



Carl Sandburg College

2005 Comprehensive Annual Financial Report



Fiscal year ended June 30, 2005 • Community College District 518
2400 Tom L. Wilson Blvd., Galesburg, IL 61401

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
Galesburg, Illinois**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2005 and 2004**

Prepared by:

Finance Office
Lisa M. Blake, Chief Financial Officer and Treasurer

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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ILLINOIS COMMUNITY COLLEGE DISTRICT 518

The mission of Carl Sandburg College is to provide accessible, quality education in a caring environment by keeping the learner's needs at the center of decision making and by working in partnership with communities of the College district.

President's Letter

October 15, 2005

Ladies and Gentlemen of the Board:

I am pleased to submit to you and the residents of District 518 the Comprehensive Annual Financial Report for Fiscal Year 2005. This document presents the record of the College's financial operations for the year just ended.

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 of this achievement. In fiscal year 2005, we also substantially completed the implementation of new administrative software (Colleague) which will provide further improvements to our decision making process, as well as the presentation of information to all constituents of the College.

Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, retraining, upgrading their skills, maintaining certification, advancing in their profession or just taking a class or two. Forty-two percent of the college-bound students in District #518 attend Carl Sandburg College. The average class size is 12 students. Carl Sandburg College's typical student is 30 years of age, nine percent are an ethnic minority, 64 percent are women and 55 percent attend part-time. What they all have in common is that they come to Carl Sandburg College to learn. As the community's college, Carl Sandburg College is far more than a place where students can and do spend a year or two before moving on to four-year institutions both in Illinois and across the country. Students most commonly describe Carl Sandburg College as comfortable, reasonably priced, academic, and career oriented. Approximately 500 degrees and certificates are awarded every year. Over 13,000 degrees and certificates have been awarded since the College's inception.

I am grateful to the community which supports us, the students who enroll with us, and the trustees who govern us. And I am proud of and thankful for all the employees who work with unflagging dedication to make Carl Sandburg College, a learning place where, in so many ways, people who come to learn are empowered to reach for their future.

Respectfully,

Thomas A. Schmidt
President



Galesburg • Carthage • Bushnell

ILLINOIS COMMUNITY COLLEGE DISTRICT 518

The mission of Carl Sandburg College is to provide accessible, quality education in a caring environment by keeping the learner's needs at the center of decision making and by working in partnership with communities of the College district.

Transmittal Letter

October 15, 2005

To President Schmidt,
Members of the Board of Trustees, and
Citizens of Carl Sandburg College District No. 518:

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2005, 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.

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), National Association of College and University Business Officers (NACUBO) 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. State statutes require an annual audit by independent certified public accountants. The accounting firm of Clifton Gunderson LLP was selected by the College's Board of Trustees. Their report is included as part of the financial presentation.

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.

The CAFR is presented in four sections: introductory, financial, statistical and special reports. The introductory section includes the President's Letter, this transmittal letter, the College's principal officials, an organization chart and the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the report of independent accountants, the management's discussion and analysis, the basic financial statements, notes to financial statements and supplemental financial information. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis. The special reports section includes uniform financial statements, the certificate of chargeback reimbursement, grant financial statements and enrollment schedules required by the Illinois Community College Board, together with the related auditors' reports.

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 3-12), which focuses on current activities, accounting changes and currently known facts.

VISION, MISSION AND VALUES

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College's district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage and an extension center in Bushnell. We serve a diverse group of students. In the Fall of 2004, the College enrolled 3,575 students, with an average age of 31 years. Women represented 64 percent of the student body. Nearly 90 percent of the students were employed, and 55 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

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

	<u>2000</u>	<u>2001</u>	Fall <u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005*</u>
Fall College enrollment	3,220	3,341	3,441	3,554	3,575	3,260
Annual Full-time equivalents	1,661	1,781	1,999	2,251	2,392	2,443
Continuing Education Credit Hours	1,586	1,406	1,440	1,167	1,282	1,378
<u>Total Annual Credit Hours</u>	49,830	53,430	59,970	67,530	71,760	73,314

*Projected

The College has the resources required to serve student enrollment. In 2001, the North Central Association of College and Schools continued accreditation for ten years and indicated that fiscal management was a strong asset of the College.

The College's mission is as follows:

Provide accessible, quality education in a caring environment by keeping the learner's needs at the center of decision making and by working in partnership with communities of the College district.

Following a comprehensive institutional planning process, the Board of Trustees adopted a set of six focal points each with goals designed to shape departmental, programmatic, and individual decision making.

- I. Learning
 - A. Promote and support student learning at the classroom, program, and school levels.
 - B. Provide and maintain resources, which enable and enhance student retention and learning.
 - C. Promote and support local research on the learning process.
- II. Caring Environment
 - A. Shape an environment that recognizes the need for diversity.
 - B. Create opportunities for all within the College community to interact with understanding, tolerance, and respect for others.
 - C. Promote sensitivity to individual needs and aspirations of those throughout the College community.
 - D. Promote organizational development as a long-range effort to improve the College's problem-solving and renewal process.

- III. Technology
 - A. Establish and maintain effective technology in academic programs and support functions.
 - B. Upgrade employee skills in use of technology.
- IV. Cooperative Alliances
 - A. Develop programs in cooperation with neighboring institutions.
 - B. Maintain and expand alliances within and beyond the College district.
 - C. Support economic development activities.
- V. Stability
 - A. Establish/maintain an operating fund balance equal to 5-6 percent of the previous year's adopted budget.
 - B. Develop institutional shape/make-up that best addresses long-range fiscal concerns.
 - C. Maintain the College comprehensive Risk Management Program.
 - D. Maintain a competitive compensation program to enable the College to attract and retain a quality workforce.
 - E. Promote operating efficiencies to accommodate growth.
 - F. Promote the development of human resources.
 - G. Promote and develop information management systems that facilitate decision-making.
- VI. Assessment
 - A. Promote and support local research on the assessment process.
 - B. Promote student assessment at the course, program, and school levels.
 - C. Promote assessment as an institutional way of life.

We strive to keep the mission and focal points foremost in our decision-making processes.

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 component unit, the Carl Sandburg College Foundation.

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. Activities of the following fund groups and individual funds are included in the annual budget.

Fund Group

Fund

Current Unrestricted

Education
Operations and Maintenance
Enterprise
Capital Endowment

Current Restricted

Bond and Interest
Restricted Purposes/Workforce Investment Act
Nonexpendable Trust
Audit
Liability, Protection, and Settlement

Plant

Operations and Maintenance (Restricted)

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 AND OUTLOOK

Economic conditions in the communities served by Carl Sandburg College District 518 are such that many industries have moved from the area. Employees of these industries, which had become accustomed to earning comfortable wages, were left without many options. Many returned to the community college for a career change or further specialized training. As they completed this process, these individuals returned to the work force or left the area to seek other employment. Due to these factors, we anticipate a flat enrollment for the next couple of years and without other intervention, potential declines in the fiscal years beyond that. The loss of industry has affected our tax base; however future possibilities for the community look promising.

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

Levy Rates (Per \$100 of assessed valuation):

<u>Fund Type</u>	<u>Maximum Authority</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>State Avg. 2001</u>
Current:							
Education	0.1989	0.1989	0.2054	0.2057	0.2021	0.1801	.2108
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	.0566
Liability, Protection and Settlement	none	0.1095	0.1010	0.0872	0.0680	0.0683	.0496
Audit	0.0050	0.0050	0.0041	0.0041	0.0023	0.0017	.0019
Working Cash	none	0.0000	0.0000	0.0000	0.0000	0.0000	.0051
Social Security/Medicare	none	0.0083	0.0076	0.0076	0.0074	0.0074	
Bond and Interest	none	0.1813	0.1458	0.1425	0.1423	0.1171	.0276
Plant:							
Operations and Maintenance (Restricted) - Life Safety	0.0500	0.0000	0.0000	0.0071	0.0087	0.0500	.0183
Total		0.5530	0.5139	0.5042	0.4808	0.4746	.3580

Estimated assessed value of taxable property for 2004, for taxes collectible in 2005, is \$1,220,959,504.

The College's average collection rate over the past five years, including collection of back taxes, has been 99.9 percent.

The College's financial outlook for the future continues to be positive, albeit with some caution. As discussed earlier, the College's adult continuing education enrollments fluctuated over the past five years and have shown a 14 percent decline in the last year.

The College's capital improvement plan for fiscal year 2006 is designated primarily for investment in new equipment to allow the College to adequately support the educational programs with up-to-date equipment for instruction. The College continues to update the Customer Service area and to enhance the Student Service area. Additional commitments are for the Theatre Renovation Project, Computer Technology Refreshments and new furniture and equipment in the new Allied Health Building and the expanded Adult Education area. Funding will come from accumulated interest in the Strategic Technology Endowment Fund, SMART V funds, tech fees and barter dollars.

Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During the next year, it is anticipated that the College will issue no new debt.

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. Designation of depositories of College funds is approved by the Board of Trustees.

In the fiscal year ending June 30, 2005, the College's investments generated \$769,053 in investment income.

The College invests funds in an Operating Checking account at Wells Fargo Bank. The College's average rate on these funds was 2.26 percent. As of June 30, 2005, other investments were as follows:

<u>Investments</u>	<u>Amount</u>	<u>Percent</u>
Illinois Funds	\$ 46,569	.32%
Illinois School District Liquid Asset Fund	442,482	3.09
Municipal Bonds and U.S. Government Agency Securities	11,079,806	77.42
Certificates of Deposit	<u>2,743,000</u>	<u>19.17</u>
	<u>\$ 14,311,857</u>	<u>100.00%</u>

The College established a Risk Management Committee on July 25, 1991. Risk Management is the control function whereby exposures to manageable risks are subjected to a continual process of monitoring.

The objectives of the Carl Sandburg College Risk Management Program are:

1. To shield the College from fortuitous losses caused by injury, death, damage, destruction, depletion, or undermining of its human, physical, mechanical, and intangible assets.
2. To minimize the long range cost of controlling fortuitous losses through the reduction or elimination of claims, suits, awards, accidents, slow-downs, shut-downs, defense fees, fines, and premiums.
3. To reduce or eliminate exposures within and outside the College which increase the chance of fortuitous loss to the College personnel, financial assets, and the public.

AWARDS AND ACKNOWLEDGEMENTS

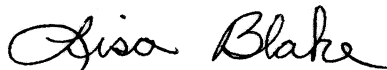
The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the second consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

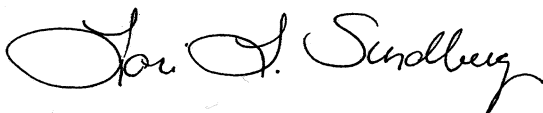
The Association of School Business Officials (ASBO) International has presented a Meritorious Budget Award for excellence in the preparation and issuance of its school system budget for the Fiscal Year 2004-2005. The Meritorious Budget Awards Program was designed by ASBO International and school business management professionals to enable school business administration to achieve excellence in budget presentation. The program helps school systems build a solid foundation in the skills of developing, analyzing, and presenting a budget. It reflects the commitment of the College body and staff to achieve the highest standards of school budgeting.

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

Respectfully submitted,



Lisa M. Blake
Chief Financial Officer



Lori L. Sundberg, DBA
Vice President of Administrative Services

CARL SANDBURG COLLEGE
Illinois Community College District No. 518
FY 2005-2006

Principal Officials as of July 1, 2005

Board of Trustees

	Position	Term Expires
Dr. D. Wayne Green	Chairperson	2009
Mr. John A. Kraus	Vice Chairperson	2007
Mr. Bruce A. Lauerman	Secretary	2007
Mr. Jack Ball	Trustee	2011
Mr. Thomas Colclasure	Trustee	2009
Mr. John T. Huston	Trustee	2011
Mr. William C. Robinson	Trustee	2011
Ms. Paige Rohweder	Student Representative	
Ms. Kim Norris	Faculty Representative	
Ms. Angela Strom	Staff Representative	

Officers of the College

Mr. Thomas A. Schmidt	President
Mr. Larry Benne	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Technology Services
Dr. Lori Sundberg	Vice President of Administrative Services

Administrative Staff

Ms. Gena Alcorn	Director of Foundation
Ms. Sherry Berg	Dean of Community & Extension Services
Ms. Lisa Blake	Chief Financial Officer/Treasurer
Mr. Larry Byrne	Director of Business Services
Ms. Sally Day	Director of Nursing
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Debra Miller	Director of the Branch Campus
Ms. Lisa Hanson	Director of Financial Aid
Mr. Jon Jackson	WIA Planner/Grant Writer
Ms. Jill Johnson	Director of TRIO Upward Bound
Ms. Gwendolyn Koehler	Dean of Adult & Developmental Education
Ms. Carol Kreider	Dean of Student Support Services
Ms. Misty Lewis	Director of TRIO Student Support Services
Ms. Elaine Long	Dean of Allied Health
Ms. Beverly Naslund	Director of the Extension Center
Mr. Mark Pflieger	Dean of Occupational Programs
Mr. G. Robert Richardson	Director of Educational Programs – H.C. Hill
Ms. Blanche Shoup	WIA Director
Dr. Connie Thurman	Director of the Center for Manufacturing Excellence
Mr. Michael Walters	Dean of Learning Resource Services/Evening Administrator

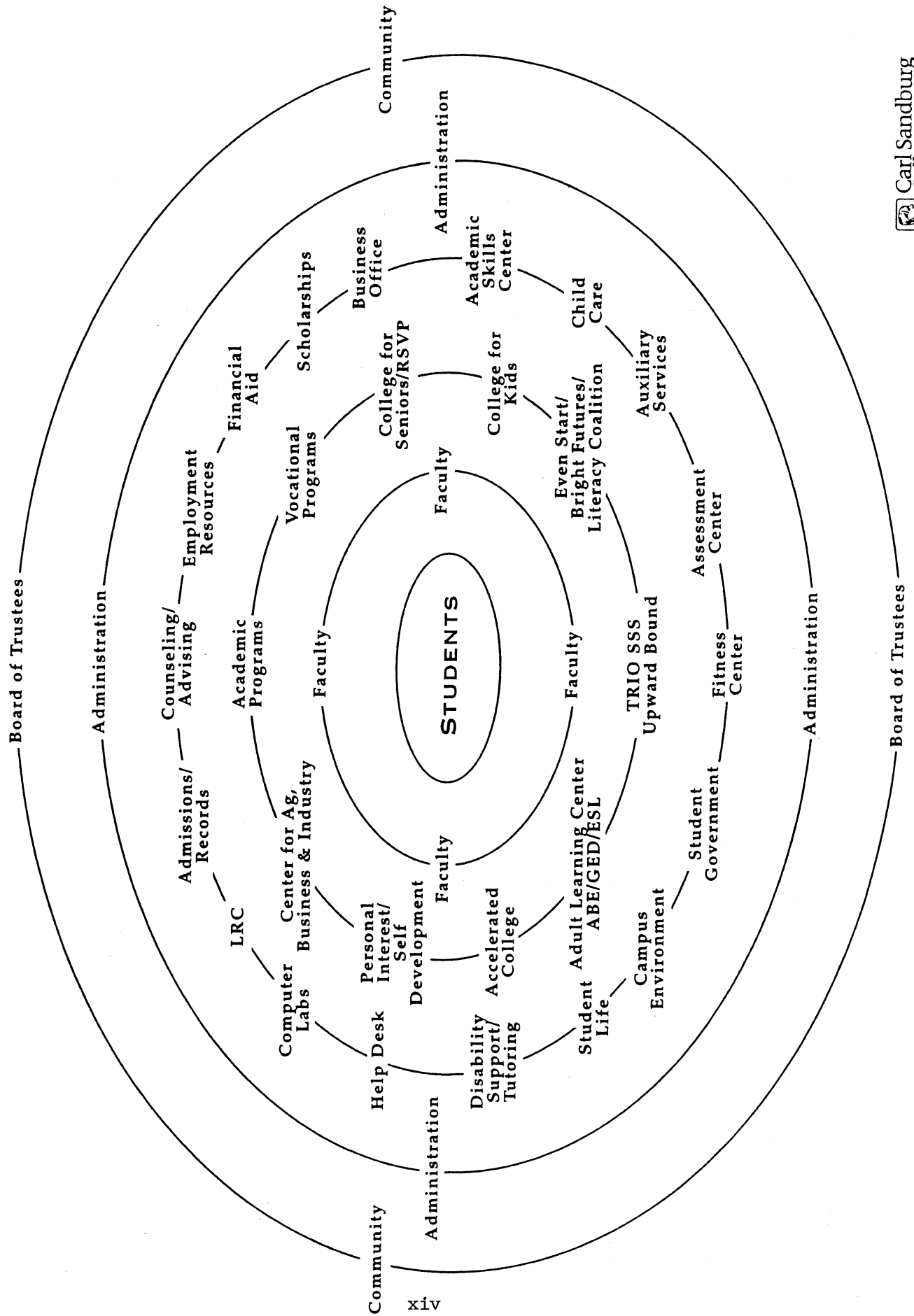
Official Issuing Report

Ms. Lisa Blake	Chief Financial Officer/Treasurer
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Department Issuing Report

Finance Office

COMMUNITY COLLEGE DISTRICT 518 CARL SANDBURG COLLEGE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carl Sandburg College
Community College District 518,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zelle

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

Independent Auditor's Report

Board of Trustees
Carl Sandburg College
Community College District No. 518
Galesburg, Illinois

We have audited the accompanying basic financial statements of Carl Sandburg College - Community College District No. 518 (the College) as of and for the years ended June 30, 2005 and 2004, and of its discretely presented component unit, Carl Sandburg College Foundation, as of and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Carl Sandburg College - Community College District No. 518 and of its discretely presented component unit, Carl Sandburg College Foundation, as of June 30, 2005 and 2004, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2005 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental financial information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the information contained in these sections.

