,165,534	\$ 1,918,092	\$ 269,154
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ 1,514	\$ -	-
Advances from other funds	-	-	-	-
Unearned tuition and fees	-	555,411	-	-
Accrued compensated absences	-	19,669	37,569	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Arbitrage liability payable	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable, net	-	-	-	-
Total liabilities	-	576,594	37,569	-
Deferred inflows of resources				
Deferred property taxes	4,383,984	-	-	131,548
Deferred grant revenue	-	-	1,311,175	-
Deferred OPEB	-	-	-	-
Total deferred inflows of resources	4,383,984	-	1,311,175	131,548
Fund balance/net position (deficit):				
Net investment in capital assets	-	204,934	-	-
Restricted	280,500	-	569,348	137,606
Unrestricted	-	384,006	-	-
Total fund balance/net position	280,500	588,940	569,348	137,606
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 4,664,484	\$ 1,165,534	\$ 1,918,092	\$ 269,154

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

<i>As of June 30, 2025</i>	Liability Protection	Sandburg Initiates Life- Changing Opportunities	Nonexpendable Trust/Working Cash
Assets and Deferred Outflows of Resources			
Cash and cash equivalents	\$ -	\$ 1,324,500	\$ 4,898,308
Investments	4,789,349	-	4,501,528
Property tax receivable	3,894,365	-	-
Government receivables	-	-	-
Student tuition receivables, net of allowance	-	-	-
Other receivables	99,345	-	94,976
Advances to other funds	730,773	-	-
Prepaid items	-	-	-
Capital assets	-	-	-
Total assets	9,513,832	1,324,500	9,494,812
Deferred outflow of resources:			
Deferred pension	-	-	-
Deferred OPEB	-	-	-
Total deferred outflow of resources	-	-	-
Total assets and deferred outflow of resources	\$ 9,513,832	\$ 1,324,500	\$ 9,494,812
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Advances from other funds	-	103,366	268,526
Unearned tuition and fees	-	-	-
Accrued compensated absences	150,864	-	-
Net OPEB liability	-	-	-
Lease obligations	-	-	-
Arbitrage liability payable	-	-	-
Subscription liability	-	-	-
Bonds payable, net	-	-	-
Total liabilities	150,864	103,366	268,526
Deferred inflows of resources			
Deferred property taxes	3,922,775	-	-
Deferred grant revenue	-	-	-
Deferred OPEB	-	-	-
Total deferred inflows of resources	3,922,775	-	-
Fund balance/net position (deficit):			
Net investment in capital assets	-	-	-
Restricted	5,440,193	-	9,226,286
Unrestricted	-	1,221,134	-
Total fund balance/net position	5,440,193	1,221,134	9,226,286
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 9,513,832	\$ 1,324,500	\$ 9,494,812

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

As of June 30, 2025

	Buildings Bonds	Totals
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	\$ -	\$ 25,777,249
Investments	6,296,145	26,556,086
Property tax receivable	-	16,762,319
Government receivables	-	543,091
Student tuition receivables, net of allowance	-	644,994
Other receivables	-	450,633
Advances to other funds	-	9,309,343
Prepaid items	-	87,236
Capital assets	-	204,934
Total assets	6,296,145	80,335,885
Deferred outflow of resources:		
Deferred pension	-	-
Deferred OPEB	-	-
Total deferred outflow of resources	-	-
Total assets and deferred outflow of resources	\$ 6,296,145	\$ 80,335,885
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	\$ -	\$ 1,127,427
Advances from other funds	3,200,568	9,308,348
Unearned tuition and fees	-	555,512
Accrued compensated absences	-	603,329
Net OPEB liability	-	-
Lease obligations	-	-
Arbitrage liability payable	-	1,491,207
Subscription liability	-	-
Bonds payable, net	-	-
Total liabilities	3,200,568	13,085,823
Deferred inflows of resources		
Deferred property taxes	-	16,912,245
Deferred grant revenue	-	1,311,175
Deferred OPEB	-	-
Total deferred inflows of resources	-	18,223,420
Fund balance/net position (deficit):		
Net investment in capital assets	-	204,934
Restricted	2,600,594	19,495,055
Unrestricted	494,983	29,326,653
Total fund balance/net position	3,095,577	49,026,642
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 6,296,145	\$ 80,335,885

Carl Sandburg College - Community College District 518

Balance Sheet - All Fund Types

GASB				
<i>As of June 30, 2025</i>	General Fixed Assets	Long Term Debt	Other Adjustments	Adjusted Total
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 25,777,249
Investments	-	-	-	26,556,086
Property tax receivable	-	-	-	16,762,319
Government receivables	-	-	-	543,091
Student tuition receivables, net of allowance	-	-	-	644,994
Other receivables	-	-	-	450,633
Advances to other funds	-	-	(9,309,343)	-
Prepaid items	-	-	-	87,236
Capital assets	46,737,295	-	-	46,942,229
Total assets	46,737,295	\$ -	\$ (9,309,343)	117,763,837
Deferred outflow of resources:				
Deferred pension	-	-	51,960	51,960
Deferred OPEB	-	220,495	-	220,495
Total deferred outflow of resources	-	220,495	51,960	272,455
Total assets and deferred outflow of resources	\$ 46,737,295	\$ 220,495	\$ (9,257,383)	\$ 118,036,292
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,127,427
Advances from other funds	995	-	(9,309,343)	-
Unearned tuition and fees	-	-	301,131	856,643
Accrued compensated absences	-	-	804,158	1,407,487
Net OPEB liability	-	2,913,064	-	2,913,064
Lease obligations	-	96,771	-	96,771
Arbitrage liability payable	-	-	-	1,491,207
Subscription liability	-	293,633	-	293,633
Bonds payable, net	-	29,558,233	-	29,558,233
Total liabilities	995	32,861,701	(8,204,054)	37,744,465
Deferred inflows of resources				
Deferred property taxes	-	-	-	16,912,245
Deferred grant revenue	-	-	-	1,311,175
Deferred OPEB	-	3,410,781	-	3,410,781
Total deferred inflows of resources	-	3,410,781	-	21,634,201
Fund balance/net position (deficit):				
Net investment in capital assets	46,737,295	(29,283,730)	-	17,658,499
Restricted	-	-	-	19,495,055
Unrestricted	(995)	(6,768,257)	(1,053,329)	21,504,072
Total fund balance/net position	46,736,300	(36,051,987)	(1,053,329)	58,657,626
Total liabilities, deferred inflows or resources and fund balance/net position	\$ 46,737,295	\$ 220,495	\$ (9,257,383)	\$ 118,036,292

Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2025</i>	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Revenues:				
Local government	\$ 5,680,201	\$ 1,374,320	\$ 1,189,347	\$ -
State sources	1,543,321	123,184	-	-
On-behalf payments	-	-	-	-
Federal government	10,424	-	-	-
Student tuition and fees	6,005,844	471,535	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	2,485	-	-
Investment income	1,229,965	1,061	1,986	710,562
Nongovernmental grants and gifts	31,501	10,000	-	-
Other revenue	44,784	164	-	-
Total revenues	14,546,040	1,982,749	1,191,333	710,562
Expenditures/expenses:				
Current:				
Instruction	6,814,200	-	-	-
Academic support	455,772	-	-	-
Student services	2,812,893	-	-	-
Public services	143,026	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	1,893,395	-	-
Institutional support	3,685,627	180,431	364,402	205,343
Scholarships, student grants, and waivers	169,373	-	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	228,892	-	-	-
Interest, service charges, and issuance costs	21,494	-	-	-
Total expenditures/expenses	14,331,277	2,073,826	364,402	205,343
Excess (deficiency) of revenues over expenditures	214,763	(91,077)	826,931	505,219
Other financing sources (uses)				
Issuance of debt	232,037	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	11,445	-	-	-
Transfers out	(600,071)	-	-	-
Total other financing sources (uses)	(356,589)	-	-	-
Net change in fund balance/net position	(141,826)	(91,077)	826,931	505,219
Fund balance/net position (deficit), beginning of year	15,642,914	4,588,503	413,597	6,722,797
Fund balance/net position (deficit), end of year	\$ 15,501,088	\$ 4,497,426	\$ 1,240,528	\$ 7,228,016

Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2025</i>	Bond and Interest	Auxiliary	Restricted Purpose	Audit
Revenues:				
Local government	\$ 3,892,073	\$ -	\$ -	\$ 118,826
State sources	-	-	2,410,732	-
On-behalf payments	-	-	3,417,037	-
Federal government	-	-	5,252,378	-
Student tuition and fees	-	92,925	-	-
Sales and service fees	-	220,311	-	-
Facilities revenue	-	-	-	-
Investment income	362	-	-	-
Nongovernmental grants and gifts	-	1,670	7,991	-
Other revenue	-	57,038	121,582	-
Total revenues	3,892,435	371,944	11,209,720	118,826
Expenditures/expenses:				
Current:				
Instruction	-	-	2,637,969	-
Academic support	-	-	62,945	-
Student services	-	-	1,539,146	-
Public services	-	-	160,737	-
Auxiliary services	-	940,015	168,953	-
Operations and maintenance	-	-	144,545	-
Institutional support	48,618	-	2,608,021	56,249
Scholarships, student grants, and waivers	-	-	5,318,177	-
Depreciation and amortization expense	-	36,032	-	-
Debt service:				
Principal	2,900,000	20,391	-	-
Interest, service charges, and issuance costs	991,398	2,265	-	-
Total expenditures/expenses	3,940,016	998,703	12,640,493	56,249
Excess (deficiency) of revenues over expenditures	(47,581)	(626,759)	(1,430,773)	62,577
Other financing sources (uses)				
Issuance of debt	48,300	-	-	-
Gain (loss) on disposal of assets	-	(30,454)	-	-
Transfers in	-	800,071	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	48,300	769,617	-	-
Net change in fund balance/net position	719	142,858	(1,430,773)	62,577
Fund balance/net position (deficit), beginning of year	279,781	446,082	2,000,121	75,029
Fund balance/net position (deficit), end of year	\$ 280,500	\$ 588,940	\$ 569,348	\$ 137,606

Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2025</i>	Liability Protection	Sandburg Initiates Life- Changing Opportunities	Nonexpendable Trust/Working Cash	Buildings Bonds
Revenues:				
Local government	\$ 3,289,190	\$ -	\$ -	-
State sources	-	-	-	-
On-behalf payments	-	-	-	-
Federal government	-	-	-	-
Student tuition and fees	-	-	-	-
Sales and service fees	-	-	-	-
Facilities revenue	-	-	-	-
Investment income	363,562	60,292	535,183	363,382
Nongovernmental grants and gifts	17,816	-	-	-
Other revenue	-	-	-	-
Total revenues	3,670,568	60,292	535,183	363,382
Expenditures/expenses:				
Current:				
Instruction	-	-	-	-
Academic support	-	-	-	-
Student services	-	-	-	-
Public services	-	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	-	-	-
Institutional support	3,129,001	-	-	11,559,249
Scholarships, student grants, and waivers	-	-	-	-
Depreciation and amortization expense	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest, service charges, and issuance costs	-	-	-	-
Total expenditures/expenses	3,129,001	-	-	11,559,249
Excess (deficiency) of revenues over expenditures	541,567	60,292	535,183	(11,195,867)
Other financing sources (uses)				
Issuance of debt	-	-	-	4,251,700
Gain (loss) on disposal of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(11,445)	(200,000)	-
Total other financing sources (uses)	-	(11,445)	(200,000)	4,251,700
Net change in fund balance/net position	541,567	48,847	335,183	(6,944,167)
Fund balance/net position (deficit), beginning of year	4,898,626	1,172,287	8,891,103	10,039,744
Fund balance/net position (deficit), end of year	\$ 5,440,193	\$ 1,221,134	\$ 9,226,286	\$ 3,095,577