Clifton Henderson LLP

Peoria, Illinois
September 2, 2005

Management's Discussion and Analysis

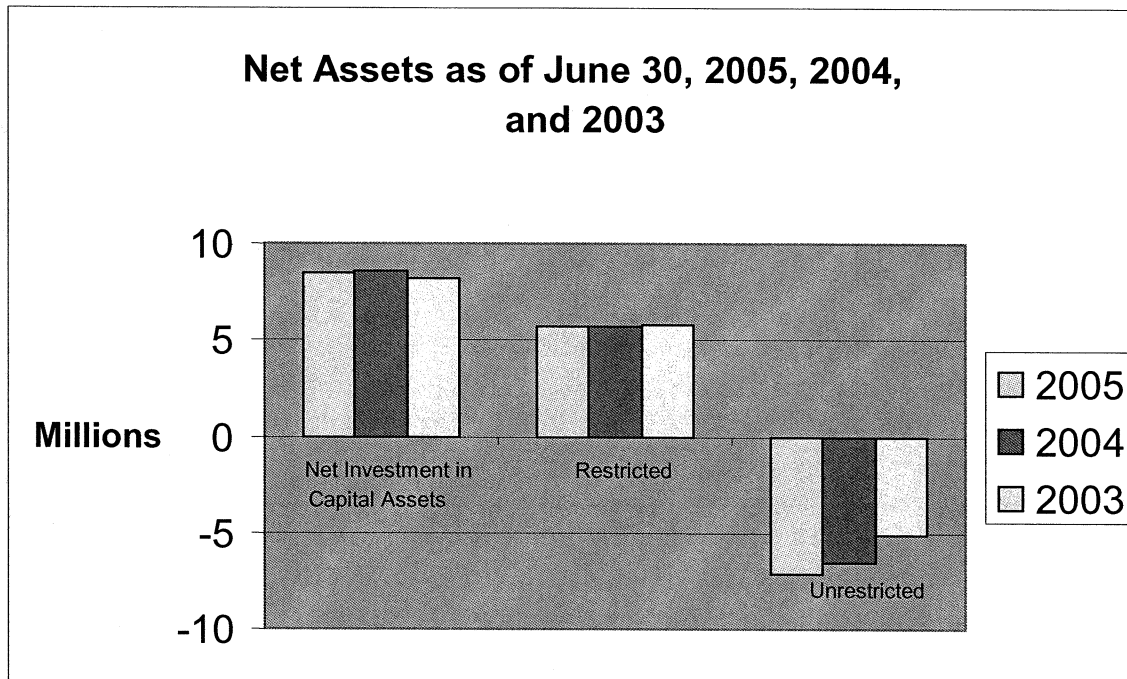
This section of Carl Sandburg College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2005 and June 30, 2004. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter (pages v-xii), the College's basic financial statements (pages 13-16), and the footnotes (pages 21-40). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The new financial statement format (implemented in the fiscal year ended June 30, 2003) focuses on the College as a whole. A comparative analysis is presented in this third year of reporting under this model. The College financial statements (see pages 13-16) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Assets 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 Assets focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

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

Financial Highlights



**Net Assets
As of June 30,
(in millions)**

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease) 2005-2004</u>	<u>2003</u>	<u>Increase (Decrease) 2004-2003</u>
Current Assets	15.7	16.7	-1.0	13.5	3.2
Non-current Assets					
Capital Assets, Net of Depreciation	18.9	18.5	0.4	18.0	0.5
Other	10.5	9.4	1.1	9.4	0.0
Total Assets	45.1	44.6	0.5	40.9	3.7
Current Liabilities	11.3	10.2	1.1	9.5	0.7
Non-current Liabilities	26.7	26.7	0.0	22.5	4.2
Total Liabilities	38.0	36.9	1.1	32.0	4.9
Net Assets					
Investment in Capital Assets, net	8.5	8.6	-0.1	8.2	0.4
Restricted for					
Debt Service	0.3	0.5	-0.2	0.6	-0.1
Insurance	5.4	5.2	0.2	5.2	0.0
Unrestricted	-7.1	-6.6	-0.5	-5.1	-1.5
Total	7.1	7.7	-0.6	8.9	-1.2

This schedule is prepared from the College's Statements of Net Assets (page 13) which are presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Fiscal Year 2005 Compared to 2004

Current assets have decreased \$1.0 million while the other non-current assets have increased \$1.1 million due to increased long-term investments in U.S. Government agency securities. Proceeds of the June 30, 2004 bond issuance continue to be used to renovate facilities.

Current liabilities increased \$1.1 million due to construction in progress to renovate facilities referred to above.

Total net assets at June 30, 2005 decreased by \$.6 million. The restricted net assets are reserved for \$.3 million of debt service payments and \$5.4 million of insurance reserve fund bonds.

Fiscal Year 2004 Compared to 2003

Current assets increased \$3.2 million primarily as a result of the June 30, 2004 bond closing. Proceeds were deposited into the operating account at closing.

Non-current liabilities increased \$4.2 million due to the bond issuance in June, 2004.

Total net assets at June 30, 2004 decreased by \$1.2 million. The increase in investment in capital assets, net of related debt, is due primarily to the purchase of the Colleague software for \$1.2 million. The restricted net assets are reserved for \$.5 million of debt service payments and \$5.2 million of insurance reserve fund bonds.

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

	<u>2005</u>	<u>2004</u>	Increase (Decrease) <u>2005-2004</u>	<u>2003</u>	Increase (Decrease) <u>2004-2003</u>
Operating Revenue					
Tuition and Fees	\$4.9	\$5.1	(\$0.2)	\$4.6	\$0.5
Auxiliary	0.5	0.5	0.0	0.4	0.1
Other	0.3	0.2	0.1	0.2	0.0
Total Operating Revenue	<u>5.7</u>	<u>5.8</u>	<u>(0.1)</u>	<u>5.2</u>	<u>0.6</u>
Less Operating Expenses	<u>30.6</u>	<u>30.9</u>	<u>(0.3)</u>	<u>27.1</u>	<u>3.8</u>
Operating Loss	(24.9)	(25.1)	0.2	(21.9)	(3.2)
Non-operating Revenue					
State Grants and Contracts	6.0	10.2	(4.2)	5.8	4.4
Federal Grants and Contracts	11.0	7.3	3.7	8.5	(1.2)
Property Taxes	6.6	6.4	0.2	6.0	0.4
Investment Income	0.8	0.1	0.7	1.1	(1.0)
Other	1.2	1.1	0.1	1.4	(0.3)
Total Non-operating Revenue	<u>25.6</u>	<u>25.1</u>	<u>0.5</u>	<u>22.8</u>	<u>2.3</u>
Non-operating Expense					
Interest Expense	<u>1.3</u>	<u>1.2</u>	<u>0.1</u>	<u>1.6</u>	<u>(0.4)</u>
Loss before state capital grants	(0.6)	(1.2)	0.6	(0.7)	(0.5)
State capital grants	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.7</u>	<u>(3.7)</u>
Increase (Decrease) in Net Assets	(0.6)	(1.2)	0.6	3.0	(4.2)
Net Assets, Beginning of Year	<u>7.7</u>	<u>8.9</u>	<u>(1.2)</u>	<u>5.9</u>	<u>3.0</u>
Net Assets, End of Year	<u>\$7.1</u>	<u>\$7.7</u>	<u>(\$0.6)</u>	<u>\$8.9</u>	<u>(\$1.2)</u>

Fiscal Year 2005 Compared to 2004

Total revenues and expenses (Operating and Non-Operating) for the year 2005 were \$31.3 million and \$31.9 million, respectively. Total revenues and expenses (Operating and Non-Operating) for the year 2004 were \$30.9 million and \$32.1 million, respectively.

Operating revenue decreased \$.1 million in part due to an increase in scholarship allowances.

Operating expenses as of June 30, 2005, decreased \$.3 million due to an increase in the area of Instruction for the Workforce Investment Act and a decrease in Institutional Support. In fiscal year 2004, the State University Retirement System (SURS) on-behalf payment from the state was \$4 million higher than 2005 due to a catch-up made in 2004 for previously under-funded years.

Non-operating revenue increased \$.5 million. The SURS on-behalf payment of \$1 million for June 30, 2005 is reflected as both operating expense and non-operating revenue, being shown as state grants. This is down from \$5 million in 2004 as referenced above. The Workforce Investment Act received \$3.0 million more in federal grants for fiscal year 2005. Investment income is up \$.7 million due to a steady increase in short term rates and the unrealized losses recorded in the investments in fiscal year 2004.

The College has begun construction of a new Allied Health building in FY 2005 to move the Mortuary Science program from a leased facility to an owned facility. Cosmetology will be moved from a leased facility to a renovated owned space in the Annex building. Adult Education/Family Literacy has moved into a larger newly renovated owned space on the main campus. The Fine Arts Building will undergo renovations. All of these projects are funded from the FY 2004 bond proceeds.

Fiscal Year 2004 Compared to 2003

Total revenues and expenses (Operating and Non-Operating) for the year 2004 were \$30.9 million and \$32.1 million, respectively. Total revenues and expenses (Operating and Non-Operating) for the year 2003 were \$31.7 million and \$28.7 million, respectively.

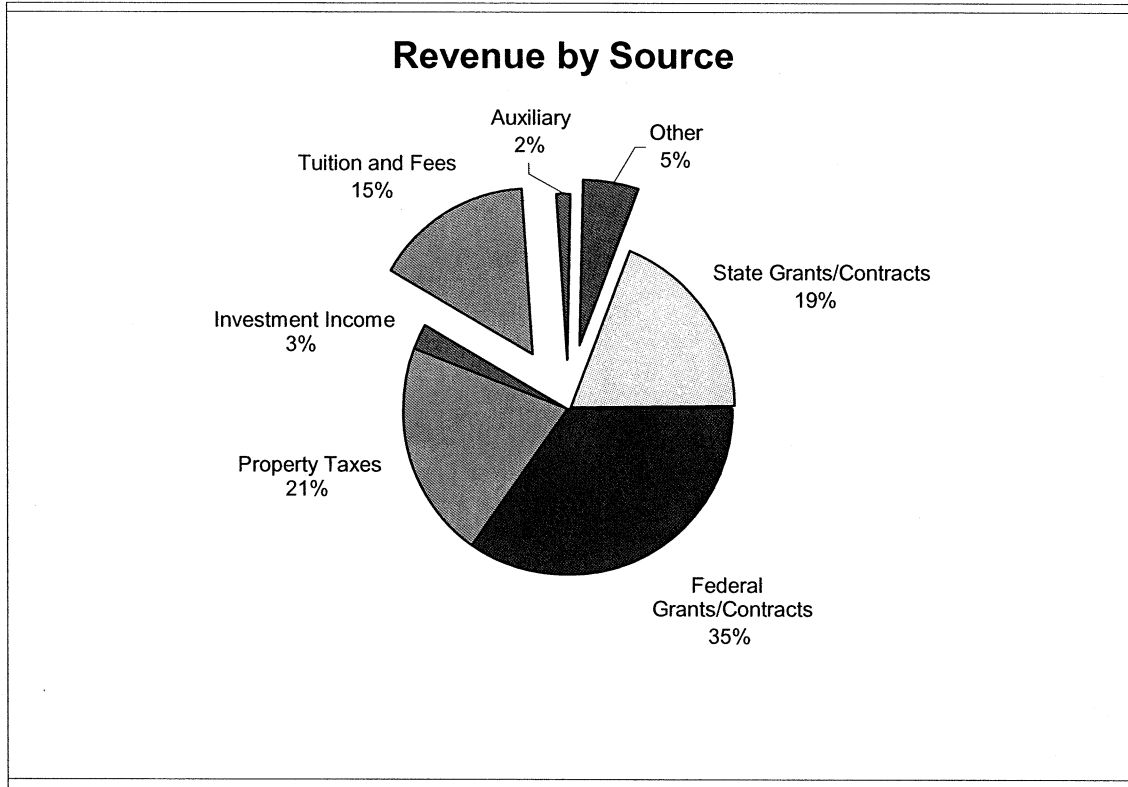
Operating revenue increased \$.6 million as a result of increased enrollment and higher tuition and fee rates.

Operating expenses reflect a \$3.8 million increase in the area of Institutional Support due to the State University Retirement System (SURS) on-behalf catch-up payment from the state for previously under-funded years.

Non-operating revenue increased \$2.3 million including the above significant SURS on-behalf payment. Investment income is down \$1 million primarily due to the unrealized losses recorded in the investments held in capital endowment and insurance reserve funds.

State Capital Grants of \$3.7 million received in FY 2003 were not received in FY 2004.

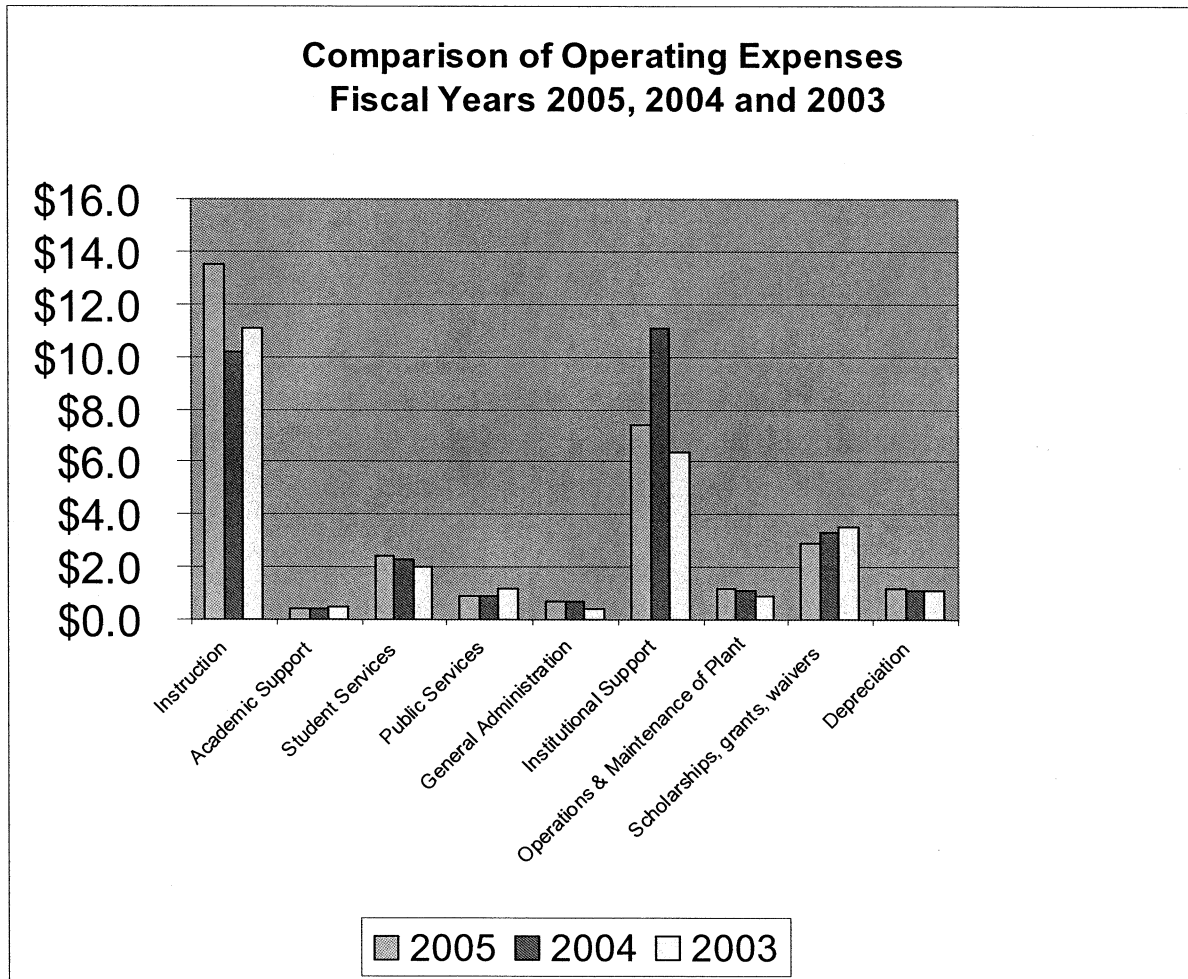
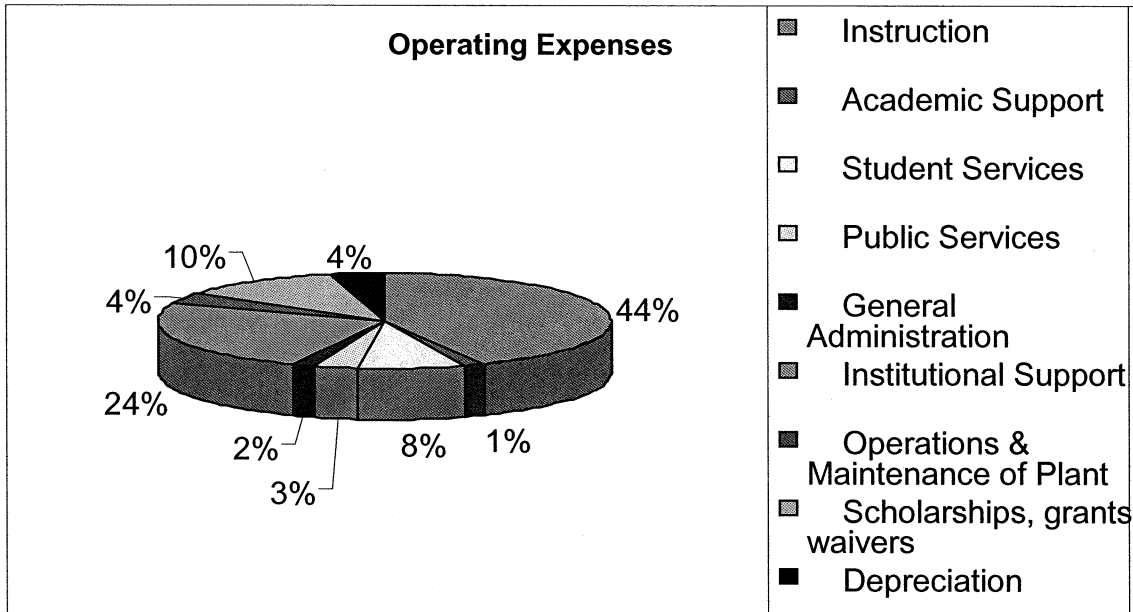
The following is a graphic illustration of revenues by source for the year ended June 30, 2005.



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

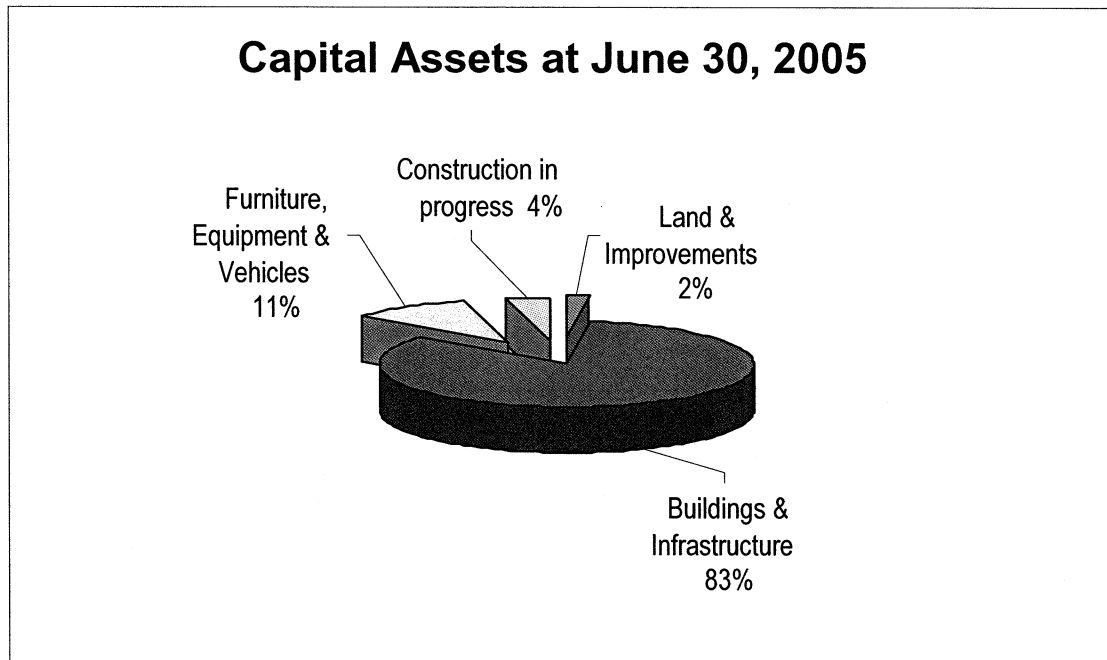
Operating Expense			Increase (Decrease)		Increase (Decrease)	
	<u>2005</u>	<u>2004</u>	<u>2005-2004</u>	<u>2003</u>	<u>2004-2003</u>	
Instruction	\$13.5	\$10.2	\$3.3	\$11.1	(\$0.9)	
Academic Support	0.4	0.4	0.0	0.5	(0.1)	
Student Services	2.4	2.3	0.1	2.0	0.3	
Public Services	0.9	0.9	0.0	1.2	(0.3)	
General Administration	0.7	0.7	(0.0)	0.4	0.3	
Institutional Support	7.4	11.0	(3.6)	6.4	4.6	
Operations & Maintenance of Plant	1.2	1.1	0.1	0.9	0.2	
Scholarships, grants, waivers	2.9	3.2	(0.3)	3.5	(0.3)	
Depreciation	1.2	1.1	0.1	1.1	0.0	
Total	\$30.6	\$30.9	(\$0.3)	\$27.1	\$3.8	

The following is a graphic illustration of operating expenses for the year ended June 30, 2005.



**Capital Assets, Net
June 30,
(in millions)**

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease) 2005-2004</u>	<u>2003</u>	<u>Increase (Decrease) 2004-2003</u>
Capital Assets					
Land & Improvements	\$0.6	\$0.6	\$0.0	\$0.6	\$0.0
Buildings & Infrastructure	25.8	25.8	0.0	25.6	0.2
Furniture, Equipment & Vehicles	3.3	2.0	1.3	1.7	0.3
Construction in progress	1.2	0.0	1.2	0.0	0.0
Deposit on Equipment	0.0	1.2	(1.2)	0.0	1.2
Total	30.9	29.6	1.3	27.9	1.7
Less Accumulated Depreciation	(12.0)	(11.1)	(0.9)	(9.9)	(1.2)
Net Capital Assets	\$18.9	\$18.5	\$0.4	\$18.0	\$0.5



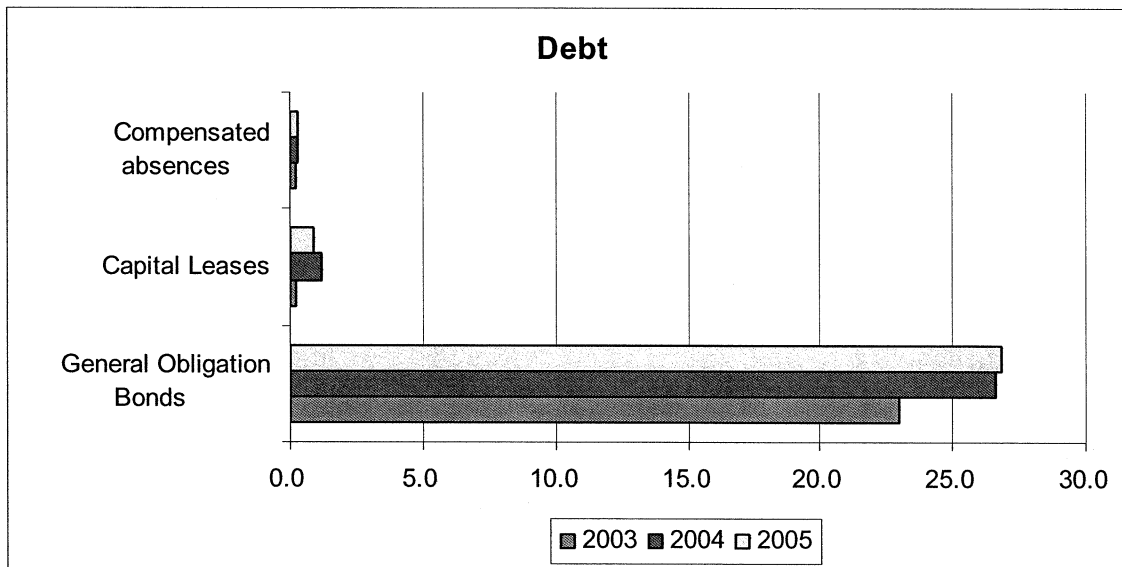
Fiscal Year 2005 Compared to 2004

As of June 30, 2005, the College had recorded \$30.9 million in capital assets, \$12.0 million in accumulated depreciation, and \$18.9 million in net capital assets. The College continues to construct and renovate facilities to eliminate lease costs in order to operate as efficiently and effectively as possible.

Fiscal Year 2004 Compared to 2003

As of June 30, 2004, the College had \$29.6 million in capital assets, \$11.1 million in accumulated depreciation, and \$18.5 million in net capital assets. The College has made significant investments in computer technology to continue to provide students with increased opportunities for learning.

	Debt June 30, (in millions)					
	<u>2005</u>	<u>2004</u>	Increase (Decrease)	<u>2003</u>	Increase (Decrease)	<u>2004-2003</u>
			<u>2005-2004</u>		<u>2004-2003</u>	
General Obligation Bonds	26.8	26.6	\$0.2	23.0	3.6	
Capital Leases	0.9	1.2	(\$0.3)	0.2	1.0	
Compensated absences	0.3	0.3	\$0.0	0.2	0.1	
Total	<u>28.0</u>	<u>28.1</u>	<u>(\$0.1)</u>	<u>23.4</u>	<u>4.7</u>	



Fiscal Year 2005 Compared to 2004

During fiscal year 2005 the College issued General Obligation Refunding Bonds, Series 2005. The proceeds of the bonds will be used to defease portions of both the Series 1999A general obligation bonds and Series 2000 general obligation bonds and to pay for certain costs associated with the issuance of the bonds. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to the Basic Financial Statements on pages 30-34.

Fiscal Year 2004 Compared to 2003

General Obligation Bonds increased due to the issuance of SMART V bonds on June 30, 2004. The new debt was issued to increase the Working Cash Fund by \$303,720, fund the Xerox and Access equipment purchases, fund supplemental retirement plan costs, make improvements to the F building, expand Adult Ed/Family Literacy facilities, construct an Allied Health building, and to move Mortuary Science and Cosmetology to owned facilities rather than leased.

Contacting the College's Financial Management

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF NET ASSETS
June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,634,796	\$ 1,936,621
Restricted cash	329,686	3,196,888
Short-term investments	2,743,000	2,965,759
Restricted short-term investments	578,224	799,473
Property taxes receivable	5,089,817	6,608,303
Other receivables	1,967,909	1,044,681
Due from Foundation	-	4,782
Prepaid items	99,461	110,283
Inventories	11,850	15,750
Other assets	269,622	37,020
Total current assets	<u>15,724,365</u>	<u>16,719,560</u>
NONCURRENT ASSETS		
Long-term investments	6,467,229	5,117,410
Restricted long-term investments	4,034,353	4,250,107
Capital assets	30,920,151	29,590,360
Less accumulated depreciation	<u>(12,050,384)</u>	<u>(11,046,990)</u>
Total noncurrent assets	<u>29,371,349</u>	<u>27,910,887</u>
TOTAL ASSETS	<u>\$ 45,095,714</u>	<u>\$ 44,630,447</u>
TOTAL LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,456,295	\$ 517,082
Accrued liabilities	916,145	1,079,970
Unearned tuition and fees	332,553	284,060
Unearned property taxes	6,751,906	6,616,051
Other unearned revenue	578,786	341,368
Accrued compensated absences, current portion	181,876	166,779
Bonds payable, current portion	975,000	735,000
Other long-term obligations, current portion	120,447	413,397
Total current liabilities	<u>11,313,008</u>	<u>10,153,707</u>
NONCURRENT LIABILITIES		
Accrued compensated absences, noncurrent	90,938	83,390
Bonds payable, noncurrent	25,830,000	25,865,000
Other long-term obligations, noncurrent	799,452	787,671
Total noncurrent liabilities	<u>26,720,390</u>	<u>26,736,061</u>
Total liabilities	<u>38,033,398</u>	<u>36,889,768</u>
NET ASSETS		
Invested in capital assets, net of related debt	8,550,315	8,595,943
Restricted - expendable:		
Debt service	279,545	547,427
Insurance	5,348,630	5,190,904
Unrestricted	<u>(7,116,174)</u>	<u>(6,593,595)</u>
Total net assets	<u>7,062,316</u>	<u>7,740,679</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 45,095,714</u>	<u>\$ 44,630,447</u>

These financial statements should be read only in connection with
the accompanying notes to basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of \$1,656,345 and \$1,010,721, respectively	\$ 4,859,100	\$ 5,092,586
Chargeback revenue	4,169	25,815
Auxiliary enterprises revenue	511,080	463,745
Other operating revenues	283,260	225,957
Total operating revenue	<u>5,657,609</u>	<u>5,808,103</u>
OPERATING EXPENSES		
Instruction	13,538,028	10,230,012
Academic support	382,153	377,591
Student services	2,449,913	2,308,639
Public services	914,062	937,695
General administration	648,724	645,397
Institutional support	7,378,444	11,051,913
Operation and maintenance of plant	1,189,908	1,093,949
Scholarships, student grants, and waivers	2,886,309	3,203,028
Depreciation	1,191,017	1,104,964
Total operating expenses	<u>30,578,558</u>	<u>30,953,188</u>
Operating loss	<u>(24,920,949)</u>	<u>(25,145,085)</u>
NONOPERATING REVENUES		
State grants	6,025,881	10,179,634
Property taxes	6,611,494	6,444,426
Personal property replacement tax	199,771	170,542
Federal grants	11,029,990	7,337,512
Local grants	222,086	256,708
Investment income	769,053	99,612
Other nonoperating revenues	754,352	633,094
Nonoperating revenues	<u>25,612,627</u>	<u>25,121,528</u>
NONOPERATING EXPENSES		
Interest expense	<u>1,370,041</u>	<u>1,159,447</u>
Net nonoperating revenues	<u>24,242,586</u>	<u>23,962,081</u>
DECREASE IN NET ASSETS	(678,363)	(1,183,004)
NET ASSETS		
Beginning of year	<u>7,740,679</u>	<u>8,923,683</u>
End of year	<u>\$ 7,062,316</u>	<u>\$ 7,740,679</u>

These financial statements should be read only in connection with
the accompanying notes to basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 4,911,762	\$ 5,286,490
Payments to suppliers	(10,258,918)	(8,304,429)
Payments to employees	(13,973,335)	(12,572,473)
Payments to students for scholarships	(3,571,605)	(3,347,666)
Auxiliary enterprise charges	510,568	466,966
Other	366,201	1,232,223
	<hr/>	<hr/>
Net cash used in operating activities	(22,015,327)	(17,238,889)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from property taxes	8,442,936	6,421,543
Proceeds from grants	16,491,411	12,337,598
	<hr/>	<hr/>
Net cash provided by noncapital financing activities	24,934,347	18,759,141
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,360,803)	(329,514)
Proceeds from issuance of long-term debt	9,434,147	6,678,896
Principal paid on bonds payable	(9,485,000)	(3,060,000)
Interest paid on bonds payable and other long-term obligations	(1,313,092)	(1,166,872)
Principal paid on other long-term obligations	(437,780)	(405,037)
	<hr/>	<hr/>
Net cash provided by (used in) capital and related financing activities	(3,162,528)	1,717,473
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	678,915	566,816
Proceeds from maturities of investment securities	4,161,100	3,092,000
Purchases of investment securities	(4,765,534)	(4,377,689)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	74,481	(718,873)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(169,027)	2,518,852
 CASH AND CASH EQUIVALENTS		
Beginning of year	<hr/> 5,133,509	<hr/> 2,614,657
End of year	<hr/> <u>\$ 4,964,482</u>	<hr/> <u>\$ 5,133,509</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (24,920,949)	\$ (25,145,085)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,191,017	1,104,964
State on-behalf payments for fringe benefits	842,599	5,467,348
Changes in assets and liabilities:		
Receivables	44,456	997,721
Other assets	37,973	47,810
Accounts payable	939,213	(66,607)
Accrued liabilities	(220,774)	332,120
Accrued compensated absences	22,645	(12,377)
Unearned tuition and fees	48,493	35,217
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (22,015,327)</u>	<u>\$ (17,238,889)</u>
 NONCASH INVESTING, CAPITAL, AND FINANCIAL		
Increase (decrease) in fair value of investments	<u>\$ 85,623</u>	<u>\$ (429,318)</u>
 Purchase of equipment under capital leases	<u>\$ 156,611</u>	<u>\$ 1,343,843</u>
 STATE ON-BEHALF PAYMENTS	<u>\$ 842,599</u>	<u>\$ 5,467,348</u>

These financial statements should be read only in connection with
the accompanying notes to basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2005 and 2004

ASSETS	<u>2005</u>	<u>2004</u>
Cash	\$ 180,558	\$ 208,752
Investments:		
Restricted	1,932,060	1,791,344
Unrestricted	611,437	540,400
Other receivables	<u>518,433</u>	<u>100</u>
 TOTAL ASSETS	 <u>\$ 3,242,488</u>	 <u>\$ 2,540,596</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Scholarships payable	\$ 32,050	\$ 41,450
Accounts payable - College	-	4,782
Other payables	<u>16,110</u>	<u>2,606</u>
 Total liabilities	 <u>48,160</u>	 <u>48,838</u>
 NET ASSETS		
Unrestricted	518,045	121,519
Temporarily restricted	1,198,837	966,265
Permanently restricted	<u>1,477,446</u>	<u>1,403,974</u>
 Total net assets	 <u>3,194,328</u>	 <u>2,491,758</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,242,488</u>	 <u>\$ 2,540,596</u>

These financial statements should be read only in connection with
the accompanying notes to basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2005 and 2004

	Unrestricted	Temporarily Restricted
REVENUES, GAINS, AND OTHER SUPPORT		
Contributions	\$ 541,898	\$ 139,469
Donated goods and facilities	118,565	-
Donated services	58,296	-
Income on investments	14,354	54,636
Special events, net of direct costs in the amount of \$20,259 and \$18,820	62,426	-
Net unrealized gains on investments	24,818	89,291
	820,357	283,396
Net assets released from restrictions: Satisfaction of program restrictions	50,824	(50,824)
Total revenues, gains, and other support	871,181	232,572
 EXPENSES AND LOSSES		
Program	204,516	-
Management and general	199,564	-
Fund raising	70,575	-
Total expenses and losses	474,655	-
 CHANGE IN NET ASSETS	396,526	232,572
 NET ASSETS AT BEGINNING OF YEAR	121,519	966,265
 NET ASSETS AT END OF YEAR	\$ 518,045	\$ 1,198,837

<u>2005</u>		<u>2004</u>			
<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 40,536	\$ 721,903	\$ 29,843	\$ 139,913	\$ 153,050	\$ 322,806
-	118,565	88,516	-	-	88,516
-	58,296	63,855	-	-	63,855
12,593	81,583	13,299	52,154	12,270	77,723
-	62,426	73,484	-	-	73,484
<u>20,343</u>	<u>134,452</u>	<u>30,396</u>	<u>123,593</u>	<u>29,280</u>	<u>183,269</u>
73,472	1,177,225	299,393	315,660	194,600	809,653
-	-	11,759	(11,759)	-	-
<u>73,472</u>	<u>1,177,225</u>	<u>311,152</u>	<u>303,901</u>	<u>194,600</u>	<u>809,653</u>
-	204,516	151,240	-	-	151,240
-	199,564	131,654	-	-	131,654
-	70,575	70,282	-	-	70,282
-	474,655	353,176	-	-	353,176
73,472	702,570	(42,024)	303,901	194,600	456,477
<u>1,403,974</u>	<u>2,491,758</u>	<u>163,543</u>	<u>662,364</u>	<u>1,209,374</u>	<u>2,035,281</u>
<u>\$ 1,477,446</u>	<u>\$ 3,194,328</u>	<u>\$ 121,519</u>	<u>\$ 966,265</u>	<u>\$ 1,403,974</u>	<u>\$ 2,491,758</u>

These financial statements should be read only in connection with the accompanying notes to basic financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
 STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 702,570	\$ 456,477
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gains on investments	(134,452)	(183,269)
Changes in operating assets and liabilities:		
(Increase) decrease in other receivables	(518,333)	2,497
Decrease in scholarships payable	(9,400)	(59,913)
Increase in other payables	<u>8,722</u>	<u>1,625</u>
Net cash provided by operating activities	<u>49,107</u>	<u>217,417</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(298,493)	(76,205)
Proceeds from sales of investments	<u>221,192</u>	<u>-</u>
Net cash used in investing activities	<u>(77,301)</u>	<u>(76,205)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable to bank	<u>-</u>	<u>(16,787)</u>
 NET INCREASE (DECREASE) IN CASH	(28,194)	124,425
 CASH AT BEGINNING OF YEAR	<u>208,752</u>	<u>84,327</u>
 CASH AT END OF YEAR	<u>\$ 180,558</u>	<u>\$ 208,752</u>

SUPPLEMENTAL DISCLOSURE OF INTEREST PAID

Cash paid for interest was \$47 during the year ended June 30, 2004.

These financial statements should be read only in connection with
 the accompanying notes to basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carl Sandburg College, Community College District No. 518 (College), established in 1966 under the Illinois Public Community College Act, provides baccalaureate, vocational, and continuing education courses to a ten county area located in central Illinois. The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

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

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989. The following is a summary of the more significant policies.

Adoption of New Accounting Standard

During the year ended June 30, 2004, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

Reporting Entity

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures (see Note 9) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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 or the fiscal year when use is first permitted, matching requirements, in which the College must provide local 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 Cash Equivalents

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

Investments

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

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, property tax levies passed in December 2004 are allocated and will be recognized as revenue in fiscal year 2006.

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 levy 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.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist primarily of supplies and are stated at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Capital assets include property, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. 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.

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

<u>Assets</u>	<u>Years</u>
Buildings and additions	40
Infrastructure	10
Furniture and equipment	3-5
Land improvements	10
Vehicles	3

Unearned Tuition and Fee Revenue

Tuition and fee revenues received and related to the period after June 30, 2005 have been deferred.

Long-term Debt

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

Compensated Absences

It is the College's policy to permit employees to accumulate earned but unused vacation benefits. These benefits vest and are accrued as liabilities as they are earned.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Workforce Development 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 Budget Revised Circular A-133 Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

On-Behalf Payments for Fringe Benefits and Salaries

The College recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement Systems on behalf of the College's employees. In fiscal years 2005 and 2004, the State made contributions of \$842,599 and \$5,467,348, respectively.

Net Assets

The College's net assets are classified as follows:

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

Restricted net assets - 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 and insurance are both 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 assets - 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 NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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, health insurance claims incurred but not reported, and the fair value of investments. Actual results could differ from those estimates.

Reclassifications

Certain amounts from 2004 have been reclassified to conform to the 2005 financial statements.

NOTE 2 - CASH AND INVESTMENTS

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.

Deposits

At June 30, 2005 and 2004, the entire amount of bank balances of the College's deposits (includes checking, savings, and money market accounts) was covered by federal depository insurance or by collateral held by the College's agent in the College's name.

Investments

Investments at June 30, 2005 and 2004 comprise the following at fair value:

	<u>2005</u>	<u>2004</u>
Certificates of deposit	\$ 2,743,000	\$ 2,743,100
Municipal bonds	8,921,675	9,248,394
U.S. Government agency securities	2,158,131	1,141,260
Illinois Funds	46,569	640,734
Illinois School District Liquid Asset Fund	<u>442,482</u>	<u>433,902</u>
	<u>\$ 14,311,857</u>	<u>\$ 14,207,390</u>

Certificates of deposit in the amount of \$2,272,000 are covered by collateral held by the College's agent in the College's name. The balance of certificates of deposit is covered by federal depository insurance.

Municipal bonds are backed by the full faith and credit of the municipal government, while U.S. Government agency securities are backed by the full faith and credit of the United States Government. These types of investments are held by a third-party agent in the College's name or by the trust department of a financial institution in the College's name.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments in the Illinois Funds and the Illinois School District Liquid Asset Fund differ from other investments of the College. These balances are the College's portion of an investment pool which is collateralized in total but no collateral is specifically pledged to the College. The Illinois School District Liquid Asset Fund and the Illinois Funds are State-approved professionally managed investment funds which enable school districts in Illinois to pool available funds for investment in various State approved investments. The fair value of the College's position in the pool is the same as the value of the pool shares.

As of June 30, 2005, the College had the following investments with stated maturities (amounts are in thousands).