Carl Sandburg College - Community College District 518

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

Year Ended June 30, 2025	GASB			
	Totals	General Fixed Assets	Long Term Debt	Other Adjustments
Revenues:				
Local government	\$ 15,543,957	\$ -	\$ -	-
State sources	4,077,237	-	-	-
On-behalf payments	3,417,037	-	-	-
Federal government	5,262,802	-	-	-
Student tuition and fees	6,570,304	-	-	(2,107,828)
Sales and service fees	220,311	-	-	-
Facilities revenue	2,485	-	-	-
Investment income	3,266,355	-	-	-
Nongovernmental grants and gifts	68,978	-	-	-
Other revenue	223,568	-	-	-
Total revenues	38,653,034	-	-	(2,107,828)
Expenditures/expenses:				
Current:				
Instruction	9,452,169	(466,138)	(548,761)	(87,197)
Academic support	518,717	-	(23,641)	(5,386)
Student services	4,352,039	-	(175,413)	(103,293)
Public services	303,763	-	(12,751)	573
Auxiliary services	1,108,968	-	(28,357)	(4,178)
Operations and maintenance	2,037,940	(211,354)	(54,289)	(35,907)
Institutional support	21,836,941	(12,307,766)	(434,464)	(221,060)
Scholarships, student grants, and waivers	5,487,550	-	(5,713)	(2,105,456)
Depreciation and amortization expense	36,032	2,472,648	-	-
Debt service:				
Principal	3,149,283	-	(3,149,283)	-
Interest, service charges, and issuance costs	1,015,157	-	(370,176)	-
Total expenditures/expenses	49,298,559	(10,512,610)	(4,802,848)	(2,561,904)
Excess (deficiency) of revenues over expenditures	(10,645,525)	10,512,610	4,802,848	454,076
Other financing sources (uses)				
Issuance of debt	4,532,037	-	(4,532,037)	-
Gain (loss) on disposal of assets	(30,454)	-	-	-
Transfers in	811,516	-	-	(811,516)
Transfers out	(811,516)	-	-	811,516
Total other financing sources (uses)	4,501,583	-	(4,532,037)	-
Net change in fund balance/net position	(6,143,942)	10,512,610	270,811	454,076
Fund balance/net position (deficit), beginning of year	55,170,584	36,223,690	(36,322,798)	(1,507,405)
Fund balance/net position (deficit), end of year	\$ 49,026,642	\$ 46,736,300	\$(36,051,987)	\$ (1,053,329)

Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2025</i>	Adjusted Total
Revenues:	
Local government	\$ 15,543,957
State sources	4,077,237
On-behalf payments	3,417,037
Federal government	5,262,802
Student tuition and fees	4,462,476
Sales and service fees	220,311
Facilities revenue	2,485
Investment income	3,266,355
Nongovernmental grants and gifts	68,978
Other revenue	223,568
Total revenues	36,545,206
Expenditures/expenses:	
Current:	
Instruction	8,350,073
Academic support	489,690
Student services	4,073,333
Public services	291,585
Auxiliary services	1,076,433
Operations and maintenance	1,736,390
Institutional support	8,873,651
Scholarships, student grants, and waivers	3,376,381
Depreciation and amortization expense	2,508,680
Debt service:	
Principal	-
Interest, service charges, and issuance costs	644,981
Total expenditures/expenses	31,421,197
Excess (deficiency) of revenues over expenditures	5,124,009
Other financing sources (uses)	
Issuance of debt	-
Gain (loss) on disposal of assets	(30,454)
Transfers in	-
Transfers out	-
Total other financing sources (uses)	(30,454)
Net change in fund balance/net position	5,093,555
Fund balance/net position (deficit), beginning of year	53,564,071
Fund balance/net position (deficit), end of year	\$ 58,657,626

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule

<i>Year Ended June 30, 2025</i>	Education		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Local government:			
Property taxes	\$ 5,489,436	\$ 5,495,212	\$ 5,776
Replacement taxes	250,000	184,989	(65,011)
Total local government	5,739,436	5,680,201	(59,235)
State government:			
Base operating grants	1,421,170	1,378,084	(43,086)
Equalization grants	46,000	46,000	-
Career and technical education formula grant	128,186	119,237	(8,949)
Total state government	1,595,356	1,543,321	(52,035)
Federal government	-	10,424	10,424
Student tuition and fees	6,253,124	6,005,844	(247,280)
Investment income	500,000	1,229,965	729,965
Miscellaneous, other	71,421	76,285	4,864
Total revenues	14,159,337	14,546,040	386,703
Expenditures:			
Instruction:			
Salaries	4,791,428	5,286,450	(495,022)
Employee benefits	576,893	776,529	(199,636)
Contractual services	301,280	239,001	62,279
General materials and supplies	379,875	291,923	87,952
Travel, conference and meeting expense	107,632	63,732	43,900
Capital outlay	159,300	78,344	80,956
Other	199,427	78,221	121,206
Total instruction	6,515,835	6,814,200	(298,365)

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule (Continued)

<i>Year Ended June 30, 2025</i>	Education		
	Original and Final Budget	Actual	Variance with Final Budget
Academic support:			
Salaries	229,067	235,621	(6,554)
Employee benefits	47,829	38,679	9,150
Contractual services	122,831	118,290	4,541
General materials and supplies	63,150	61,073	2,077
Travel, conference and meeting expense	2,200	1,193	1,007
Other	4,000	916	3,084
Total academic support	469,077	455,772	13,305
Student services:			
Salaries	1,510,066	1,411,535	98,531
Employee benefits	229,973	289,341	(59,368)
Contractual services	96,050	52,391	43,659
General materials and supplies	72,983	59,961	13,022
Travel, conference and meeting expense	55,608	49,461	6,147
Other	733,492	950,204	(216,712)
Total student services	2,698,172	2,812,893	(114,721)
Public services:			
Salaries	171,910	114,005	57,905
Employee benefits	26,208	12,894	13,314
Contractual services	22,900	7,580	15,320
General materials and supplies	12,675	6,329	6,346
Travel, conference and meeting expense	1,400	1,146	254
Fixed Charges	700	-	700
Other	1,400	1,072	328
Total public services	237,193	143,026	94,167
Institutional support:			
Salaries	2,093,100	1,886,496	206,604
Employee benefits	669,487	420,606	248,881
Contractual services	281,808	400,269	(118,461)
General materials and supplies	722,660	302,462	420,198
Travel, conference and meeting expense	129,830	70,805	59,025
Fixed charges	106,425	13,062	93,363
Capital outlay	-	232,037	(232,037)
Principal	-	228,892	(228,892)
Interest, service charges, and issuance costs	-	21,494	(21,494)
Other	135,750	359,890	(224,140)
Total institutional support	4,139,060	3,936,013	203,047