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Certificates of deposit	\$ 2,743,000	\$ 2,743,000	\$ -	\$ -	\$ -
Municipal bonds	8,921,675	100,000	2,597,932	716,357	5,507,386
U.S. Government agency securities	<u>2,158,131</u>	<u>478,224</u>	<u>1,127,781</u>	<u>552,126</u>	<u>-</u>
Total	<u>\$ 13,822,806</u>	<u>\$ 3,321,224</u>	<u>\$ 3,725,713</u>	<u>\$ 1,268,483</u>	<u>\$ 5,507,386</u>

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.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to a debt investment will not fulfill its obligations. It is the College's policy to limit its investments in corporate paper to the three top ratings issued by at least two standard rating services. As of June 30, 2005, the College's investments in municipal bonds were rated Aaa, Aa1, Aa2, or Aa3 by Standard & Poor's, and/or AAA, AA+, or AA by Moody's Investors Service. The College's investments in Illinois Funds and Illinois School District Liquid Asset Fund were rated AAAM by Standard & Poor's. The College's investment policy also limits holding of corporate paper to no more than ten percent of its outstanding obligations.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a custodial credit risk policy. Of the College's \$11,079,806 investment in municipal bonds and U.S. Government agency securities, all of the underlying securities are held by the investment's counterparty in the name of the College.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

Reconciliations of cash and investments as shown on the statements of net assets follow:

	<u>2005</u>	<u>2004</u>
Petty cash	\$ 1,589	\$ 1,017
Carrying amount of cash deposits	4,473,842	4,057,851
Carrying amount of cash equivalents and investments	<u>14,311,857</u>	<u>14,207,390</u>
	<u>\$ 18,787,288</u>	<u>\$ 18,266,258</u>
Cash and cash equivalents	\$ 4,964,482	\$ 5,133,509
Short-term investments	3,321,224	3,765,232
Long-term investments	<u>10,501,582</u>	<u>9,367,517</u>
	<u>\$ 18,787,288</u>	<u>\$ 18,266,258</u>

NOTE 3 - CAPITAL ASSETS

Changes in the various capital asset categories during the year ended June 30, 2005 were as follows:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2005</u>
Nondepreciable:					
Land	\$ 399,483	\$ 6,000	\$ -	\$ -	\$ 405,483
Deposit on equipment	1,178,452	-	-	(1,178,452)	-
Construction in progress	-	1,170,747	-	-	1,170,747
Depreciable:					
Buildings and additions	23,621,022	23,712	-	-	23,644,734
Infrastructure assets	2,181,477	-	-	-	2,181,477
Furniture and equipment	1,750,847	300,914	(187,623)	1,178,452	3,042,590
Land improvements	208,602	-	-	-	208,602
Vehicles	<u>250,477</u>	<u>16,041</u>	<u>-</u>	<u>-</u>	<u>266,518</u>
Total cost	<u>\$ 29,590,360</u>	<u>\$ 1,517,414</u>	<u>\$ (187,623)</u>	<u>\$ -</u>	<u>\$ 30,920,151</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Accumulated depreciation for the year ended June 30, 2005 was as follows:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2005</u>
Buildings and additions	\$ 7,883,144	\$ 595,739	\$ -	\$ 8,478,883
Infrastructure assets	1,584,441	200,133	-	1,784,574
Furniture and equipment	1,327,009	329,668	(187,623)	1,469,054
Land improvements	73,562	15,603	-	89,165
Vehicles	<u>178,834</u>	<u>49,874</u>	<u>-</u>	<u>228,708</u>
Total accumulated depreciation	<u>\$ 11,046,990</u>	<u>\$ 1,191,017</u>	<u>\$(187,623)</u>	<u>\$ 12,050,384</u>

Changes in the various capital asset categories during the year ended June 30, 2004 were as follows:

	<u>Balance at July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Nondepreciable:				
Land	\$ 399,483	\$ -	\$ -	\$ 399,483
Deposit on equipment	-	1,178,452	-	1,178,452
Depreciable:				
Buildings and additions	23,423,590	197,432	-	23,621,022
Infrastructure assets	2,181,477	-	-	2,181,477
Furniture and equipment	1,491,509	259,338	-	1,750,847
Land improvements	208,602	-	-	208,602
Vehicles	<u>212,342</u>	<u>38,135</u>	<u>-</u>	<u>250,477</u>
Total cost	<u>\$ 27,917,003</u>	<u>\$ 1,673,357</u>	<u>\$ -</u>	<u>\$ 29,590,360</u>

Accumulated depreciation for the year ended June 30, 2004 was as follows:

	<u>Balance at July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Buildings and additions	\$ 7,291,012	\$ 592,132	\$ -	\$ 7,883,144
Infrastructure assets	1,381,086	203,355	-	1,584,441
Furniture and equipment	1,083,210	243,799	-	1,327,009
Land improvements	57,959	15,603	-	73,562
Vehicles	<u>128,759</u>	<u>50,075</u>	<u>-</u>	<u>178,834</u>
Total accumulated depreciation	<u>\$ 9,942,026</u>	<u>\$ 1,104,964</u>	<u>\$ -</u>	<u>\$ 11,046,990</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 3 - CAPITAL ASSETS (CONTINUED)

The College is purchasing computer software through an installment contract. As this equipment was not placed in service at June 30, 2004, it was then included as deposit on equipment and not depreciated. It is now being depreciated.

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, 2005:

	<u>Balance June 30, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2005</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Long-term debt:						
General obligation bonds and certificates	\$ 26,600,000	\$ 9,690,000	\$ 9,485,000	\$ 26,805,000	\$ 975,000	\$ 25,830,000
Capital leases	1,155,838	156,611	392,550	919,899	120,447	799,452
Compensated absences	250,169	331,173	308,528	272,814	181,876	90,938
Early retirement payouts	45,230	-	45,230	-	-	-
Totals	<u>\$ 28,051,237</u>	<u>\$ 10,177,784</u>	<u>\$ 10,231,308</u>	<u>\$ 27,997,713</u>	<u>\$ 1,277,323</u>	<u>\$ 26,720,390</u>

The following is a summary of the College's long-term debt transactions for the year ended June 30, 2004:

	<u>Balance June 30, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2004</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Long-term debt:						
General obligation bonds and certificates	\$ 22,960,000	\$ 4,300,000	\$ 660,000	\$ 26,600,000	\$ 735,000	\$ 25,865,000
Capital leases	183,136	1,343,843	371,141	1,155,838	368,167	787,671
Compensated absences	262,546	309,593	321,970	250,169	166,779	83,390
Early retirement payouts	33,896	45,230	33,896	45,230	45,230	-
Totals	<u>\$ 23,439,578</u>	<u>\$ 5,998,666</u>	<u>\$ 1,387,007</u>	<u>\$ 28,051,237</u>	<u>\$ 1,315,176</u>	<u>\$ 26,736,061</u>
Short-term debt:						
Debt certificates	\$ -	\$ 2,400,000	\$ 2,400,000	\$ -	\$ -	\$ -

Details on the debt as of June 30, 2005 are as follows:

- a. The general obligation bonds, Series 1996, bear interest at 5.10 to 6.25 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, 2007. The annual debt service requirements on these bonds are due as follows:

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 150,000	\$ 16,320	\$ 166,320
2007	<u>155,000</u>	<u>8,370</u>	<u>163,370</u>
Totals	<u>\$ 305,000</u>	<u>\$ 24,690</u>	<u>\$ 329,690</u>

- b. The general obligation bonds, Series 1999, bear interest at 3.40 to 4.50 percent, which is due June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2011. The annual debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 425,000	\$ 125,118	\$ 550,118
2007	440,000	107,165	547,165
2008	460,000	88,035	548,035
2009	480,000	67,585	547,585
2010	500,000	46,025	546,025
2011-2012	<u>790,000</u>	<u>29,438</u>	<u>819,438</u>
Totals	<u>\$ 3,095,000</u>	<u>\$ 463,366</u>	<u>\$ 3,558,366</u>

- c. The general obligation bonds, Series 1999A, bear interest at 3.90 to 5.45 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year (excluding 2004 - 2005), with final maturity on December 1, 2015. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2005. The annual remaining debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 35,000	\$ 182,630	\$ 217,630
2007	45,000	180,688	225,688
2008	215,000	174,318	389,318
2009	260,000	162,550	422,550
2010	310,000	148,145	458,145
2011-2015	2,450,000	325,350	2,775,350
2016	<u>200,000</u>	<u>5,270</u>	<u>205,270</u>
Totals	<u>\$ 3,515,000</u>	<u>\$ 1,178,951</u>	<u>\$ 4,693,951</u>

- d. The general obligation bonds, Series 2000, bear interest at 5.45 to 5.75 percent, which is due January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year (excluding 2004-2006), with final maturity on January 1, 2020. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2005. The annual debt service requirements on these bonds are due as follows:

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ -	\$ 77,338	\$ 77,338
2007	55,000	77,338	132,338
2008	70,000	74,175	144,175
2009	80,000	70,150	150,150
2010	95,000	65,550	160,550
2011-2015	835,000	229,137	1,064,137
2016-2020	<u>210,000</u>	<u>12,075</u>	<u>222,075</u>
Totals	<u>\$ 1,345,000</u>	<u>\$ 605,763</u>	<u>\$ 1,950,763</u>

- e. The general obligation bonds, Series 2001A, bear interest at 4.50 to 4.95 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, 2017. The annual debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 215,000	\$ 216,635	\$ 431,635
2007	215,000	206,960	421,960
2008	265,000	197,285	462,285
2009	290,000	185,360	475,360
2010	310,000	172,020	482,020
2011-2015	2,165,000	603,280	2,768,280
2016-2017	<u>1,095,000</u>	<u>82,155</u>	<u>1,177,155</u>
Totals	<u>\$ 4,555,000</u>	<u>\$ 1,663,695</u>	<u>\$ 6,218,695</u>

- f. The general obligation bonds, Series 2004A & B, bear interest at 2.60 to 5.00 percent, which is due on June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year, with final maturity on December 15, 2016. The annual debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ -	\$ 191,888	\$ 191,888
2007	125,000	189,816	314,816
2008	275,000	182,653	457,653
2009	375,000	169,893	544,893
2010	490,000	150,123	640,123
2011-2015	1,780,000	498,782	2,278,782
2016-2017	<u>1,255,000</u>	<u>55,717</u>	<u>1,310,717</u>
Totals	<u>\$ 4,300,000</u>	<u>\$ 1,438,872</u>	<u>\$ 5,738,872</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 4 - DEBT (CONTINUED)

- g. The general obligation refunding bonds, Series 2005, bear interest at 2.50 to 4.20 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year (excluding 2006-2009), with final maturity on December 1, 2019. The annual debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 150,000	\$ 409,401	\$ 559,401
2007	-	390,025	390,025
2008	-	390,025	390,025
2009	-	390,025	390,025
2010	-	390,025	390,025
2011-2015	2,280,000	1,841,647	4,121,647
2016-2020	<u>7,260,000</u>	<u>798,126</u>	<u>8,058,126</u>
Totals	<u>\$ 9,690,000</u>	<u>\$ 4,609,274</u>	<u>\$ 14,299,274</u>

- h. In December 2001, the College defeased the Series 2001 general obligation debt certificates by placing a portion of the proceeds of the Series 2001A general obligation bond issue in an irrevocable trust to provide for all future debt service payments on the old debt certificates. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the College's financial statements. As of June 30, 2005, the College has \$1,580,000 of the debt certificates outstanding which are considered defeased.
- i. In May 2005, the College defeased portions of both the Series 1999A general obligation bonds and the Series 2000 general obligation bonds by placing a portion of the proceeds of the Series 2005 general obligation bond issue in an irrevocable trust to provide for all future debt service payments on the defeased portion of the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the College's financial statements. As of June 30, 2005, the College has \$8,750,000 of the general obligation bonds which are considered defeased. The decrease in cash flow requirements as a result of the refunding was \$309,320.

Economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid. The College had an economic gain on this refunding of \$261,417.

- j. The College has capital lease agreements, discounted at rates ranging from 4.2 to 7.9 percent, financing copiers and other equipment with a total cost of \$542,740. These agreements are due in monthly installments, with the final maturity on March 1, 2010, and the annual debt service requirements are due as follows:

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 74,190	\$ 14,162	\$ 88,352
2007	73,443	10,013	83,456
2008	66,789	6,362	73,151
2009	60,909	2,880	63,789
2010	<u>25,301</u>	<u>534</u>	<u>25,835</u>
Totals	<u>\$ 300,632</u>	<u>\$ 33,951</u>	<u>\$ 334,583</u>

The College also has a capital lease agreement for the purchase of computer software with a total cost of \$1,178,452. Payments are due in quarterly installments, with the final maturity on April 1, 2013, and the annual debt service requirements are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2006	\$ 46,257	\$ 30,231	\$ 76,488
2007	58,068	27,688	85,756
2008	65,017	24,643	89,660
2009	72,513	21,239	93,752
2010	80,601	17,448	98,049
2011-2013	<u>296,811</u>	<u>25,253</u>	<u>322,064</u>
Totals	<u>\$ 619,267</u>	<u>\$ 146,502</u>	<u>\$ 765,769</u>

The annual requirements to amortize all debt outstanding as of June 30, 2005, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	<u>Capital Lease Obligations</u>	<u>Compensated Absences</u>	<u>Total Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2006	\$ 975,000	\$ 120,447	\$ 181,876	\$ 1,277,323	\$ 1,263,723	\$ 2,541,046
2007	1,035,000	131,511	90,938	1,257,449	1,198,063	2,455,512
2008	1,285,000	131,806	-	1,416,806	1,137,496	2,554,302
2009	1,485,000	133,422	-	1,618,422	1,069,682	2,688,104
2010	1,705,000	105,902	-	1,810,902	989,870	2,800,772
2011-2015	10,300,000	296,811	-	10,596,811	3,552,887	14,149,698
2016-2020	<u>10,020,000</u>	<u>-</u>	<u>-</u>	<u>10,020,000</u>	<u>953,343</u>	<u>10,973,343</u>
Total	<u>\$ 26,805,000</u>	<u>\$ 919,899</u>	<u>\$ 272,814</u>	<u>\$ 27,997,713</u>	<u>\$ 10,165,064</u>	<u>\$ 38,162,777</u>

The College's legal debt limit of \$35,102,586 is based on a statutory limit of 2.875 percent of assessed valuation of \$1,220,959,504.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 5 - RETIREMENT COMMITMENTS - STATE UNIVERSITY RETIREMENT SYSTEM

Plan Description

The College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois 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 of Illinois' 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 supplementary information. That report may be obtained by writing to SURS, 1901 Fox Drive, Champaign, Illinois 61820 or by calling 1-800-275-7877.

Funding Policy

Plan members are required to contribute 8.0 percent of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 11.12 percent of annual covered payroll. The contribution requirements of Plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ended June 30, 2005, 2004, and 2003, were \$964,412, \$5,568,204, and \$913,100, respectively, equal to the required contributions for each year.

NOTE 6 - COMMITMENTS

The College leases the Cosmetology School and Mortuary Science facilities in Galesburg under an agreement which expires December 15, 2006. The lease requires monthly rentals in various amounts ranging from \$4,724 to \$5,196. Additionally, the College has various maintenance and warranty contracts which expire in fiscal year 2010.

Minimum annual rental commitments under these leases are as follows:

	<u>Amount</u>
Year ending June 30:	
2006	\$ 112,838
2007	81,969
2008	53,625
2009	53,625
2010	<u>49,500</u>
Total	<u>\$ 351,557</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 6 - COMMITMENTS (CONTINUED)

Rental expense for the years ended June 30, 2005 and 2004 was \$70,414 and \$61,020, respectively.

The College also has a construction contract for renovation and expansion of the main campus and downtown at June 30, 2005 with a remaining commitment of \$991,973.

NOTE 7 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets, natural disasters, worker's compensation, and medical and dental claims of its employees and their dependents.

The College maintains a comprehensive self-insurance plan through a third party administrator as an option for its employees' health coverage. Under this plan, the College has coverage for medical claims when individual claims exceed \$80,000 and aggregate claims exceed \$1,997,294 over an annual liability period. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amounts.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Claims payable is included in accrued liabilities on the statement of net assets. The changes in the aggregate liabilities for claims for the years ended June 30, 2005, 2004, and 2003 are as follows:

	Employee Health Insurance		
	2005	2004	2003
Claims payable including IBNR, beginning of year	\$ 526,091	\$ 298,742	\$ 316,051
Claims expense	1,606,608	1,426,642	1,219,732
Claim payments	<u>(1,720,625)</u>	<u>(1,199,293)</u>	<u>(1,237,041)</u>
Claims payable including IBNR, end of year	<u>\$ 412,074</u>	<u>\$ 526,091</u>	<u>\$ 298,742</u>

The College purchases commercial insurance for worker's compensation, automobile, general liability, and property loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 8 - CONTINGENT LIABILITIES

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.

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.

NOTE 9 - COMPONENT UNIT DISCLOSURES

Carl Sandburg College Foundation

Organization

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.

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

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

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

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

Temporarily restricted net assets as of June 30, 2005 and 2004 are available for the following purposes or periods:

	<u>2005</u>	<u>2004</u>
Student scholarships currently available	\$ 744,223	\$ 532,663
For periods after June 30, 2015	<u>454,614</u>	<u>433,602</u>
	<u>\$ 1,198,837</u>	<u>\$ 966,265</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

Organization (Continued)

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

Contributions and Revenues

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

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

Investments and Investment Earnings

All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices, and realized and unrealized gains and losses are reported in the statement of activities.

Investment earnings on permanently restricted endowments are permanently restricted by the donor or unrestricted according to the solicitation literature provided to the donor. Following is a summary of the allocation percentages used in allocating endowment investment earnings:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Single year contributions and/or endowment has met minimum funding level of \$10,000	75%	25%
Multiple year contributions and endowment has not met minimum funding level of \$10,000	0%	100%

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

Investments and Investment Earnings (Continued)

A summary of investments carried at estimated fair value at June 30, 2005 and 2004 is as follows:

<u>Description</u>	<u>2005</u>	<u>2004</u>
Mutual funds - equity	\$ 812,882	\$ 1,562,181
Mutual funds - bond	<u>1,730,615</u>	<u>769,563</u>
Total investments	<u>\$ 2,543,497</u>	<u>\$ 2,331,744</u>

Investment income for the years ended June 30, 2005 and 2004 is as follows:

	<u>2005</u>	<u>2004</u>
Interest income	\$ 75,813	\$ 72,470
Realized gains on investments	<u>5,770</u>	<u>5,253</u>
Total investment income	<u>\$ 81,583</u>	<u>\$ 77,723</u>

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Cash Equivalents

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There are no cash equivalents at June 30, 2005.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue, allocations, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change in the near term is the fair value of investments.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005 and 2004

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

Donated Services

The Foundation received contributed services, goods, and facilities of \$63,011 from the College during the year ended June 30, 2005. This amount includes the Foundation's director's salary.

U.S. Department of Education - Endowment Challenge Grant

Carl Sandburg College Foundation received a \$200,000 Endowment Challenge Grant from the U.S. Department of Education during the year ended June 30, 1995. To receive this award, Carl Sandburg College Foundation had to raise \$100,000 from corporate and individual contributions which would be matched by the Department of Education on a two-for-one basis up to \$200,000. These funds must be placed in a separate endowment trust for a period of twenty years. In addition, half of the annual earnings on this account must be added to the principal of this grant for the next twenty years. The other half of the earnings could be distributed as student scholarships. There are ten years remaining in the twenty-year period at June 30, 2005. The Endowment Challenge Grant has \$654,940 of investments as of June 30, 2005.

The Endowment Challenge Grant funds, for the purpose of these financial statements, have been presented in the temporarily restricted net asset category.

This information is an integral part of the accompanying
basic financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
BALANCE SHEET - ALL FUND TYPES
June 30, 2005

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
ASSETS						
Cash and cash equivalents	\$ 2,878,397	\$ 32	\$ 159	\$ -	\$ 448,896	\$ 329,458
Investments	-	-	21,000	-	-	3,126,370
Receivables:						
Property taxes	1,803,538	453,384	-	45,342	-	-
Government claims and grants	144,078	-	101,316	-	1,547,178	-
Other	29,533	-	-	-	-	17,049
Due from other funds	3,077,496	1,255,639	-	-	-	709,291
Prepaid items	99,461	-	-	-	-	-
Inventories	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 8,032,503</u>	<u>\$ 1,709,055</u>	<u>\$ 122,475</u>	<u>\$ 45,342</u>	<u>\$ 1,996,074</u>	<u>\$ 4,182,168</u>
LIABILITIES AND FUND EQUITY (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 341,336	\$ -	\$ 2,088	\$ -	\$ 824,645	\$ -
Accrued liabilities	50,230	-	19,299	-	-	-
Unearned revenue:						
Property taxes	2,428,488	610,480	-	61,048	-	-
Other	36,179	-	94,741	-	270,765	-
Due to other funds	4,190,262	709,290	95,573	19,408	822,868	158,641
Total liabilities	<u>7,046,495</u>	<u>1,319,770</u>	<u>211,701</u>	<u>80,456</u>	<u>1,918,278</u>	<u>158,641</u>
FUND EQUITY (DEFICIT)						
Retained earnings (deficit):						
Reserved for insurance	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Fund balance (deficit):						
Reserved for encumbrances	-	60	-	-	-	-
Unreserved	986,008	389,225	(89,226)	(35,114)	77,796	4,023,527
Total fund equity (deficit)	<u>986,008</u>	<u>389,285</u>	<u>(89,226)</u>	<u>(35,114)</u>	<u>77,796</u>	<u>4,023,527</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 8,032,503</u>	<u>\$ 1,709,055</u>	<u>\$ 122,475</u>	<u>\$ 45,342</u>	<u>\$ 1,996,074</u>	<u>\$ 4,182,168</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Auxiliary Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 5,854	\$ 392,446	\$ 585,408	\$ -	\$ -	\$ -	\$ 323,832	\$ 4,964,482
-	-	5,939,859	-	-	123,000	4,612,577	13,822,806
1,690,469	-	-	-	-	1,097,084	-	5,089,817
-	-	-	-	-	-	-	1,792,572
3,455,655	1,168,756	80,144	5,113	10,829	319	32,350	175,337
-	-	247,417	72,175	262,071	-	366,102	10,614,602
-	-	-	-	-	-	-	99,461
-	-	-	11,850	-	-	-	11,850
-	-	-	26,902	-	-	-	26,902
-	-	-	-	-	-	13,769	13,769
<u>\$ 5,151,978</u>	<u>\$ 1,561,202</u>	<u>\$ 6,852,828</u>	<u>\$ 116,040</u>	<u>\$ 272,900</u>	<u>\$ 1,220,403</u>	<u>\$ 5,348,630</u>	<u>\$ 36,611,598</u>
\$ -	\$ 288,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,456,295
3,266	-	-	12,477	412,074	-	-	497,346
2,213,600	-	-	-	-	1,438,290	-	6,751,906
-	-	177,101	-	-	-	-	578,786
<u>1,173,109</u>	<u>1,742,264</u>	<u>320,872</u>	<u>113,706</u>	<u>748,090</u>	<u>520,519</u>	<u>-</u>	<u>10,614,602</u>
<u>3,389,975</u>	<u>2,030,490</u>	<u>497,973</u>	<u>126,183</u>	<u>1,160,164</u>	<u>1,958,809</u>	<u>-</u>	<u>19,898,935</u>
-	-	-	-	-	-	5,348,630	5,348,630
-	-	-	(10,143)	(887,264)	(738,406)	-	(1,635,813)
-	-	-	-	-	-	-	60
<u>1,762,003</u>	<u>(469,288)</u>	<u>6,354,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,999,786</u>
<u>1,762,003</u>	<u>(469,288)</u>	<u>6,354,855</u>	<u>(10,143)</u>	<u>(887,264)</u>	<u>(738,406)</u>	<u>5,348,630</u>	<u>16,712,663</u>
<u>\$ 5,151,978</u>	<u>\$ 1,561,202</u>	<u>\$ 6,852,828</u>	<u>\$ 116,040</u>	<u>\$ 272,900</u>	<u>\$ 1,220,403</u>	<u>\$ 5,348,630</u>	<u>\$ 36,611,598</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES
For the Year Ended June 30, 2005

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
REVENUES						
Local government	\$ 2,708,110	\$ 650,866	\$ 191,901	\$ 52,069	\$ -	\$ -
State government	5,172,170	292,627	760,855	-	-	-
Federal government	-	-	5,475,034	-	6,450,832	-
Student tuition and fees	5,165,749	275,885	-	-	-	-
Sales and service fees	-	-	-	-	-	-
Interest	58,158	3,936	364	100	632	82,629
Net increase (decrease) in fair value of investments	-	-	-	-	-	(6,018)
Other	93,427	20,095	176,719	-	56,486	-
Total revenues	<u>13,197,614</u>	<u>1,243,409</u>	<u>6,604,873</u>	<u>52,169</u>	<u>6,507,950</u>	<u>76,611</u>
EXPENDITURES/ EXPENSES						
Current:						
Instruction	6,885,337	-	860,244	-	5,803,347	-
Academic support	380,775	-	1,378	-	-	-
Student services	1,113,074	-	531,071	-	-	-
Public services	226,612	-	687,450	-	-	-
General administration	-	-	-	-	648,724	-
Institutional support	3,554,993	124,807	8,116	82,533	-	-
Operation and maintenance of plant	-	1,189,908	-	-	-	-
Scholarships, student grants, and waivers	-	-	4,542,654	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Building construction, building improvements, and equipment	287,761	3,247	-	-	-	-
Total expenditures/ expenses	<u>12,448,552</u>	<u>1,317,962</u>	<u>6,630,913</u>	<u>82,533</u>	<u>6,452,071</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures/ expenses	<u>749,062</u>	<u>(74,553)</u>	<u>(26,040)</u>	<u>(30,364)</u>	<u>55,879</u>	<u>76,611</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Auxiliary Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 1,853,666	\$ -	\$ -	\$ -	\$ -	\$ 1,381,137	\$ -	\$ 6,837,749
-	-	-	-	-	-	-	6,225,652
-	-	51,492	23,681	-	-	-	12,001,039
-	-	-	245,132	-	-	-	5,686,766
-	-	-	511,080	283,260	-	-	794,340
19,220	7,884	297,855	575	860	4,815	199,151	676,179
-	-	138,150	-	-	-	(39,258)	92,874
-	-	-	144,322	263,303	-	-	754,352
<u>1,872,886</u>	<u>7,884</u>	<u>487,497</u>	<u>924,790</u>	<u>547,423</u>	<u>1,385,952</u>	<u>159,893</u>	<u>33,068,951</u>
-	-	-	-	-	-	-	13,548,928
-	-	-	-	-	-	-	382,153
-	-	-	847,827	-	-	-	2,491,972
-	-	-	-	-	-	-	914,062
-	-	-	-	-	-	-	648,724
88,862	282,641	885	-	1,607,980	1,399,914	2,167	7,152,898
-	-	-	-	-	-	-	1,189,908
-	-	-	-	-	-	-	4,542,654
735,000	-	-	-	-	-	-	735,000
1,313,092	-	-	-	-	-	-	1,313,092
-	1,316,292	-	-	-	-	-	1,607,300
<u>2,136,954</u>	<u>1,598,933</u>	<u>885</u>	<u>847,827</u>	<u>1,607,980</u>	<u>1,399,914</u>	<u>2,167</u>	<u>34,526,691</u>
<u>(264,068)</u>	<u>(1,591,049)</u>	<u>486,612</u>	<u>76,963</u>	<u>(1,060,557)</u>	<u>(13,962)</u>	<u>157,726</u>	<u>(1,457,740)</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES
For the Year Ended June 30, 2005

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Discount on bond issuance	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-
Proceeds from issuance of capital leases	156,611	-	-	-	-	-
Transfers in	508,049	127,734	51,492	-	-	303,720
Transfers out	<u>(895,890)</u>	<u>-</u>	<u>(6,883)</u>	<u>-</u>	<u>-</u>	<u>(29,041)</u>
 Total other financing sources (uses)	 <u>(231,230)</u>	 <u>127,734</u>	 <u>44,609</u>	 <u>-</u>	 <u>-</u>	 <u>274,679</u>
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES						
	517,832	53,181	18,569	(30,364)	55,879	351,290
 FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR						
	<u>468,176</u>	<u>336,104</u>	<u>(107,795)</u>	<u>(4,750)</u>	<u>21,917</u>	<u>3,672,237</u>
 FUND EQUITY (DEFICIT) AT END OF YEAR						
	<u>\$ 986,008</u>	<u>\$ 389,285</u>	<u>\$ (89,226)</u>	<u>\$ (35,114)</u>	<u>\$ 77,796</u>	<u>\$ 4,023,527</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Auxiliary Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 9,690,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,690,000
(151,100)	-	-	-	-	-	-	(151,100)
(9,451,380)	-	-	-	-	-	-	(9,451,380)
-	-	-	-	-	-	-	156,611
-	1,248,748	1,028,650	26,030	892,920	2,250	-	4,189,593
<u>(2,858,876)</u>	<u>(82,909)</u>	<u>(315,994)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,189,593)</u>
<u>(2,771,356)</u>	<u>1,165,839</u>	<u>712,656</u>	<u>26,030</u>	<u>892,920</u>	<u>2,250</u>	<u>-</u>	<u>244,131</u>
(3,035,424)	(425,210)	1,199,268	102,993	(167,637)	(11,712)	157,726	(1,213,609)
<u>4,797,427</u>	<u>(44,078)</u>	<u>5,155,587</u>	<u>(113,136)</u>	<u>(719,627)</u>	<u>(726,694)</u>	<u>5,190,904</u>	<u>17,926,272</u>
<u>\$ 1,762,003</u>	<u>\$ (469,288)</u>	<u>\$ 6,354,855</u>	<u>\$ (10,143)</u>	<u>\$ (887,264)</u>	<u>\$ (738,406)</u>	<u>\$ 5,348,630</u>	<u>\$ 16,712,663</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local government:			
Property taxes	\$ 2,663,600	\$ 2,673,756	\$ 10,156
Chargeback revenue	45,000	4,169	(40,831)
Other	30,000	30,185	185
	<u>2,738,600</u>	<u>2,708,110</u>	<u>(30,490)</u>
Total local government			
State government:			
ICCB base operating grant	2,189,320	1,975,680	(213,640)
ICCB equalization grant	1,896,660	1,919,217	22,557
ICCB small college grant	56,400	-	(56,400)
ICCB funding formula impact grant	-	117,317	117,317
Corporate personal property replacement tax	150,000	190,981	40,981
Board of Vocational Education and Rehabilitation	106,210	126,376	20,166
State of Illinois SURS on-behalf payments	865,230	842,599	(22,631)
	<u>5,263,820</u>	<u>5,172,170</u>	<u>(91,650)</u>
Total state government			
Student tuition and fees	<u>5,182,250</u>	<u>5,165,749</u>	<u>(16,501)</u>
Interest	<u>9,300</u>	<u>58,158</u>	<u>48,858</u>
Miscellaneous - other	<u>58,860</u>	<u>93,427</u>	<u>34,567</u>
Total revenues	<u>13,252,830</u>	<u>13,197,614</u>	<u>(55,216)</u>
EXPENDITURES			
Instruction:			
Salaries	5,513,250	5,430,168	83,082
Employee benefits	-	8,456	(8,456)
Contractual services	1,079,970	1,065,324	14,646
General materials and supplies	256,040	221,892	34,148
Conference and meeting expense	152,480	157,552	(5,072)
Fixed charges	500	384	116
Utilities	60	-	60
Other	1,770	1,561	209
	<u>7,004,070</u>	<u>6,885,337</u>	<u>118,733</u>
Total instruction			

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Academic support:			
Salaries	\$ 254,820	\$ 255,739	\$ (919)
Contractual services	38,520	34,365	4,155
General materials and supplies	93,600	88,571	5,029
Conference and meeting expense	3,250	2,100	1,150
Other	370	-	370
	<hr/>	<hr/>	<hr/>
Total academic support	390,560	380,775	9,785
Student services:			
Salaries	870,950	849,344	21,606
Contractual services	14,790	11,030	3,760
General materials and supplies	40,460	50,389	(9,929)
Conference and meeting expense	22,760	17,342	5,418
Fixed charges	380	242	138
Other	176,250	184,727	(8,477)
	<hr/>	<hr/>	<hr/>
Total student services	1,125,590	1,113,074	12,516
Public services:			
Salaries	156,910	137,094	19,816
Contractual services	30,760	34,895	(4,135)
General materials and supplies	43,660	34,283	9,377
Conference and meeting expense	21,220	15,048	6,172
Fixed charges	500	-	500
Utilities	2,000	2,714	(714)
Other	7,040	2,578	4,462
	<hr/>	<hr/>	<hr/>
Total public services	262,090	226,612	35,478
Institutional support:			
Salaries	1,161,450	1,100,771	60,679
Employee benefits	2,602,560	1,273,532	1,329,028
Contractual services	113,710	113,220	490
General materials and supplies	610,260	753,540	(143,280)
Conference and meeting expense	88,740	56,254	32,486
Fixed charges	137,050	161,672	(24,622)
Other	450,150	96,004	354,146
	<hr/>	<hr/>	<hr/>
Total institutional support	5,163,920	3,554,993	1,608,927

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Capital outlay	\$ 124,550	\$ 287,761	\$ (163,211)
Total expenditures	<u>14,070,780</u>	<u>12,448,552</u>	<u>1,622,228</u>
Excess (deficiency) of revenues over expenditures	<u>(817,950)</u>	<u>749,062</u>	<u>1,567,012</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of capital leases	-	156,611	156,611
Transfers in	817,950	508,049	(309,901)
Transfers out	<u>-</u>	<u>(895,890)</u>	<u>(895,890)</u>
Total other financing sources (uses)	<u>817,950</u>	<u>(231,230)</u>	<u>(1,049,180)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	517,832	<u>\$ 517,832</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>468,176</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 986,008</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local government:			
Property taxes	\$ 648,400	\$ 650,866	\$ 2,466
State government:			
ICCB base operating grant	167,490	153,846	(13,644)
ICCB equalization grant	121,070	122,503	1,433
ICCB small college grant	3,600	-	(3,600)
ICCB funding formula impact grant	-	7,488	7,488
Corporate personal property replacement tax	<u>6,900</u>	<u>8,790</u>	<u>1,890</u>
Total state government	<u>299,060</u>	<u>292,627</u>	<u>(6,433)</u>
Student tuition and fees	<u>279,120</u>	<u>275,885</u>	<u>(3,235)</u>
Interest	<u>6,530</u>	<u>3,936</u>	<u>(2,594)</u>
Other:			
Rent	16,880	17,988	1,108
Miscellaneous	<u>6,400</u>	<u>2,107</u>	<u>(4,293)</u>
Total other revenue	<u>23,280</u>	<u>20,095</u>	<u>(3,185)</u>
Total revenues	<u>1,256,390</u>	<u>1,243,409</u>	<u>(12,981)</u>
EXPENDITURES			
Institutional support:			
Salaries	8,750	5,523	3,227
Contractual services	10,630	6,401	4,229
General materials and supplies	590	406	184
Conference and meeting expense	490	22	468
Utilities	<u>142,630</u>	<u>112,455</u>	<u>30,175</u>
Total institutional support	<u>163,090</u>	<u>124,807</u>	<u>38,283</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Operation and maintenance of plant:			
Salaries	\$ 499,350	\$ 485,739	\$ 13,611
Contractual services	42,460	42,533	(73)
General materials and supplies	65,580	77,950	(12,370)
Conference and meeting expense	7,110	3,440	3,670
Fixed charges	68,860	66,872	1,988
Utilities	374,120	435,329	(61,209)
Other	<u>147,000</u>	<u>78,045</u>	<u>68,955</u>
Total operation and maintenance of plant	<u>1,204,480</u>	<u>1,189,908</u>	<u>14,572</u>
Capital outlay	<u>21,950</u>	<u>3,247</u>	<u>18,703</u>
Total expenditures	<u>1,389,520</u>	<u>1,317,962</u>	<u>71,558</u>
Deficiency of revenues over expenditures	(133,130)	(74,553)	58,577
OTHER FINANCING SOURCES			
Transfers in	<u>133,130</u>	<u>127,734</u>	<u>(5,396)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	53,181	<u>\$ 53,181</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>336,104</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 389,285</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
AUDIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 51,880	\$ 52,069	\$ 189
Interest	230	100	(130)
	<u>52,110</u>	<u>52,169</u>	<u>59</u>
EXPENDITURES			
Institutional support:			
Salaries	24,910	23,353	1,557
Contractual services	40,610	58,642	(18,032)
General materials and supplies	640	481	159
Conference and meeting expense	730	57	673
	<u>66,890</u>	<u>82,533</u>	<u>(15,643)</u>
Total expenditures	<u>66,890</u>	<u>82,533</u>	<u>(15,643)</u>
Deficiency of revenues over expenditures	<u>\$ (14,780)</u>	(30,364)	<u>\$ (15,584)</u>
FUND DEFICIT AT BEGINNING OF YEAR		<u>(4,750)</u>	
FUND DEFICIT AT END OF YEAR		<u>\$ (35,114)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
BOND AND INTEREST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,846,620	\$ 1,853,666	\$ 7,046
Interest	<u>13,440</u>	<u>19,220</u>	<u>5,780</u>
Total revenues	<u>1,860,060</u>	<u>1,872,886</u>	<u>12,826</u>
EXPENDITURES			
Institutional support:			
Other	<u>9,120</u>	<u>88,862</u>	<u>(79,742)</u>
Debt service:			
Principal retirement	735,000	735,000	-
Interest	<u>1,359,200</u>	<u>1,313,092</u>	<u>46,108</u>
Total debt service	<u>2,094,200</u>	<u>2,048,092</u>	<u>46,108</u>
Total expenditures	<u>2,103,320</u>	<u>2,136,954</u>	<u>(33,634)</u>
Deficiency of revenues over expenditures	<u>(243,260)</u>	<u>(264,068)</u>	<u>(20,808)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long-term debt	-	9,690,000	9,690,000
Discount on bond issuance	-	(151,100)	(151,100)
Payment to refunding bond escrow agent	-	(9,451,380)	(9,451,380)
Transfers out	<u>(4,021,110)</u>	<u>(2,858,876)</u>	<u>1,162,234</u>
Total other financing uses	<u>(4,021,110)</u>	<u>(2,771,356)</u>	<u>1,249,754</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,264,370)</u>	(3,035,424)	<u>\$ 1,228,946</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>4,797,427</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 1,762,003</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
OPERATIONS AND MAINTENANCE FUND (RESTRICTED)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$ 4,830	\$ 7,884	\$ 3,054
EXPENDITURES			
Institutional support:			
Contractual services	-	282,641	(282,641)
Capital outlay - building construction and building improvements	<u>2,384,180</u>	<u>1,316,292</u>	<u>1,067,888</u>
Total expenditures	<u>2,384,180</u>	<u>1,598,933</u>	<u>785,247</u>
Deficiency of revenues over expenditures	<u>(2,379,350)</u>	<u>(1,591,049)</u>	<u>788,301</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,285,700	1,248,748	(1,036,952)
Transfers out	<u>(49,240)</u>	<u>(82,909)</u>	<u>(33,669)</u>
Total other financing sources	<u>2,236,460</u>	<u>1,165,839</u>	<u>(1,070,621)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (142,890)</u>	(425,210)	<u>\$ (282,320)</u>
FUND DEFICIT AT BEGINNING OF YEAR		<u>(44,078)</u>	
FUND DEFICIT AT END OF YEAR		<u>\$ (469,288)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CAPITAL ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal government grant	\$ -	\$ 51,492	\$ 51,492
Interest	300,430	297,855	(2,575)
Net increase in fair value of investments	<u>-</u>	<u>138,150</u>	<u>138,150</u>
Total revenues	<u>300,430</u>	<u>487,497</u>	<u>187,067</u>
EXPENDITURES			
Institutional support:			
Fixed charges	680	865	(185)
Other	<u>80</u>	<u>20</u>	<u>60</u>
Total expenditures	<u>760</u>	<u>885</u>	<u>(125)</u>
Excess of revenues over expenditures	<u>299,670</u>	<u>486,612</u>	<u>186,942</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,028,650	1,028,650	-
Transfers out	<u>(281,160)</u>	<u>(315,994)</u>	<u>(34,834)</u>
Total other financing sources	<u>747,490</u>	<u>712,656</u>	<u>(34,834)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 1,047,160</u>	1,199,268	<u>\$ 152,108</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>5,155,587</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 6,354,855</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED DEFICIT - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Federal government grants	\$ 13,500	\$ 23,681	\$ 10,181
Student tuition and fees	233,960	245,132	11,172
Sales and service fees	423,190	511,080	87,890
Interest	20	575	555
Other	123,330	144,322	20,992
	<u>794,000</u>	<u>924,790</u>	<u>130,790</u>
Total operating revenues			
 OPERATING EXPENSES			
Salaries	399,140	418,577	(19,437)
Employee benefits	10,000	10,000	-
Contractual services	91,410	99,334	(7,924)
General materials and supplies	129,980	172,037	(42,057)
Conference and meetings	29,400	25,545	3,855
Depreciation	29,640	42,059	(12,419)
Other	92,760	80,275	12,485
	<u>782,330</u>	<u>847,827</u>	<u>(65,497)</u>
Total operating expenses			
Operating income before transfers in	11,670	76,963	65,293
 TRANSFERS IN	<u>32,000</u>	<u>26,030</u>	<u>(5,970)</u>
 NET INCOME	<u>\$ 43,670</u>	102,993	<u>\$ 59,323</u>
 RETAINED DEFICIT AT BEGINNING OF YEAR		<u>(113,136)</u>	
 RETAINED DEFICIT AT END OF YEAR		<u>\$ (10,143)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES, BY PROGRAM
For the Year Ended June 30, 2005