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule (Continued)

<i>Year Ended June 30, 2025</i>	Education		
	Original and Final Budget	Actual	Variance with Final Budget
Scholarships, student grants, and waivers:			
Other	-	169,373	(169,373)
Total scholarships, student grants, and waivers	-	169,373	(169,373)
Total expenditures	14,059,337	14,331,277	(271,940)
Excess (deficiency) of revenues over expenditures	100,000	214,763	114,763
Other financing sources (uses):			
Issuance of debt	-	232,037	232,037
Transfers in	285,125	11,445	(273,680)
Transfers out	(385,125)	(600,071)	(214,946)
Total other financing sources (uses)	(100,000)	(356,589)	(256,589)
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(141,826)</u>	<u>\$ (141,826)</u>
Fund balance at beginning of year		<u>15,642,914</u>	
Fund balance at end of year		<u>\$ 15,501,088</u>	

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule

<i>Year Ended June 30, 2025</i>	Operations and Maintenance		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Local government:			
Property taxes	\$ 1,176,476	\$ 1,189,331	\$ 12,855
Replacement taxes	250,000	184,989	(65,011)
Total local government	1,426,476	1,374,320	(52,156)
State government:			
Base operating grants	123,580	119,184	(4,396)
Equalization grants	4,000	4,000	-
Total state government	127,580	123,184	(4,396)
Student tuition and fees	383,159	471,535	88,376
Investment income	-	1,061	1,061
Miscellaneous, other	4,558	12,649	8,091
Total revenues	1,941,773	1,982,749	40,976
Expenditures:			
Instruction:			
Operation and maintenance of plant:			
Salaries	800,393	592,874	207,519
Employee benefits	180,000	206,290	(26,290)
Contractual services	162,500	85,920	76,580
General materials and supplies	131,000	118,331	12,669
Travel, conference and meeting expense	3,850	1,141	2,709
Fixed charges	3,000	1,464	1,536
Utilities	531,615	665,007	(133,392)
Capital outlay	131,000	211,353	(80,353)
Other	62,000	11,015	50,985
Total operation and maintenance of plant	2,005,358	1,893,395	111,963
Institutional support:			
Salaries	(66,150)	55,672	(121,822)
Contractual services	13,500	7,058	6,442
General materials and supplies	20,500	9,576	10,924
Travel, conference and meeting expense	2,000	627	1,373
Principal	45,000	-	45,000
Utilities	132,500	107,498	25,002
Total institutional support	147,350	180,431	(33,081)

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule (Continued)

	Operations and Maintenance		
<i>Year Ended June 30, 2025</i>	Original and Final Budget	Actual	Variance with Final Budget
Total expenditures	2,152,708	2,073,826	78,882
Excess (deficiency) of revenues over expenditures	(210,935)	(91,077)	119,858
Other financing sources (uses)			
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (210,935)</u>	(91,077)	<u>\$ 119,858</u>
Fund balance at beginning of year		<u>4,588,503</u>	
Fund balance at end of year		<u>\$ 4,497,426</u>	

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule

<i>Year Ended June 30, 2025</i>	Auxiliary		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Operating revenues:			
Sales and service fees	152,981	220,311	67,330
Other revenue	136,580	151,633	15,053
<hr/>			
Student tuition and fees	99,430	92,925	(6,505)
<hr/>			
Miscellaneous, other	(99,430)	(92,925)	6,505
<hr/>			
Total operating revenues	289,561	371,944	82,383
<hr/>			
Operating expenses:			
Salaries	311,674	285,980	25,694
Employee benefits	36,505	32,986	3,519
Contractual services	83,980	72,107	11,873
General materials and supplies	244,277	327,168	(82,891)
Travel, conference and meeting expense	92,824	108,341	(15,517)
Capital outlay	28,000	1,649	26,351
Depreciation and amortization expense	-	36,032	(36,032)
Principal	-	20,391	(20,391)
Interest, service charges, and issuance costs	-	2,265	(2,265)
Other	92,887	111,784	(18,897)
<hr/>			
Total operating expenses	890,147	998,703	(108,556)
<hr/>			
Excess (deficiency) of revenues over expenses	(600,586)	(626,759)	(26,173)
<hr/>			
Other financing sources (uses):			
Transfers in	585,125	800,071	214,946
Gain (loss) on disposal of assets	-	(30,454)	(30,454)
<hr/>			
Total other financing sources (uses)	585,125	769,617	184,492
<hr/>			
Excess (deficiency) of revenues and other financing sources (uses) over expenses	<u>\$ (15,461)</u>	142,858	<u>\$ 158,319</u>
Net position at beginning of year		<u>446,082</u>	
Net position at end of year		<u>\$ 588,940</u>	

Carl Sandburg College - Community College District 518
Schedule of Operating Revenues and Expenses, by Program
Auxiliary Enterprise Fund