	Student Activities - Other Services	Auto Mechanics
OPERATING REVENUES		
Federal government grants	\$ -	\$ -
Student tuition and fees	245,132	-
Sales and service fees	39,670	46,997
Interest	575	-
Other	<u>14,293</u>	<u>-</u>
Total operating revenues	<u>299,670</u>	<u>46,997</u>
 OPERATING EXPENSES		
Salaries	66,931	-
Employee benefits	-	-
Contractual services	5,219	-
General materials and supplies	41,338	54,134
Conference and meetings	-	-
Depreciation	42,059	-
Other	<u>62,298</u>	<u>-</u>
Total operating expenses	<u>217,845</u>	<u>54,134</u>
 OPERATING INCOME (LOSS)	 <u>\$ 81,825</u>	 <u>\$ (7,137)</u>

<u>Food Service</u>	<u>Bookstore</u>	<u>Athletics</u>	<u>Cosmetology</u>	<u>Child Care Center</u>	<u>Dental Hygiene</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 23,681	\$ -	\$ 23,681
-	-	-	-	-	-	245,132
-	-	7,829	44,917	341,769	29,898	511,080
-	-	-	-	-	-	575
<u>16,002</u>	<u>112,206</u>	<u>-</u>	<u>-</u>	<u>1,127</u>	<u>694</u>	<u>144,322</u>
<u>16,002</u>	<u>112,206</u>	<u>7,829</u>	<u>44,917</u>	<u>366,577</u>	<u>30,592</u>	<u>924,790</u>
-	-	62,533	-	289,113	-	418,577
-	-	-	-	10,000	-	10,000
33,484	-	22,150	3,960	34,500	21	99,334
2,559	-	30,634	11,537	6,815	25,020	172,037
-	-	25,326	-	219	-	25,545
-	-	-	-	-	-	42,059
<u>846</u>	<u>-</u>	<u>13,465</u>	<u>-</u>	<u>2,338</u>	<u>1,328</u>	<u>80,275</u>
<u>36,889</u>	<u>-</u>	<u>154,108</u>	<u>15,497</u>	<u>342,985</u>	<u>26,369</u>	<u>847,827</u>
<u>\$ (20,887)</u>	<u>\$ 112,206</u>	<u>\$ (146,279)</u>	<u>\$ 29,420</u>	<u>\$ 23,592</u>	<u>\$ 4,223</u>	<u>\$ 76,963</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EMPLOYEE INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (DEFICIT) - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Charges for services	\$ 1,090,280	\$ 283,260	\$ (807,020)
Other	<u>316,570</u>	<u>263,303</u>	<u>(53,267)</u>
Total operating revenues	1,406,850	546,563	(860,287)
OPERATING EXPENSES			
Employee benefits	<u>1,406,850</u>	<u>1,607,980</u>	<u>(201,130)</u>
Operating loss	-	(1,061,417)	(1,061,417)
NONOPERATING REVENUES			
Interest income	-	860	860
TRANSFERS IN	<u>-</u>	<u>892,920</u>	<u>892,920</u>
NET LOSS	<u>\$ -</u>	(167,637)	<u>\$ (167,637)</u>
RETAINED DEFICIT AT BEGINNING OF YEAR		<u>(719,627)</u>	
RETAINED DEFICIT AT END OF YEAR		<u>\$ (887,264)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
LIABILITY, PROTECTION, AND SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED DEFICIT - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Salaries	930,150	884,164	45,986
Employee benefits	193,390	198,862	(5,472)
Contractual services	189,550	184,149	5,401
General materials and supplies	14,020	4,380	9,640
Conference and meetings	4,300	973	3,327
Fixed charges	220,120	124,154	95,966
Other	3,000	3,232	(232)
	<u>1,554,530</u>	<u>1,399,914</u>	<u>154,616</u>
Total operating expenses	<u>1,554,530</u>	<u>1,399,914</u>	<u>154,616</u>
Operating loss	<u>(1,554,530)</u>	<u>(1,399,914)</u>	<u>154,616</u>
NONOPERATING REVENUES			
Property taxes	1,375,890	1,381,137	5,247
Interest income	199,580	4,815	(194,765)
	<u>1,575,470</u>	<u>1,385,952</u>	<u>(189,518)</u>
Total nonoperating revenues	<u>1,575,470</u>	<u>1,385,952</u>	<u>(189,518)</u>
Income (loss) before transfers	20,940	(13,962)	(34,902)
TRANSFERS IN	<u>-</u>	<u>2,250</u>	<u>2,250</u>
NET INCOME (LOSS)	<u>\$ 20,940</u>	(11,712)	<u>\$ (32,652)</u>
RETAINED DEFICIT AT BEGINNING OF YEAR		<u>(726,694)</u>	
RETAINED DEFICIT AT END OF YEAR		<u>\$ (738,406)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
INSURANCE RESERVE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL
For the Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Other	<u>-</u>	<u>2,167</u>	<u>(2,167)</u>
Operating loss	<u>-</u>	<u>(2,167)</u>	<u>(2,167)</u>
NONOPERATING REVENUES			
(EXPENSES)			
Interest income	197,390	199,151	1,761
Net decrease in fair value of investments	<u>-</u>	<u>(39,258)</u>	<u>(39,258)</u>
Total nonoperating revenues	<u>197,390</u>	<u>159,893</u>	<u>(37,497)</u>
TRANSFERS OUT	<u>(197,390)</u>	<u>-</u>	<u>197,390</u>
NET INCOME	<u>\$ -</u>	157,726	<u>\$ 157,726</u>
RETAINED EARNINGS AT BEGINNING OF YEAR		<u>5,190,904</u>	
RETAINED EARNINGS AT END OF YEAR		<u>\$ 5,348,630</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE BALANCE SHEET - ALL FUND TYPES
TO THE STATEMENT OF NET ASSETS
For the Year Ended June 30, 2005

Fund equity - all fund types (page 42)	\$ 16,712,663
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,842,865
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	255,853
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(418,799)
Long-term liabilities not reported in the governmental funds	(27,997,713)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(332,553)</u>
Net assets (page 13)	<u><u>\$ 7,062,316</u></u>

See accompanying independent auditor's report.

This schedule is supplemental information and is maintained for management purposes only.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES, AND CHANGES IN FUND EQUITY (DEFICIT) -
ALL FUND TYPES TO THE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2005

Net decrease in fund equity - all fund types (page 46)	\$ (1,213,609)
<p>Governmental funds report capital outlays as expenditures. However, in the Statements of Net Assets, the cost of those assets is allocated over their useful life and reported as depreciation expense:</p>	
Capital outlay	1,501,373
Depreciation expense	(1,148,958)
<p>Repayment of bond principal and changes in other long-term debt obligations is an expenditure or other financing use of governmental funds, but reduces long-term liabilities in the Statements of Net Assets:</p>	
Bond principal repayments	9,485,000
Capital leases	392,550
Compensated absences	(22,645)
Early retirement payouts	45,230
<p>Proceeds from the issuance of debt is an other financing source of governmental funds, but increases long-term liabilities in the Statements of Net Assets:</p>	
Issuance of general obligation bonds	(9,690,000)
Issuance of capital leases	(156,611)
<p>The costs associated with issuing long-term debt are an expenditure of governmental funds, but increase other assets (unamortized debt issuance costs) in the Statements of Net Assets.</p>	
	234,749
<p>Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.</p>	
	(56,949)
<p>Revenue for student tuition is recognized in the governmental funds when substantially received.</p>	
	(48,493)
Decrease in net assets (page 14)	\$ (678,363)

See accompanying independent auditor's report.

This schedule is supplemental information and is maintained for management purposes only.

STATISTICAL SECTION

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 ASSESSED AND ESTIMATED ACTUAL VALUE
 OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

(Unaudited)

<u>Year of Levy</u>	<u>Assessed Value (1)</u>	<u>Estimated Actual Value</u>
2004	\$ 1,220,959,504	\$ 3,662,878,512
2003	1,287,419,979	3,862,259,937
2002	1,281,448,552	3,844,345,656
2001	1,259,152,240	3,777,456,720
2000	1,229,609,983	3,688,829,949
1999	1,189,634,012	3,568,902,036
1998	1,083,613,429	3,250,840,287
1997	997,151,829	2,991,455,487
1996	956,173,695	2,868,521,085
1995	925,643,236	2,776,929,708

(1) Assessed value is computed by the county clerk's offices and is equal to one-third of the estimated actual value.

Source: Knox County Clerk's Office

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

(Unaudited)

<u>Year of Levy</u>	<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Taxes Collected</u>	<u>Percent of Levy Collected</u>
2003	2005	\$ 6,616,051	\$ 6,611,494	99.93%
2002	2004	6,461,063	6,444,426	99.74%
2001	2003	6,054,003	6,044,239	99.84%
2000	2002	5,835,729	5,831,033	99.92%
1999	2001	5,342,102	5,345,820	100.07%
1998	2000	4,985,712	4,990,855	100.10%
1997	1999	4,690,602	4,701,108	100.22%
1996	1998	4,443,339	4,431,090	99.72%
1995	1997	3,846,969	3,865,326	100.48%
1994	1996	3,705,811	3,709,249	100.09%

Source: Knox County Treasurer's Office

**PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
Last Ten Fiscal Years**

(Unaudited)

<u>Levy Year</u>	<u>(1) Property Value (in millions)</u>	<u>(2) Construction (in millions)</u>	<u>(3) Bank Deposits (in millions)</u>
2004	\$ 3,701		\$ 3,980
2003	3,917		3,983
2002	3,832		3,883
2001	3,790		3,821
2000	3,689		3,713
1999	3,521		3,717
1998	3,251		3,612
1997	2,991		3,570
1996	2,869		3,470
1995	2,777		3,335

(1) Source: County Clerks

(2) Information not available

(3) Source: fdic.gov Survey of Deposits for all ten counties in our district in their entirety

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
Last Ten Fiscal Years**

(Unaudited)

<u>Taxing Bodies</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
City of Galesburg	1.610	1.867	1.890	1.975	1.994	2.039	2.059	2.081	2.113	2.100
Town of the City of Galesburg	0.202	0.185	0.183	0.180	0.183	0.189	0.180	0.179	0.175	0.175
Galesburg School District 205	4.122	3.945	3.929	3.919	3.877	3.707	3.770	3.895	3.905	4.072
Knox County	1.039	0.936	1.018	0.961	0.935	0.817	0.850	0.840	0.850	0.886
Galesburg City Fire	0.546	0.346	0.387	-	-	-	-	-	-	-
Galesburg Sanitary District	<u>0.291</u>	<u>0.267</u>	<u>0.264</u>	<u>0.262</u>	<u>0.264</u>	<u>0.281</u>	<u>0.280</u>	<u>0.287</u>	<u>0.291</u>	<u>0.288</u>
Total overlapping rate	7.810	7.546	7.671	7.297	7.253	7.033	7.139	7.282	7.334	7.521
Carl Sandburg College Dist. 518	<u>0.553</u>	<u>0.514</u>	<u>0.504</u>	<u>0.481</u>	<u>0.475</u>	<u>0.455</u>	<u>0.460</u>	<u>0.470</u>	<u>0.465</u>	<u>0.416</u>
Total Rate	<u>8.363</u>	<u>8.060</u>	<u>8.175</u>	<u>7.778</u>	<u>7.728</u>	<u>7.488</u>	<u>7.599</u>	<u>7.752</u>	<u>7.799</u>	<u>7.937</u>
Carl Sandburg College Percentage of Total	<u>6.61%</u>	<u>6.38%</u>	<u>6.17%</u>	<u>6.18%</u>	<u>6.15%</u>	<u>6.08%</u>	<u>6.05%</u>	<u>6.06%</u>	<u>5.96%</u>	<u>5.24%</u>

(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: A local taxpayer's property tax bill.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
PRINCIPAL TAXPAYERS
TAXABLE ASSESSED VALUATION \$1,220,959,504**

(Unaudited)

(Dollars in Millions)

<u>Taxpayer</u>	<u>Type of Business</u>	2004 Assessed Value (Million)	Percentage of
Burlington Northern Santa Fe	Railroad	19.81	1.62%
Maytag Corporation	Manufacturer	6.36	0.52%
Galesburg Hospital Corporation	Hospital	5.31	0.43%
First Property Management Corp.	Mall	4.56	0.37%
United Facilities, Inc.	Shipping	3.65	0.30%
Hy-Vee Food Stores Inc.	Retailer	2.64	0.22%
Wal-Mart Stores #775	Retailer	2.50	0.20%
Lowes Home Centers, Inc.	Retailer	2.21	0.18%
Lexington Trank Galesburg LLC	Retailer	2.13	0.17%
CRC Cherry Street Facility LLC	Restaurant	2.13	0.17%
		<u>51.30</u>	<u>4.18%</u>

Source: Knox County Assessor's Office

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
GENERAL GOVERNMENT OPERATING AND
NONOPERATING REVENUES BY SOURCE (1)
For the Years Ended June 30,

(Unaudited)

(Dollars in Thousands)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
OPERATING REVENUES					
Student tuition and fees, net of scholarships	\$ 4,863	\$ 5,118	\$ 4,596	\$ 3,735	\$ 3,286
Auxiliary enterprises revenue	511	464	387	366	335
Other operating revenues	<u>283</u>	<u>226</u>	<u>549</u>	<u>1,335</u>	<u>1,153</u>
Total operating revenues	<u>5,657</u>	<u>5,808</u>	<u>5,532</u>	<u>5,436</u>	<u>4,774</u>
NONOPERATING REVENUES					
State grants and contracts	6,026	10,180	9,548	6,021	5,954
Property taxes	6,612	6,444	6,044	5,888	5,393
Personal property replacement tax	200	171	152	177	203
Federal grants and contracts	11,030	7,337	8,495	7,607	5,316
Local grants and contracts	222	257	327	371	327
Investment income earned	769	100	1,101	947	1,224
Other nonoperating revenues	<u>754</u>	<u>633</u>	<u>838</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues	<u>25,613</u>	<u>25,122</u>	<u>26,505</u>	<u>21,011</u>	<u>18,417</u>
TOTAL REVENUES	<u>\$ 31,270</u>	<u>\$ 30,930</u>	<u>\$ 32,037</u>	<u>\$ 26,447</u>	<u>\$ 23,191</u>

(1) Beginning in 2003, this information is shown on the accrual basis of accounting. Prior to 2003, it is presented on the modified accrual basis of accounting.

Note: This table includes all fund types of the College. Only available data.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
GENERAL GOVERNMENT OPERATING EXPENDITURES BY FUNCTION (1)**

For the Years Ended June 30,

(Unaudited)

(Dollars in Thousands)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
OPERATING EXPENSES					
Instruction	\$ 13,538	\$ 10,230	\$ 11,108	\$ 10,453	\$ 8,331
Academic support	382	377	517	604	591
Student services	2,450	2,309	2,036	1,254	1,189
Public services	914	938	1,184	1,542	1,728
General administration	649	645	419	-	-
Institutional support	7,379	11,052	6,371	17,547	11,782
Operations and maintenance	1,190	1,094	953	987	1,020
Scholarships, grants, and waivers	2,886	3,203	3,483	-	-
Depreciation	<u>1,191</u>	<u>1,105</u>	<u>1,057</u>	<u>25</u>	<u>23</u>
 TOTAL OPERATING EXPENSES	 <u>\$ 30,579</u>	 <u>\$ 30,953</u>	 <u>\$ 27,128</u>	 <u>\$ 32,412</u>	 <u>\$ 24,664</u>

(1) Beginning in 2003, this information is shown on the accrual basis of accounting. Prior to 2003, it is presented on the modified accrual basis of accounting.

Note: This table includes all fund types of the College. Only available data.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
HISTORIC REVENUES AND EXPENDITURES
Fiscal Years 2000 - 2004

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
GENERAL FUND REVENUES					
BY SOURCE					
Local government	\$ 2,534,949	\$ 2,797,356	\$ 2,883,830	\$ 3,208,011	\$ 3,301,659
State government *	3,831,556	4,119,563	4,181,899	4,377,271	3,873,295
Tuition and fees	3,131,908	3,137,880	3,576,658	4,206,142	4,857,394
Other revenue	<u>129,378</u>	<u>100,701</u>	<u>84,660</u>	<u>49,949</u>	<u>68,469</u>
Total revenues	<u>9,627,791</u>	<u>10,155,500</u>	<u>10,727,047</u>	<u>11,841,373</u>	<u>12,100,817</u>
GENERAL FUND EXPENDITURES					
By program:					
Instruction	5,318,875	5,748,934	5,928,210	6,302,353	6,923,830
Academic support	343,176	381,300	371,936	347,216	372,662
Student services	567,413	576,907	636,357	705,159	957,914
Public services	13,082	13,273	25,866	37,988	35,000
Institutional support *	3,289,205	3,130,374	3,675,510	3,933,959	3,222,042
Operations and maintenance	<u>1,089,459</u>	<u>1,008,301</u>	<u>974,533</u>	<u>941,355</u>	<u>1,105,720</u>
Total expenditures by program	<u>10,621,210</u>	<u>10,859,089</u>	<u>11,612,412</u>	<u>12,268,030</u>	<u>12,617,168</u>
By object:					
Salaries	5,835,135	6,345,839	6,566,495	7,099,944	7,816,396
Employee benefits *	1,397,127	1,081,071	1,587,193	1,591,067	1,022,736
Contractual services	993,466	1,020,369	1,236,423	1,338,800	1,287,310
General materials and supplies	741,092	957,693	1,064,437	800,474	867,655
Travel and conference	184,308	209,024	207,203	213,331	230,050
Fixed charges	113,284	100,014	104,002	96,299	233,028
Utilities	444,652	526,011	499,517	532,228	539,827
Capital outlay	605,052	373,121	38,874	74,591	315,121
Other	<u>307,094</u>	<u>245,947</u>	<u>308,268</u>	<u>521,296</u>	<u>305,045</u>
Total expenditures by object	<u>10,621,210</u>	<u>10,859,089</u>	<u>11,612,412</u>	<u>12,268,030</u>	<u>12,617,168</u>
Revenues over (under) expenditures	(993,419)	(703,589)	(885,365)	(426,657)	(516,351)
NET OTHER FINANCING SOURCES	<u>1,385,760</u>	<u>834,452</u>	<u>705,948</u>	<u>796,535</u>	<u>589,763</u>
EXCESS (DEFICIT) REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 392,341</u>	<u>\$ 130,863</u>	<u>\$ (179,417)</u>	<u>\$ 369,878</u>	<u>\$ 73,412</u>

Note: General Fund includes Education Fund and Operations and Maintenance Fund. Only available data.

* Excludes State of Illinois SURS on-behalf payments.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA**

(Unaudited)

<u>Fiscal Year</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Estimated Population</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	\$ 26,805,000	\$ 1,287,419,979	116,362	2.082%	230.36
2004	26,600,000	1,281,448,552	116,362	2.076%	228.60
2003	22,960,000	1,259,152,240	116,362	1.823%	197.32
2002	23,565,000	1,229,609,983	116,362	1.916%	202.51
2001	20,885,000	1,189,634,012	116,362	1.756%	179.48
2000	12,505,000	1,083,613,429	116,362	1.154%	107.47
1999	7,435,000	997,151,829	116,362	0.746%	63.90
1998	7,740,000	956,173,695	116,362	0.809%	66.52
1997	7,620,000	925,643,236	116,362	0.823%	65.49
1996	5,805,000	871,945,548	116,362	0.666%	49.89

**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO GENERAL EXPENDITURES**

(Unaudited)

<u>Fiscal Year</u>	<u>Total General Expenditures * (in thousands)</u>	<u>Retirement of Indebtedness Fund Expenditures (in thousands)</u>	<u>Retirement of Indebtedness Funds Expenditures to General Expenditures</u>
2005	\$ 30,669	\$ 2,048	6.68%
2004	31,722	1,827	5.76%
2003	32,133	1,792	5.58%
2002	29,374	4,917	16.74%
2001	21,783	1,216	5.58%
2000	23,473	4,364	18.59%
1999	20,829	1,004	4.82%
1998	17,417	1,079	6.20%
1997	17,619	608	3.45%
1996	15,266	638	4.18%

* Includes Education, Operations and Maintenance, Restricted Purpose, Audit, Workforce Investment Act, Nonexpendable Trust, Bond and Interest, Operations and Maintenance (Restricted), and Capital Endowment.

Sources: Knox County Clerk's Office
College records

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2005**

TABLE I

(Unaudited)

<u>Overlapping Agencies</u>	<u>Outstanding Debt</u>	<u>Applicable to College</u>	
		<u>Percent</u>	<u>Amount</u>
Fulton County	\$ 460,000.00	3.36%	\$ 15,456.00
Spoon River Valley Unit #4	1,475,000.00	2.89%	42,627.50
Bushnell Unit #170	660,000.00	4.31%	28,446.00
Avon Unit #176	650,000.00	99.15%	644,475.00
Village of Avon	360,000.00	100.00%	360,000.00
Community Unit School District No. 336	805,000.00	100.00%	805,000.00
City of Dallas City	131,000.00	100.00%	131,000.00
Hancock and Henderson Counties	360,000.00	100.00%	360,000.00
LaHarpe Community Unit School District No. 335	701,000.00	100.00%	701,000.00
Hamilton Park District	1,135,000.00	100.00%	1,135,000.00
Hamilton Community Consolidated School District No. 328	60,000.00	100.00%	60,000.00
Carthage Park District	290,000.00	100.00%	290,000.00
Community Unit School District No. 316	1,990,000.00	100.00%	1,990,000.00
Gulfport-Gladstone Fire Protection District	117,787.50	100.00%	117,787.50
Dallas City School District #336	697,829.00	100.00%	697,829.00
LaHarpe School District #335	317,844.00	100.00%	317,844.00
Dallas City	17,120.00	100.00%	17,120.00
Union School District 115	1,376,380.00	100.00%	1,376,380.00
County of Henry	4,065,000.00	0.03%	1,016.25
McDonough County	715,058.00	36.80%	263,141.34
Bushnell Unit #170	638,256.00	75.42%	481,372.68
LaHarpe School District #335	496,253.00	0.95%	4,714.40
City of Bushnell	195,700.00	100.00%	195,700.00
Village of Prairie City	139,750.00	100.00%	139,750.00
Building Commission	2,588,416.00	36.80%	952,537.09
Monmouth School District #38	606,775.00	100.00%	606,775.00
West Central #235	2,224,851.00	0.49%	10,901.77
Bushnell Unit #170	794,977.00	3.04%	24,167.30
Avon Unit #176	801,260.00	54.75%	438,689.85
Roseville Community Unit School District #200	194,845.00	100.00%	194,845.00
Community Unit School District #205	7,443,805.00	2.90%	215,870.35
Abingdon Unit 217	2,350,323.00	10.97%	257,830.43
Monmouth Park District	193,881.00	100.00%	193,881.00
City of Monmouth	526,677.00	100.00%	526,677.00
Village of Roseville	148,116.00	100.00%	148,116.00
Schuyler/Industry Unit 5	3,992,075.00	19.46%	776,857.80
Culbertson Mem Hospital	1,720,118.00	2.16%	37,154.55
Knox County	9,305,000.00	100.00%	9,305,000.00
City of Abingdon	30,000.00	100.00%	30,000.00
City of Galesburg	12,182,270.00	100.00%	12,182,270.00
City of Knoxville	500,000.00	100.00%	500,000.00
CUSD #4	1,475,000.00	28.44%	419,490.00
CUSD #100	4,110,000.00	2.76%	113,436.00
CUSD #176	650,000.00	5.52%	35,880.00
CUSD #202	420,773.00	100.00%	420,773.00
CUSD #205	5,830,000.00	97.10%	5,660,930.00
CUSD #217	2,080,000.00	89.03%	1,851,824.00
CUSD #224	135,000.00	9.42%	12,717.00
CUSD #225	2,925,000.00	7.93%	231,952.50
CUSD #265	12,941,256.00	19.92%	2,577,898.20
CUSD #322	2,530,000.00	2.70%	68,310.00
Community College District #534	6,085,000.00	0.17%	10,344.50
Community College District #518	26,805,000.00	100.00%	26,805,000.00
Community College District #503	5,300,000.00	0.33%	17,490.00

**TOTAL DIRECT AND OVERLAPPING GENERAL
OBLIGATION BONDED DEBT**

\$ 74,803,278.00

Sources: Office of the 10 counties in the Carl Sandburg College District.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
Years 1995-2004

(Unaudited)

Year	Fall Enrollment Head Count	FTE	Gender		Attendance		Academic Class		Enrollment Status				In-District Residency	Ave. Age
			Male	Female	Full Time	Part Time	Freshman	Other	Continuing Student	New	Transfer	Readmit		
2004	3575	2093	36%	64%	45%	55%	59%	41%	57%	25%	1%	17%	96%	31
2003	3554	1990	36%	64%	41%	59%	59%	41%	54%	27%	2%	17%	95%	30
2002	3441	1999	37%	63%	42%	58%	62%	38%	50%	29%	1%	20%	94%	30
2001	3341	1781	42%	58%	36%	64%	58%	42%	51%	31%	0%	18%	88%	30
2000	3220	1661	42%	58%	34%	66%	58%	42%	49%	32%	1%	18%	90%	30
1999	2739	1541	40%	60%	40%	60%	60%	40%	48%	30%	3%	19%	92%	30
1998	2906	1576	40%	60%	39%	61%	61%	39%	50%	33%	1%	16%	93%	30
1997	2635	1512	39%	61%	41%	59%	67%	33%	45%	39%	0%	16%	95%	30
1996	2689	1542	42%	58%	39%	61%	63%	37%	48%	37%	0%	15%	96%	30
1995	2765	1591	41%	59%	39%	61%	52%	48%	50%	35%	0%	15%	96%	29

Note - Above statistics reflect tenth day total enrollment for Fall terms of year listed.

Source: ICCB Data & Characteristics Report - various tables from E-1 submission.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO.518
DEMOGRAPHIC STATISTICS BY STUDENT ENROLLMENT CATEGORIES
TOTAL CREDIT HOURS
Years 1995 - 2004

(Unaudited)

<u>Fiscal Year</u>	<u>Baccalaureate</u>	<u>Business Occupational</u>	<u>Technical Occupational</u>	<u>General Associates</u>	<u>Adult Basic Secondary Education</u>	<u>General Studies</u>	<u>Total Enrollment</u>	<u>Total FTE</u>	<u>Total Credit Hours</u>
2004	1329	1704	318	16	207	1	3575	2093	62790
2003	1276	1701	353	17	207	0	3554	1990	59700
2002	1305	1550	352	14	220	0	3441	1999	59970
2001	1471	1294	368	8	200	0	3341	1781	53430
2000	1538	1115	389	10	167	1	3220	1661	49830
1999	1186	1042	400	12	99	0	2739	1541	46230
1998	1239	968	517	4	177	1	2906	1576	47280
1997	1136	987	347	3	161	1	2635	1512	45360
1996	1129	1052	337	5	165	1	2689	1542	46260
1995	1158	1090	344	8	164	1	2765	1591	47730

Note - Above statistics reflect tenth day total enrollment for Fall terms of year listed.

Source: ICCB Data & Characteristics Report - various tables from E-1 submission.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF LEGAL DEBT MARGIN**

ASSESSED VALUATION - 2003 LEVY	<u>\$ 1,220,959,504</u>
DEBT LIMITATION - 2.875%	<u>\$ 35,102,586</u>
OUTSTANDING INDEBTEDNESS	
General obligation bonds	26,805,000
Capital leases	<u>919,899</u>
	<u>27,724,899</u>
LEGAL DEBT MARGIN	<u>\$ 7,377,687</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
MISCELLANEOUS STATISTICS**

(Unaudited)

YEAR FOUNDED 1966

POPULATION IN DISTRICT 116,362

COUNTIES SERVED

Fulton	Henry	Mercer	Warren
Hancock	Knox	Schuyler	
Henderson	McDonough	Stark	

ACCREDITATION

North Central Association of Colleges and Schools	1974, 1979, 1985, 1991, 2000
Next scheduled visit	2010

FACILITIES DATA

	<u>Galesburg Campus</u>	<u>Carthage Campus</u>	<u>Bushnell Campus</u>
Date purchased	1976	1984	1995
Size of campus (acres)	104		
Square footage available	230,606	22,631	6,780
Number of classrooms	44	7	8
Number of laboratories	25	8	0

EMPLOYEE DATA

	<u>2004</u>	<u>2005</u>
Faculty:		
Full-time	77	75
Part-time	155	163
Administrators	26	28
Classified Staff:		
Full-time	134	165
Part-time	13	44

STUDENT DATA

	<u>Fall 2003</u>	<u>Fall 2004</u>
Average class size	12	12

DEGREE AND CERTIFICATES AWARDED

	<u>2003</u>	<u>2004</u>
A.A., A.S. and AFA	98	136
A.A.S.	180	177
Certificates	90	221

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS**

FINANCIAL AND COMPLIANCE SECTION



Independent Auditor's Report

Board of Trustees
Carl Sandburg College
Community College District No. 518
Galesburg, Illinois

We have audited the accompanying balance sheets of Carl Sandburg College - Community College District No. 518's (the College) Workforce Development Component Grant, P-16 Initiative Grant, State Adult Education Restricted Funds Grants, and Career and Technical Education Program Improvement Grant programs as of June 30, 2005, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the College and the State of Illinois and Illinois Community College Board. We believe that our audit provides a reasonable basis for our opinion and that the College is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carl Sandburg College - Community College District No. 518's Workforce Development Component Grant, P-16 Initiative Grant, State Adult Education Restricted Funds Grants, and Career and Technical Education Program Improvement Grant programs as of June 30, 2005, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the above financial statements taken as a whole. The supplemental Illinois Community College Board compliance schedules for the Workforce Preparation (Business/Industry) Grant (page 80) and State Adult Education Restricted Funds Grants (page 85) for the year ended June 30, 2005, are presented for purposes of additional analysis and are not a required part of the above financial statements. These schedules are the responsibility of the College's management. Such schedules have been subjected to the auditing procedures applied in our audit of the above financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the above financial statements taken as a whole.

Clifton Gunderson LLP

Peoria, Illinois
September 2, 2005

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
WORKFORCE DEVELOPMENT COMPONENT GRANT PROGRAM
BALANCE SHEET
June 30, 2005**

ASSETS

CASH \$ -

LIABILITIES AND FUND BALANCE

LIABILITIES \$ -

FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ -

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 WORKFORCE DEVELOPMENT COMPONENT GRANT PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 For the Year Ended June 30, 2005**

	<u>Business/ Industry</u>
REVENUES	
Illinois Community College Board grants	<u>\$ 63,405</u>
EXPENDITURES	
Salaries	41,105
Contractual services	2,500
Fixed charges	<u>19,800</u>
Total expenditures	<u>63,405</u>
Excess of revenues over expenditures	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ -</u></u>
ORIGINAL ALLOCATION	<u><u>\$ 63,405</u></u>
MINIMUM EXPENDITURE REQUIREMENT	<u><u>\$ 63,405</u></u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 WORKFORCE PREPARATION (BUSINESS/INDUSTRY) GRANT
 COMPLIANCE STATEMENT OF EXPENDITURES
 For the Year Ended June 30, 2005**

EXPENDITURES	<u>General</u>	<u>Operation of Workforce Dev. Office</u>	<u>Total</u>
1. Personnel (salaries and benefits) **	\$ -	\$ 41,105	\$ 41,105
2. Contractual services	-	2,500	2,500
3. Instructional materials	-	-	-
4. Instructional equipment *	-	-	-
5. Promotional materials	-	-	-
6. Staff development **	-	-	-
7. Conference and meeting expenses	-	-	-
8. Travel **	-	-	-
9. Costs of operating a business assistance center/economic development/work force preparation offices			
a. Office equipment *	-	-	-
b. Utilities and telephone	-	-	-
c. Consumable supplies	-	-	-
d. Duplicating	-	-	-
e. Facility rental	-	19,800	19,800
	<u>-</u>	<u>19,800</u>	<u>19,800</u>
10. TOTALS ***	<u>\$ -</u>	<u>\$ 63,405</u>	<u>\$ 63,405</u>

* Sum of expenditures should be less than or equal to 25 percent of the College's total workforce development grant.

** Salaries charged to this grant should be paid commensurate with the percentage of time spent working on business and industry/economic development activities. Staff development and travel costs should only be paid for staff that spend 51 percent or more of their time on work in the business assistance center or economic development office.

*** Sum of total expenditures (Column C) should equal total expenditures reported in Schedule of Revenue, Expenditures, and Changes in Fund Balance.

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
P-16 INITIATIVE GRANT PROGRAM
BALANCE SHEET
June 30, 2005

ASSETS

CASH \$ -

LIABILITIES AND FUND BALANCE

LIABILITIES \$ -

FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ -

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
P-16 INITIATIVE GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended June 30, 2005

REVENUES	
Illinois Community College Board grant	\$ 15,000
EXPENDITURES	
Scholarships, student grants, and waivers	<u>15,000</u>
Excess of revenues over expenditures	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ -</u></u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
BALANCE SHEET
June 30, 2005**

ASSETS	<u>State Basic</u>	<u>State Public Assistance</u>	<u>State Performance</u>	<u>Total</u>
CASH	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND BALANCE	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE

For the Year Ended June 30, 2005

	<u>State Basic</u>	<u>State Public Assistance</u>	<u>State Performance</u>	<u>Total</u>
REVENUES				
Illinois Community College Board grant	\$ 107,289	\$ 17,749	\$ 37,191	\$ 162,229
 EXPENDITURES				
Instruction	53,286	8,759	2,090	64,135
Social work services	-	-	-	-
Guidance services	8,040	-	10,758	18,798
Assistive and adaptive equipment	-	-	-	-
Assessment and testing	8,460	8,777	4,000	21,237
Student transportation services	-	-	4,872	4,872
Literacy services	16,721	-	12,471	29,192
Child care services	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal Instructional and Student Services	<u>86,507</u>	<u>17,536</u>	<u>34,191</u>	<u>138,234</u>
Improvement of instructional services	-	-	-	-
General administration	7,486	213	3,000	10,699
Operation and maintenance of plant services	-	-	-	-
Workforce coordination	500	-	-	500
Data and information services	12,796	-	-	12,796
Indirect costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal Program Support	<u>20,782</u>	<u>213</u>	<u>3,000</u>	<u>23,995</u>
 Total expenditures	 <u>107,289</u>	 <u>17,749</u>	 <u>37,191</u>	 <u>162,229</u>
 Excess of revenues over expenditures	 -	 -	 -	 -
 FUND BALANCE AT BEGINNING OF YEAR				
	<hr/>	<hr/>	<hr/>	<hr/>
 FUND BALANCE AT END OF YEAR	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
ICCB COMPLIANCE STATEMENT FOR THE
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
For the Year Ended June 30, 2005

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	53,286	49.67%
General Administration (9% Maximum Allowed)	7,486	6.98%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	8,759	49.35%
General Administration (9% Maximum Allowed)	213	1.20%

State Performance	Audited Expenditure Amount	Actual Expenditure Percentage
General Administration (9% Maximum Allowed)	3,000	8.07%

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CAREER AND TECHNICAL EDUCATION
PROGRAM IMPROVEMENT GRANT
BALANCE SHEET
June 30, 2005**

ASSETS

CASH	\$ -
-------------	-------------

LIABILITIES AND FUND BALANCE

LIABILITIES	\$ -
--------------------	-------------

FUND BALANCE	-
---------------------	----------

TOTAL LIABILITIES AND FUND BALANCE	\$ -
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See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 CAREER AND TECHNICAL EDUCATION
 PROGRAM IMPROVEMENT GRANT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 For the Year Ended June 30, 2005**

REVENUES	
Illinois Community College Board grant	<u>\$ 13,887</u>
 EXPENDITURES	
Instructional equipment	5,353
General materials and supplies	<u>8,534</u>
Total expenditures	<u>13,887</u>
Excess of revenues over expenditures	-
 FUND BALANCE AT BEGINNING OF YEAR	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u><u>\$ -</u></u>

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTE TO FINANCIAL STATEMENTS -
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS
June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying statements include only those transactions resulting from the Illinois Community College Board Workforce Development Component Grant, P-16 Initiative Grant, State Adult Education Restricted Funds Grants, and Career and Technical Education Program Improvement Grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2005. Funds obligated for goods prior to June 30, for which the goods and services are received prior to September 30, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15.

Fixed Assets

Fixed asset purchases are recorded as capital assets in the College's basic financial statements. However, such amounts are not capitalized for state grant reporting purposes.

**Independent Auditor's Report on
Schedule of Enrollment Data and Other Bases
Upon Which Claims are Filed**

Board of Trustees
Carl Sandburg College
Community College District No. 518
Galesburg, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Carl Sandburg College - Community College District No. 518 as of and for the year ended June 30, 2005, and have issued our report thereon dated September 2, 2005. We have also audited the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed of Carl Sandburg College - Community College District No. 518 for the year ended June 30, 2005. This schedule is the responsibility of the Carl Sandburg College - Community College District No. 518's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit of this schedule in accordance with auditing standards generally accepted in the United States of America and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed, including auditing procedures prescribed by the *Fiscal Management Manual* for verification of student enrollments and other bases upon which claims were filed with the Illinois Community College Board. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

Carl Sandburg College - Community College District No. 518 reported all credit hours for students whose tuition was paid by a local company as out-of-district even if the students lived in-district.