<i>Year Ended June 30, 2025</i>	Auto Mechanics	Bookstore	Child Care Center	Dental Hygiene	Food Service	Athletics	Student Activities	Total
Operating revenues:								
Sales and service fees	\$ 269	\$ -	\$ -	\$ 20,254	\$ -	199,303	\$ 485	220,311
Other revenue	-	26,641	-	5,575	8,511	14,978	95,928	151,633
Total revenues	269	26,641	-	25,829	8,511	214,281	96,413	371,944
Operating expenses:								
Current:								
Salaries	-	-	-	-	-	179,477	106,503	285,980
Employee benefits	-	-	-	-	-	32,986	-	32,986
Contractual services	-	-	-	-	-	65,820	6,287	72,107
General materials and supplies	2,276	-	-	26,345	-	288,508	10,039	327,168
Travel, conference and meeting expense	-	-	-	-	-	108,341	-	108,341
Capital outlay	-	-	-	-	-	24,305	(22,656)	1,649
Principal	-	-	-	-	-	-	20,391	20,391
Interest, service charges, and issuance costs	-	-	-	-	-	-	2,265	2,265
Other	-	-	-	-	-	103,688	8,096	111,784
Depreciation and amortization expense	-	-	-	-	-	-	38,864	38,864
Total expenditures	2,276	-	-	26,345	-	803,125	169,789	1,001,535
Excess (deficiency) of revenues over expenditures	\$ (2,007)	\$ 26,641	\$ -	\$ (516)	\$ 8,511	\$ (588,844)	\$ (73,376)	\$ (629,591)

Carl Sandburg College - Community College District 518

Combining Balance Sheet - Liability Protection Funds

<i>As of June 30, 2025</i>	Employee Insurance	Liability, Protections, and Settlement	Insurance Reserve	Total
Assets				
Investments	\$ -	\$ -	\$ 4,789,349	\$ 4,789,349
Property tax receivable	-	3,894,365	-	3,894,365
Other receivables	-	-	99,345	99,345
Advances to other funds	-	847,859	-	847,859
Total assets	\$ -	\$ 4,742,224	\$ 4,888,694	\$ 9,630,918
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Advances from other funds	3,071	-	114,015	117,086
Accrued compensated absences	-	150,864	-	150,864
Total liabilities	3,071	150,864	114,015	267,950
Deferred inflow of resources				
Deferred inflows of resources	-	3,922,775	-	3,922,775
Total deferred inflow of resources	-	3,922,775	-	3,922,775
Fund balances				
Restricted	(3,071)	668,585	4,774,679	5,440,193
Total liabilities, deferred inflows or resources and fund balances	\$ -	\$ 4,742,224	\$ 4,888,694	\$ 9,630,918

Carl Sandburg College - Community College District 518

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

<i>Year Ended June 30, 2025</i>	Employee Insurance	Liability, Protections, and Settlement	Insurance Reserve	Total
Revenues				
Local government	\$ -	\$ 3,289,190	\$ -	\$ 3,289,190
Investment income	-	-	363,562	363,562
Nongovernmental grants and gifts	17,816	-	-	17,816
Total revenues	17,816	3,289,190	363,562	3,670,568
Expenditures				
Current:				
Institutional support	17,959	3,111,042	-	3,129,001
Total expenditures	17,959	3,111,042	-	3,129,001
Net change in fund balance	(143)	178,148	363,562	541,567
Fund balance, beginning of year	(2,928)	490,437	4,411,117	4,898,626
Fund balance (deficit), end of year	\$ (3,071)	\$ 668,585	\$ 4,774,679	\$ 5,440,193

Carl Sandburg College - Community College District 518

Budgetary Comparison Schedule

<i>Year Ended June 30, 2025</i>	Buildings Bonds		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Investment income	200,000	363,382	163,382
Total revenues	200,000	363,382	163,382
Expenditures			
Contractual services	765,000	501,806	263,194
Capital outlay	12,139,961	11,057,443	1,082,518
Total expenditures	12,904,961	11,559,249	1,345,712
Excess (deficiency) of revenues over expenditures	(12,704,961)	(11,195,867)	1,509,094
Other financing sources (uses)			
Issuance of debt	1,500,000	4,251,700	2,751,700
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	<u>\$ (11,204,961)</u>	(6,944,167)	<u>\$ 4,260,794</u>
Fund balance at beginning of year		<u>10,039,744</u>	
Fund balance at end of year		<u>\$ 3,095,577</u>	

Carl Sandburg College - Community College District 518

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

<i>Levy Years</i>	2024	2023	2022
Assessed Valuations:			
Knox County	\$ 1,111,793,711	\$ 1,031,413,099	\$ 966,204,639
Fulton County	28,293,952	26,381,707	23,643,446
Hancock County	452,493,440	424,195,742	390,716,970
Henderson County	239,687,597	223,867,237	210,576,460
Henry County	3,712,276	3,713,665	3,694,458
McDonough County	264,755,927	251,298,636	235,632,307
Mercer County	37,961,965	35,042,735	32,679,019
Schuyler County	6,939,114	6,401,487	5,869,384
Stark County	278,011	261,239	241,193
Warren County	485,052,926	454,569,065	426,304,828
Total assessed valuations	\$ 2,630,968,919	\$ 2,457,144,612	\$ 2,295,562,704
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.2222	0.2204	0.2252
Operations and Maintenance Accounts	0.0852	0.0984	0.0608
Bond and Interest Fund	0.1666	0.1610	0.1721
Audit Fund	0.0050	0.0049	0.0049
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1491	0.1361	0.1278
Total tax rate	0.6281	0.6208	0.5908
Tax Extensions:			
Educational Accounts	\$ 6,040,847	\$ 5,393,655	\$ 5,104,379
Operations and Maintenance Accounts	2,226,864	2,352,949	1,372,292
Bond and Interest Fund	4,354,170	3,849,541	3,883,385
Audit Fund	130,654	117,863	109,865
Liability, Protection, Settlement, Social Security, and Medicare Accounts	3,896,098	3,254,490	2,882,873
Total tax extensions	\$ 16,648,633	\$ 14,968,498	\$ 13,352,794
Tax Collections to June 30:			
Education Fund	\$ 42,318	\$ 5,351,086	\$ 5,212,631
Operations and Maintenance Fund	9,527	1,195,202	1,126,317
Bond and Interest Fund	31,749	3,910,820	3,984,468
Audit Fund	953	119,739	112,724
Protection, Health, Safety	6,711	1,195,202	281,695
Liability, Protection, and Settlement Fund	28,409	3,306,297	2,957,913
Total tax collections	\$ 119,667	\$ 15,078,346	\$ 13,675,748
Percent of extensions collected	0.72 %	100.73 %	102.42 %

Schedule of Credit Hour Data

Independent Accountant's Report on Credit Hour 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's (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 Credit Hour Data and Other Bases Upon Which Claims Are Filed during the period July 1, 2024 through June 30, 2025. 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 AICPA. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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 Carl Sandburg College - Community College District 518 complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Credit Hour Data and Other Bases Upon Which Claims Are Filed is fairly stated, in all material respects.

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

Wipfli LLP

Sterling, Illinois
November 6, 2025

**Carl Sandburg College - Community College District 518
SCHEDULE OF CREDIT HOUR DATA AND OTHER BASES
UPON WHICH CLAIMS ARE FILED
YEAR ENDED JUNE 30, 2025**

Total Reimbursable Semester Credit Hours by Term				
Credit Hour Categories	Summer Term		Fall Term	
	Unrestricted	Restricted	Unrestricted	Restricted
	Hours	Hours	Hours	Hours
Baccalaureate	1,976.0	0.0	8,415.5	0.0
Business Occupational	45.0	0.0	294.5	0.0
Technical Occupational	28.0	0.0	618.0	0.0
Health Occupational	631.0	0.0	2,397.5	0.0
Remedial/Developmental	28.0	0.0	364.0	0.0
Adult Education	27.00	0.0		0.0
Total	2,735.0	0.0	12,089.5	0.0

Credit Hour Categories	Spring Term		Total All Terms	
	Unrestricted	Restricted	Unrestricted	Restricted
	Hours	Hours	Hours	Hours
Baccalaureate	8,126.0	0.0	18,517.5	0.0
Business Occupational	287.0	0.0	626.5	0.0
Technical Occupational	651.0	6.0	1,297.0	6.0
Health Occupational	1,985.5	0.0	5,014.0	0.0
Remedial/Developmental	186.0	0.0	578.0	0.0
Adult Education	6.00	0.0	33.0	0.0
Total	11,241.5	6.0	26,066.0	6.0

In-District (All terms)		
	Unrestricted	Restricted
	Hours	Hours
Reimbursable Credit Hours:	21,479.0	6.00

Credit Hours on Chargeback or Contractual Agreement: 0.0

	Dual Credit (All Terms)		Dual Enrollment (All Terms)	
	Unrestricted	Restricted	Unrestricted	Restricted
	Hours	Hours	Hours	Hours
Reimbursable Credit Hours:	5,471.5	0.0	18.0	0.0

District Equalized Assessed Valuation: 2,630,968,919

Correctional Semester Credit Hours				
Credit Hour Categories	Summer	Fall	Spring	Total
	Correctional	Correctional	Correctional	Correctional
	Hours	Hours	Hours	Hours
Baccalaureate	0.0	0.0	0.0	0.0
Business Occupational	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0


Chief Executive Officer


Chief Financial Officer

**Carl Sandburg College - Community College District 518
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 2025**

Total Reimbursable Semester Credit Hours			
<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit Unrestricted Hours</u>	<u>Certified to ICCB Unrestricted Hours</u>	
Baccalaureate	18,517.5	18,517.5	-
Business Occupational	626.5	626.5	-
Technical Occupational	1,297.0	1,297.0	-
Health Occupational	5,014.0	5,014.0	-
Remedial/Developmental	578.0	578.0	-
Adult Education	33.0	33.0	-
Total:	26,066.0	26,066.0	-

<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit Restricted Hours</u>	<u>Certified to ICCB Restricted Hours</u>	
Baccalaureate	0.0	0.0	-
Business Occupational	0.0	0.0	-
Technical Occupational	6.0	6.0	-
Health Occupational	0.0	0.0	-
Remedial/Developmental	0.0	0.0	-
Adult Education	0.0	0.0	-
Total:	6.00	6.00	-

	Total	Total	<u>Difference</u>
	<u>Reported in Audit Unrestricted Hours</u>	<u>Certified to ICCB Unrestricted Hours</u>	
In-District Credit Hours:	21,479.0	21,479.0	-
Dual Credit Hours:	5,471.5	5,471.5	-
Dual Enrollment Hours:	18.0	18.0	-

	Total	Total	<u>Difference</u>
	<u>Reported in Audit Restricted Hours</u>	<u>Certified to ICCB Restricted Hours</u>	
In-District Credit Hours:	6.00	6.00	-
Dual Credit Hours:	0.0	0.0	-
Dual Enrollment Hours:	0.0	0.0	-

Total Correctional Semester Credit Hours			
<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit Unrestricted Hours</u>	<u>Certified to ICCB Unrestricted Hours</u>	
Baccalaureate	0.0	0.0	-
Business Occupational	0.0	0.0	-
Technical Occupational	0.0	0.0	-
Health Occupational	0.0	0.0	-
Remedial/Developmental	0.0	0.0	-
Adult Education	0.0	0.0	-
Total:	-	-	-

<u>Credit Hour Categories</u>	Total	Total	<u>Difference</u>
	<u>Reported in Audit Restricted Hours</u>	<u>Certified to ICCB Restricted Hours</u>	
Baccalaureate	0.0	0.0	-
Business Occupational	0.0	0.0	-
Technical Occupational	0.0	0.0	-
Health Occupational	0.0	0.0	-
Remedial/Developmental	0.0	0.0	-
Adult Education	0.0	0.0	-
Total:	-	-	-

Carl Sandburg College - Community College District 518

Notes to Schedule of Credit Hour 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 Records Department 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 enrolment 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 changes in our online system.

The student's signature on the forms mentioned above indicates that he/she is able to produce appropriate documentation to certify 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

Compliance Section

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit Carl Sandburg College - Community College District 518, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Carl Sandburg College - Community College District 518's basic financial statements, and have issued our report thereon dated November 6, 2025. The financial statements of Carl Sandburg College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Carl Sandburg College Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Carl Sandburg College - Community College District 518's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carl Sandburg College - Community College District 518's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Wipfli LLP is written in a black, cursive script font. The word "Wipfli" is larger and more prominent, with "LLP" in a smaller, simpler font to its right.