In our opinion, except for the noncompliance described in the preceding paragraph, the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed with the Illinois Community College Board of Carl Sandburg College - Community College District No. 518 for the year ended June 30, 2005, in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*.

Our audit was conducted for the purpose of forming an opinion on the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed taken as a whole. The additional information on pages 93 - 103 is presented in conformity with guidelines of the Illinois Community College Board's *Fiscal Management Manual*. This information is presented for purposes of additional analysis and is not a required part of this schedule. However, such information has been subjected to the auditing procedures applied in the audit of this schedule and the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the basic financial statements taken as a whole.

The certification of chargeback reimbursement information on page 104 is not a required part of the basic financial statements or this schedule but is supplemental information required by the Illinois Community College Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees and management of Carl Sandburg College - Community College District No. 518 and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Peoria, Illinois
September 2, 2005

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON
WHICH CLAIMS ARE FILED
For the Year Ended June 30, 2005

CATEGORIES	Total Reimbursable Semester Credit Hours by Term*							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	4,876.5	3.0	16,815.5	42.0	17,260.5	78.0	38,952.5	123.0
Business Occupational	872.0	94.0	2,929.0	112.0	3,200.5	102.0	7,001.5	308.0
Technical Occupational	718.0	409.5	3,147.5	731.0	3,241.5	638.5	7,107.0	1,779.0
Health Occupational	1,062.5	-	3,587.5	24.0	3,502.0	42.5	8,152.0	66.5
Remedial Developmental	763.0	75.0	2,296.0	141.0	1,465.0	153.0	4,524.0	369.0
Adult Basic Education/ Adult Secondary Education	-	534.5	249.5	2,052.5	1,167.5	927.5	1,417.0	3,514.5
TOTAL CREDIT HOURS CERTIFIED	<u>8,292.0</u>	<u>1,116.0</u>	<u>29,025.0</u>	<u>3,102.5</u>	<u>29,837.0</u>	<u>1,941.5</u>	<u>67,154.0</u>	<u>6,160.0</u>

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	<u>62,712.5</u>	<u>2,281.5</u>	<u>64,994.0</u>
District equalized assessed valuation			\$ <u>1,220,959,504</u>
Mandatory calendar year 2004 allocation of corporate personal property replacement tax for debt retirement			\$ <u>-</u>

CATEGORIES	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	282.0	693.0	1,050.0	2,025.0
Business Occupational	94.0	112.0	102.0	308.0
Technical Occupational	395.0	631.5	497.0	1,523.5
Remedial Developmental	75.0	108.0	153.0	336.0
TOTAL CREDIT HOURS CERTIFIED	<u>846.0</u>	<u>1,544.5</u>	<u>1,802.0</u>	<u>4,192.5</u>

* Unrestricted credit hours are supported with 50 percent or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements. Restricted credit hours are supported with more than 50 percent of restricted sources of funding.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON
WHICH CLAIMS ARE FILED
For the Year Ended June 30, 2005**

**Reconciliation of Total Semester Credit Hours
For the Year Ended June 30, 2005**

<u>Categories</u>	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	38,952.5	38,952.5	-	123.0	123.0	-
Business Occupational	7,001.5	7,001.5	-	308.0	308.0	-
Technical Occupational	7,107.0	7,107.0	-	1,779.0	1,779.0	-
Health Occupational	8,152.0	8,152.0	-	66.5	66.5	-
Remedial Developmental	4,524.0	4,524.0	-	369.0	369.0	-
Adult Basic Education/Adult Secondary Education	1,417.0	1,417.0	-	3,514.5	3,514.5	-
TOTAL	<u>67,154.0</u>	<u>67,154.0</u>	<u>-</u>	<u>6,160.0</u>	<u>6,160.0</u>	<u>-</u>

**Reconciliation of In-District/Chargeback and Cooperative/
Contractual Agreement Credit Hours**

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total Attending as Certified to the ICCB (Unrestricted and Restricted)</u>	<u>Difference</u>
In-District Residents	62,712.5	62,712.5	-
Out-of-District on Chargeback or Contractual Agreement	2,281.5	2,281.5	-
TOTAL	<u>64,994.0</u>	<u>64,994.0</u>	<u>-</u>

**Reconciliation of Total Correctional Semester Credit Hours
For the Year Ended June 30, 2005**

<u>Categories</u>	<u>Total Correctional Credit Hours</u>	<u>Total Correctional Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	2,025.0	2,025.0	-
Business Occupational	308.0	308.0	-
Technical Occupational	1,523.5	1,523.5	-
Remedial Developmental	336.0	336.0	-
TOTAL	<u>4,192.5</u>	<u>4,192.5</u>	<u>-</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,
AND TAX COLLECTIONS
Levy Years 2004, 2003, and 2002

	Tax Year		
	<u>2004 Levy</u>	<u>2003 Levy</u>	<u>2002 Levy</u>
TAX COLLECTIONS TO JUNE 30			
Education Fund	\$ 597,811	\$ 2,642,539	\$ 2,629,152
Operations and Maintenance Fund	150,279	643,267	639,074
Bond and Interest Fund	544,913	1,875,765	1,821,362
Audit Fund	15,028	52,748	52,404
Liability, Protection, and Settlement Fund	354,058	1,397,175	1,211,685
Protection, Health, and Safety Fund	-	-	90,749
	<hr/>	<hr/>	<hr/>
TOTAL TAX COLLECTIONS	<u>\$ 1,662,089</u>	<u>\$ 6,611,494</u>	<u>\$ 6,444,426</u>
 PERCENT OF EXTENSIONS COLLECTED		<u>99.93%</u>	<u>99.74%</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY*
For the Year Ended June 30, 2005

	<u>Education Fund**</u>	<u>Operations and Maintenance Fund</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Capital Endowment</u>	<u>Bond and Interest Fund</u>
FUND BALANCE (DEFICIT) AT JULY 1, 2004	\$ 468,176	\$ 336,104	\$ (44,078)	\$ 5,155,587	\$ 4,797,427
REVENUE					
Local taxes	2,673,756	650,866	-	-	1,853,666
All other local government	34,354	-	-	-	-
ICCB grants	4,012,214	283,837	-	-	-
All other state revenue	317,357	8,790	-	-	-
Federal revenue	-	-	-	51,492	-
Student tuition and fees	5,165,749	275,885	-	-	-
All other revenue	151,585	24,031	7,884	436,005	19,220
Total revenue	<u>12,355,015</u>	<u>1,243,409</u>	<u>7,884</u>	<u>487,497</u>	<u>1,872,886</u>
EXPENDITURES					
Instruction	6,885,337	-	-	-	-
Academic support	380,775	-	-	-	-
Student services	1,113,074	-	-	-	-
Public services	226,612	-	-	-	-
Institutional support	2,712,394	124,807	282,641	885	88,862
Scholarships, student grants, and waivers	-	-	-	-	-
Operation and maintenance	-	1,189,908	-	-	-
Principal retirement	-	-	-	-	735,000
Interest and service charges	-	-	-	-	1,313,092
Building construction, building improvements, and equipment	287,761	3,247	1,316,292	-	-
Total expenditures	<u>11,605,953</u>	<u>1,317,962</u>	<u>1,598,933</u>	<u>885</u>	<u>2,136,954</u>
Proceeds from issuance of debt	-	-	-	-	9,690,000
Discount on bond issuance	-	-	-	-	(151,100)
Payment to refunding bond escrow agent	-	-	-	-	(9,451,380)
Proceeds from issuance of capital leases	156,611	-	-	-	-
Transfers in	508,049	127,734	1,248,748	1,028,650	-
Transfers out	(895,890)	-	(82,909)	(315,994)	(2,858,876)
	<u>(231,230)</u>	<u>127,734</u>	<u>1,165,839</u>	<u>712,656</u>	<u>(2,771,356)</u>
FUND BALANCE (DEFICIT) AT JUNE 30, 2005	<u>\$ 986,008</u>	<u>\$ 389,285</u>	<u>\$ (469,288)</u>	<u>\$ 6,354,855</u>	<u>\$ 1,762,003</u>

* Excludes Workforce Investment Acts' revenues and expenditures.

** Excludes State of Illinois SURS on-behalf payments.

<u>Employee Insurance Fund</u>	<u>Auxiliary Enterprise Fund</u>	<u>Restricted Purpose Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection, and Settlement Fund</u>	<u>Nonexpendable Trust Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
\$ (719,627)	\$ (113,136)	\$ (107,795)	\$ (4,750)	\$ (726,694)	\$ 3,672,237	\$ 5,190,904	\$ 17,904,355
-	-	-	52,069	1,381,137	-	-	6,611,494
-	-	191,901	-	-	-	-	226,255
-	-	363,947	-	-	-	-	4,659,998
-	-	396,908	-	-	-	-	723,055
-	23,681	5,475,034	-	-	-	-	5,550,207
-	245,132	-	-	-	-	-	5,686,766
547,423	655,977	177,083	100	4,815	76,611	159,893	2,260,627
547,423	924,790	6,604,873	52,169	1,385,952	76,611	159,893	25,718,402
-	-	860,244	-	-	-	-	7,745,581
-	-	1,378	-	-	-	-	382,153
-	847,827	531,071	-	-	-	-	2,491,972
-	-	687,450	-	-	-	-	914,062
1,607,980	-	8,116	82,533	1,399,914	-	2,167	6,310,299
-	-	4,542,654	-	-	-	-	4,542,654
-	-	-	-	-	-	-	1,189,908
-	-	-	-	-	-	-	735,000
-	-	-	-	-	-	-	1,313,092
-	-	-	-	-	-	-	1,607,300
1,607,980	847,827	6,630,913	82,533	1,399,914	-	2,167	27,232,021
-	-	-	-	-	-	-	9,690,000
-	-	-	-	-	-	-	(151,100)
-	-	-	-	-	-	-	(9,451,380)
-	-	-	-	-	-	-	156,611
892,920	26,030	51,492	-	2,250	303,720	-	4,189,593
-	-	(6,883)	-	-	(29,041)	-	(4,189,593)
892,920	26,030	44,609	-	2,250	274,679	-	244,131
\$ (887,264)	\$ (10,143)	\$ (89,226)	\$ (35,114)	\$ (738,406)	\$ 4,023,527	\$ 5,348,630	\$ 16,634,867

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT*
For the Year Ended June 30, 2005

	Fixed Assets/ Debt Account Groups <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	Fixed Assets/ Debt Account Groups <u>June 30, 2005</u>
FIXED ASSETS				
Land	\$ 399,483	\$ 6,000	\$ -	\$ 405,483
Deposit on equipment	1,178,452	-	1,178,452	-
Furniture and equipment	1,750,847	1,479,366	187,623	3,042,590
Land improvements	208,602	-	-	208,602
Buildings and additions	23,621,022	23,712	-	23,644,734
Vehicles	250,477	16,041	-	266,518
Infrastructure	2,181,477	-	-	2,181,477
Construction in progress	-	1,170,747	-	1,170,747
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FIXED ASSETS	<u>\$ 29,590,360</u>	<u>\$ 2,695,866</u>	<u>\$ 1,366,075</u>	<u>\$ 30,920,151</u>
 FIXED DEBTS				
Bonds payable	\$ 26,600,000	\$ 9,690,000	\$ 9,485,000	\$ 26,805,000
Other fixed liabilities	1,451,237	487,784	746,308	1,192,713
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FIXED DEBTS	<u>\$ 28,051,237</u>	<u>\$ 10,177,784</u>	<u>\$ 10,231,308</u>	<u>\$ 27,997,713</u>

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2005.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
For the Year Ended June 30, 2005

	<u>Education Fund*</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
OPERATING REVENUES BY SOURCE			
Local government:			
Current taxes	\$ 2,673,756	\$ 650,866	\$ 3,324,622
Chargeback revenue	4,169	-	4,169
Other	<u>30,185</u>	<u>-</u>	<u>30,185</u>
Total local government	<u>2,708,110</u>	<u>650,866</u>	<u>3,358,976</u>
State government:			
ICCB base operating grant	1,975,680	153,846	2,129,526
ICCB equalization grant	1,919,217	122,503	2,041,720
ICCB additional designated grant	117,317	7,488	124,805
Corporate personal property replacement tax	190,981	8,790	199,771
Board of Vocational Education and Rehabilitation	<u>126,376</u>	<u>-</u>	<u>126,376</u>
Total state government	<u>4,329,571</u>	<u>292,627</u>	<u>4,622,198</u>
Student tuition and fees:			
Tuition	4,477,292	275,885	4,753,177
Fees	<u>688,457</u>	<u>-</u>	<u>688,457</u>
Total tuition and fees	<u>5,165,749</u>	<u>275,885</u>	<u>5,441,634</u>
Other sources:			
Facilities revenue	-	17,988	17,988
Interest	58,158	3,936	62,094
Other	<u>93,427</u>	<u>2,107</u>	<u>95,534</u>
Total other sources	<u>151,585</u>	<u>24,031</u>	<u>175,616</u>
TOTAL REVENUE	<u><u>\$ 12,355,015</u></u>	<u><u>\$ 1,243,409</u></u>	<u><u>\$ 13,598,424</u></u>

* Excludes State of Illinois SURS on-behalf payments.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
For the Year Ended June 30, 2005

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
By program:			
Instruction	\$ 7,173,098	\$ -	\$ 7,173,098
Academic support	380,775	-	380,775
Student services	1,113,074	-	1,113,074
Public services	226,612	-	226,612
Institutional support **	2,712,394	124,807	2,837,201
Operation and maintenance of plant	-	1,193,155	1,193,155
	<hr/>	<hr/>	<hr/>
Total expenditures	11,605,953	1,317,962	12,923,915
Less nonoperating items:*			
Tuition chargeback	20,795	-	20,795
	<hr/>	<hr/>	<hr/>
ADJUSTED EXPENDITURES	<u>\$ 11,585,158</u>	<u>\$ 1,317,962</u>	<u>\$ 12,903,120</u>
 BY OBJECT			
Salaries	\$ 7,773,116	\$ 491,262	\$ 8,264,378
Employee benefits **	439,389	-	439,389
Contractual services	1,258,834	48,934	1,307,768
General materials and supplies	1,148,675	78,356	1,227,031
Conference and meeting expense	248,296	3,462	251,758
Fixed charges	162,298	66,872	229,170
Utilities	2,714	547,784	550,498
Capital outlay	287,761	3,247	291,008
Other	284,870	78,045	362,915
	<hr/>	<hr/>	<hr/>
Total expenditures	11,605,953	1,317,962	12,923,915
Less nonoperating items:*			
Tuition chargeback	20,795	-	20,795
	<hr/>	<hr/>	<hr/>
ADJUSTED EXPENDITURES	<u>\$ 11,585,158</u>	<u>\$ 1,317,962</u>	<u>\$ 12,903,120</u>

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

** Excludes State of Illinois SURS on-behalf payments.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
For the Year Ended June 30, 2005

REVENUE BY SOURCE

Local government:

District 205 Parent Teaching	\$ 24,902
Bright Futures	24,438
T.R.A.I.N.	46,707
Prevention Initiative	68,809
Pre-K	20,752
Other	6,293
	191,901
Total local government	191,901

State government:

ICCB:

Workforce Development Component Grants	63,405
P-16 Initiative Grant	15,000
State Adult Education Restricted Funds Grants	162,229
Henry C. Hill	109,426
Career and Technical Education Grant	13,887
DOC Henry C. Hill Prison	210,848
Illinois Incentive for Access	33,500
S.O.S. Family Literacy	102,110
RSVP	41,661
Other	8,789
	760,855
Total state government	760,855

Federal government:

College Work Study Grants	100,403
Pell Grants	3,445,908
Supplemental Educational Opportunity Grant	54,868
Federal Adult Basic	112,339
Federal Adult EL/Civics	18,537
Tech Prep Support	9,297
Trio- Student Support Services	164,880
Direct Loans	871,730
Carl Perkins	298,714
RSVP	120,573
Upward Bound	232,090
Paraprofessional Test Prep. Course	7,200
Continuous Quality Improvement Grant	10,000

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
For the Year Ended June 30, 2005

REVENUE BY SOURCE (CONTINUED)

Federal government (continued):	
Performance Enhancement Grant	\$ 10,000
Child Care CCAMPIS	14,553
Other	<u>3,942</u>
Total federal government	<u>5,475,034</u>
Other sources	<u>177,083</u>

TOTAL RESTRICTED PURPOSES FUND REVENUES \$ 6,604,873

EXPENDITURES BY PROGRAM

Instruction	\$ 860,244
Academic support	1,378
Student services	531,071
Public services	687,450
Institutional support	8,116
Scholarships, student grants, and waivers	<u>4,542,654</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY PROGRAM \$ 6,630,913

EXPENDITURES BY OBJECT

Salaries	\$ 1,054,687
Employee benefits	238,868
Contractual services	102,182
General materials and supplies	202,538
Travel, conference and meeting expense	65,826
Student financial aid	4,542,654
Fixed charges	33,429
Utilities	5,630
Capital outlay	77,230
Other	<u>307,869</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY OBJECT \$ 6,630,913

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
For the Year Ended June 30, 2005

INSTRUCTIONAL		
Programs		\$ 6,946,636
Support		<u>798,945</u>
Total instructional		<u>7,745,581</u>
 PUBLIC SERVICES		 <u>914,062</u>
 ACADEMIC SUPPORT		
Learning Resource Center		139,898
Administration		<u>242,255</u>
Total academic support		<u>382,153</u>
 STUDENT SERVICES SUPPORT		
Admissions and records		188,371
Counseling and career guidance		749,309
Other student services support		<u>706,465</u>
Total student services support		<u>1,644,145</u>
 AUXILIARY SERVICES		 <u>847,827</u>
 OPERATIONS AND MAINTENANCE OF PLANT		
Operations and maintenance administration		46,785
Plant utilities		547,784
Other operations and maintenance		<u>595,339</u>
Total operations and maintenance of plant		<u>1,189,908</u>
 INSTITUTIONAL SUPPORT		
Board of Trustees		53,922
General institutional support **		3,180,248
Administrative data processing		828,553
Other institutional support		<u>265,041</u>
Total institutional support		<u>4,327,764</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
For the Year Ended June 30, 2005

CAPITAL OUTLAY	<u>\$ 291,008</u>
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	<u>4,542,654</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 21,885,102</u></u>

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

** Excludes State of Illinois SURS on-behalf payments.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)
For the Year Ended June 30, 2005

**NONCAPITAL OPERATING EXPENDITURES FROM
THE FOLLOWING FUNDS**

1	Education Fund *	\$ 11,430,492	
2	Operations and Maintenance Fund	1,317,962	
3	Bond and Interest Fund	2,136,954	
4	Restricted Purposes Fund	6,582,878	
5	Audit Fund	82,533	
6	Liability, Protection, and Settlement Fund	1,399,914	
7	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-6)		\$ 22,950,733
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$ 720,092	
9	TOTAL COSTS INCLUDED (line 7 plus line 8)		\$ 23,670,825
10	Total certified semester credit hours for FY 2005	73,314.0	
11	PER CAPITA COST (line 9 divided by line 10)		\$ 322.87
12	All FY 2005 state and federal operating grants for noncapital expenditures, except ICCB grants	\$ 12,339,403	
13	FY 2005 state and federal grants per semester credit hour (line 12 divided by line 10)		168.31
14	District's average ICCB grant rate (excluding equalization grants) for FY 2005		31.72
15	District's student tuition and fee rate per semester credit hour for FY 2005		79.50
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)		\$ 43.34

Approved: _____ Date _____
Chief Fiscal Officer

Approved: _____ Date _____
Chief Executive Officer

* Excludes State of Illinois on-behalf payment.