Wipfli LLP

Sterling, Illinois
November 6, 2025

Form of Continuing Disclosure Undertaking

**FORM OF
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the “*District*”), in connection with the issuance of \$ _____ General Obligation Community College Bonds, Series 2026 (the “*Bonds*”). The Bonds are being issued pursuant a resolution adopted by the Board of Trustees of the District on the 28th day of May, 2026, as supplemented by a notification of sale (together, the “*Resolution*”).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of the Official Statement:

FINANCIAL INFORMATION

- Trend of EAV
- EAV by County
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Repayment Schedule
- Debt Statement (with respect to the District’s debt only)
- Debt Ratios (with respect to the District’s debt only)

SUMMARY OF OPERATING RESULTS

- Combined Educational Fund and Operations and Maintenance Fund Revenue Sources
- Budget Summary

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated June __, 2026, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to

the extent the District remains legally liable for the payment of such Bonds; *provided, however*, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market. The District will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any

information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY COLLEGE DISTRICT NO. 518,
COUNTIES OF KNOX, WARREN, HENDERSON,
MERCER, STARK, FULTON, HANCOCK,
HENRY, McDONOUGH AND SCHUYLER AND
STATE OF ILLINOIS

By _____
Chair, Board of Trustees

Date: June 18, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (499635)
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	

Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

AND

BID FORM

FOR

**COMMUNITY COLLEGE DISTRICT NO. 518
COUNTIES OF KNOX, WARREN, HENDERSON, MERCER, STARK, FULTON,
HANCOCK, HENRY, McDONOUGH AND SCHUYLER AND STATE OF ILLINOIS
(CARL SANDBURG)**

\$39,530,000* GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2026

DATE AND TIME: June 1, 2026
10:30 a.m.
Central Daylight Saving Time

PLACE: PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Attention: Addison Heffron
Phone: (630) 657-6578
E-mail: compbidIL@pmanetwork.com

FORM OF BIDDING: Electronic or via e-mail, as described herein

*Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

**COMMUNITY COLLEGE DISTRICT NO. 518
COUNTIES OF KNOX, WARREN, HENDERSON, MERCER, STARK, FULTON,
HANCOCK, HENRY, McDONOUGH AND SCHUYLER AND STATE OF ILLINOIS
(CARL SANDBURG)**

\$39,530,000* GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 2026

NOTICE IS HEREBY GIVEN that the Board of Trustees (the “Board”) of Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to compbidIL@pmanetwork.com (each as more fully described below), for the purchase of its \$39,530,000* General Obligation Community College Bonds, Series 2026 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:30 a.m.
Central Daylight Saving Time
June 1, 2026

PLACE: Offices of the District’s Municipal Advisor:
PMA Securities, LLC (the “Municipal Advisor”)
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by the designated officials of the Board and the District to the bidder offering the *lowest true interest cost* (“TIC”) to the District.

The Bonds

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto and a bond resolution adopted by the Board on May 28, 2026, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to pay (i) presently outstanding and unpaid claims against the District, as more fully described in the Preliminary Official Statement, (ii) certain interest on the Bonds and (iii) costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

*Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, other than the interest due on the Bonds on December 30, 2026, which interest will be paid from proceeds of the Bonds. The Bond Resolution will be filed with the County Clerks of The Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler, Illinois (collectively, the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

The proposed form of opinion of Bond Counsel regarding the Bonds is set forth in Appendix A to the Preliminary Official Statement.

Bidding Instructions

Each proposal must be submitted on the Official Bid Form without alteration or change until 10:30 a.m. Central Daylight Saving Time either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to compbidIL@pmanetwork.com.

The bidder bears all risk of transmission failure.

Any bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on May 29, 2026.

Determination of Winning Bid

The Bonds will be awarded to the single and best bidder (the “Purchaser”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds (commencing on December 30, 2026 and semiannually on each June 30 and December 30 thereafter), produces an amount on the date of the Bonds (expected to be June 18, 2026) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

Bidding Parameters

The Bonds will be dated the date of issuance thereof and will mature on the dates and in the amounts as described in the Official Bid Form attached hereto.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

Any bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

All interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.00%. The minimum rate of interest is 4.00% on the December 30, 2036 maturity and all maturities thereafter. All bids must be for all of the Bonds and must be for not less than 103.70% of the par amount thereof.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing this Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting a bid, the Purchaser agrees to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

A good faith deposit will not be required prior to bid opening. The Purchaser is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for TWO PERCENT OF PAR payable to the Treasurer of the District as evidence of good faith of the Purchaser (the "Deposit") not later than 3:30 P.M. Central Daylight Saving Time on the Sale Date (as hereinafter defined). The Deposit will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of the Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied as follows: (a) at the delivery of the Bonds and upon compliance with the Purchaser's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Purchaser fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Establishment of Issue Price

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor, identified herein, and any notice or report to be provided to the District may be provided to the Municipal Advisor. Within one hour of the award, the Purchaser will provide the District and the

Municipal Advisor the expected initial offering price of the Bonds, which the Purchaser used to formulate its bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District will disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders will have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, any bid proposal submitted will not be subject to cancellation or withdrawal, and the District agrees to use the rules selected by the Purchaser on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the “10% Test” which will establish the issue price of a maturity of the Bonds as the first price at which 10% of such maturity of the Bonds is sold to the Public and/or (ii) the “Hold-the-Offering-Price Rule” which will establish the issue price of a maturity of the Bonds as the initial offering price of that maturity, in each case applied on a maturity-by-maturity basis. If the Purchaser selects the Hold-the-Offering-Price Rule, the Purchaser shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds have not satisfied the 10% Test and will be subject to the Hold-the-Offering-Price Rule. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test, as selected on the bid form, in order to establish the issue price of the Bonds. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.***

(d) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the Hold-the-Offering-Price Rule**, then the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields set forth in the bid submitted by the Purchaser and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule

shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Purchaser will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the 10% Test**, then until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the Public or it is notified by the Purchaser that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,

(B) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public, and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,
- (ii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),
- (iii) “Sale Date” means the date that the Bonds are awarded by the District to the Purchaser, and
- (iv) “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Closing Transcript

At the time of delivery, the District will furnish to the Purchaser the approving legal opinion of Bond Counsel and, in due course, a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

Bond Insurance at Purchaser’s Option

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. The Purchaser, upon being advised of the successful bid, shall notify the Municipal Advisor of its intent to obtain bond insurance. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Tax Exemption

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” in the Preliminary Official Statement for a more complete discussion.

Book-Entry Only

The Bonds will be issued as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Purchaser shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denominations of \$5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same maturity then outstanding to the beneficial owners of the Bonds.

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Purchaser.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required

under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance during the last five years with undertakings previously entered into by it pursuant to the Rule.

The Purchaser’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

Official Statement

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Purchaser. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Purchaser will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Purchaser with an electronic copy of the final Official Statement. The Purchaser agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Conditions of Closing

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the Parity® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the Purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be June 18, 2026. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the Purchaser, the District may cancel the award or the Purchaser may withdraw the Deposit and thereafter the Purchaser’s interest in and liability for the Bonds will cease.

Additional Information

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: Leslie T. Anderson, Vice President of Business & Finance/CFO, 2400 Tom L. Wilson Boulevard, Galesburg, Illinois 61401, Telephone: (309) 344-2518, or from the Municipal Advisor, Attention: Addison Heffron, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563, Telephone: (630) 657-6578.

By order of the Board of Trustees of the District, dated this 22nd day of May 2026.

/s/ Leslie T. Anderson

Vice President of Business and Finance/CFO
Community College District No. 518, Counties of
Knox, Warren, Henderson, Mercer, Stark, Fulton,
Hancock, Henry, McDonough and Schuyler and State
of Illinois

OFFICIAL BID FORM

Board of Trustees

June 1, 2026

Community College District No. 518

Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation Community College Bonds, Series 2026 (the "Bonds"), as described below:

Par amount of Bonds:	\$39,530,000*
Dated date:	Date of Issuance
Purchase price:	\$ _____
(not less than 103.70% of the par amount of the Bonds)	

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1%, (ii) not exceeding 5.00% and (iii) a minimum of 4.00% on the December 30, 2036 maturity and all maturities thereafter):

<u>Maturity</u> <u>(December 30)</u>	<u>Amount (\$)*</u>	<u>Rate</u>	<u>Term Bonds</u> <u>(Year)</u>
2028	10,000	_____	_____
2029	1,245,000	_____	_____
2030	1,515,000	_____	_____
2031	1,800,000	_____	_____
2032	2,110,000	_____	_____
2033	2,435,000	_____	_____
2034	2,795,000	_____	_____
2035	3,165,000	_____	_____
2036	3,575,000	_____	_____
2037	3,985,000	_____	_____
2038	4,415,000	_____	_____
2039	4,870,000	_____	_____
2040	5,345,000	_____	_____
2041	2,265,000	_____	_____

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If the principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

If insured, please insert the name of insurer _____ and amount of the premium \$ _____. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder (the "Purchaser"). Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Any bidder electing to designate a maturity as a term bond shall so specify on the bid form. The term bond shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

The Bonds are to be accompanied by the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost: \$ _____
True Interest Cost: _____ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. If the Competitive Sale Requirements are not met, the bidder selects the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof applied on a maturity-by-maturity basis (mark one):

_____ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _____

_____ Hold-the-Offering-Price Rule: the initial offering price of that maturity for the following maturities: _____

By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder, we will deposit with the Treasurer of the District not later than 3:30 P.M. CDT on the Sale Date a certified or cashier's check or a wire in the amount of two percent (2%) of the par amount of the Bonds payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

Managing Underwriter Signature

Name of Firm:

Direct Contact:

Address:

Phone Number:

E-Mail Address:

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 1st day of June, 2026, by the Board of Trustees of Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois, and in recognition thereof is signed by the official of the District empowered and authorized to make such acceptance.

Vice President of Business and Finance/CFO
Community College District No. 518,
Counties of Knox, Warren, Henderson,
Mercer, Stark, Fulton, Hancock, Henry,
McDonough and Schuyler and State of Illinois

Form of Issue Price Certificate

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$ _____ General Obligation Community College Bonds, Series 2026 (the “*Bonds*”), of Community College District No. 518, Counties of Knox, Warren, Henderson, Mercer, Stark, Fulton, Hancock, Henry, McDonough and Schuyler and State of Illinois (the “*District*”).

I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the District by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. PRICE

Competitive Sale Requirements Met – 3 Bids Received

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

3 Bids Not Received – At Least 10% of Each Maturity Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Expected First Sale Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

2. Expected First Sale Price.

With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any Price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Hold-the-Offering-Price Rule

1. As of the date of this certificate, for each of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

2. (a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

(b) As set forth in the Official Notice of Sale and the Official Bid Form, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. DEFINED TERMS

[1. “*General Rule Maturities*” means those Maturities of the Bonds not listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (said fifth business day being _____, 2026), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is June 1, 2026.

8. “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. USE OF REPRESENTATIONS

The present value of the fees paid and to be paid to _____
for insuring the Bonds (the “*Credit Facility*”) (using as a discount rate the expected yield on the

Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Credit Facility. The fees paid and to be paid for the Credit Facility does not exceed a reasonable, arm's-length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

V. USE OF REPRESENTATIONS

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this 18th day of June, 2026.

_____,

By: _____
Title: _____

EXHIBIT A

The Bonds are dated June 18, 2026, and are due on December 30 of the years and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

HOLD-THE-OFFER-PRICE MATURITY IF MARKED (*)	YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	[EXPECTED] FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)]	[EXPECTED] FIRST SALE PRICE OF AT LEAST 10% [/ TOTAL ISSUE PRICE (\$)]	[INITIAL OFFERING PRICE (% OF PAR)]	[INITIAL OFFERING PRICE [/ TOTAL ISSUE PRICE (\$)]	[TOTAL ISSUE PRICE (\$)]
	2028							
	2029							
	2030							
	2031							
	2032							
	2033							
	2034							
	2035							
	2036							
	2037							
	2038							
	2039							
	2040							
	2041							

EXHIBIT B

[PURCHASER'S BID]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]