



# 2011 Comprehensive Annual Financial Report



Fiscal year ended June 30, 2011



## Carl Sandburg College



Community College District 518  
2400 Tom L. Wilson Blvd., Galesburg, IL 61401

[sandburg.edu](http://sandburg.edu)

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT 518  
GALESBURG, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
June 30, 2011 and 2010**

**Finance Department  
Lisa Blake, Chief Financial Officer/Treasurer**



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**INTRODUCTORY SECTION**  
(Unaudited)



## President's Letter

September 13, 2011

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 2011. This document represents the record of the College's financial operations for the year ending June 30, 2011.

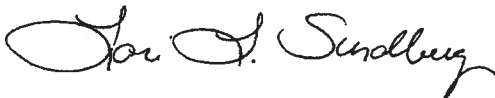
This past year the College again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and we are proud of this achievement. Against a backdrop of one of the worst financial situations in the state of Illinois, the College improved its relative financial condition while simultaneously preparing itself for an exciting future ahead.

Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, retraining, upgrading their skills, maintaining certification, or advancing in their profession. Of our enrollment, 65 percent are women and 50 percent attend part-time. What they all have in common is that they come to Carl Sandburg College to learn.

Carl Sandburg College is far more than a place where students can spend time before moving on to employment or a four-year college or university. It is an institution where students can explore their academic interests, retrain for a changing workforce, perhaps achieve a GED or learn to speak English. Approximately 500 degrees and certificates are awarded every year and countless hours in learning new skills are achieved.

I am privileged to serve as President of this institution and I'm grateful for the community who supports us, the students who enroll with us, and the trustees who govern us.

Respectfully,



Lori L. Sundberg, D.B.A.  
President

Illinois Community College District 518

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*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**

September 13, 2011

To President Sundberg,  
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, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Wipfli LLP has issued an unqualified (clean) opinion on Carl Sandburg Community College District No. 518 basic financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of the report.

This letter of transmittal should be read in conjunction with Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and it focuses on current activities, accounting changes and currently known facts.

### **VISION, MISSION AND VALUES**

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College's district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage and an extension center in Bushnell. We serve a diverse group of students. In the fall of 2010, the College enrolled 2,538 students, with an average age of 30 years. Women represented 65 percent of the student body and 50 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

Illinois Community College District 518

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

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Fall College enrollment	3,260	2,930	2,693	2,615	2,661	2,538
Annual Full-time equivalents	2,283	1,914	1,682	1,641	1,772	1,737
Continuing Education Credit Hours	1,400	1,029	1,066	1,002	918	798
<u>Total Annual Credit Hours</u>	68,500	57,434	50,471	49,219	53,174	52,113

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

Strategic Planning for 2011-2014 was implemented when the College named our new President, Dr. Lori Sundberg effective July 1, 2010. The process included an environmental scan, SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis with the entire College community, a review of the mission statement and current focal points and goals, and a determination of core values. Based upon feedback from the process, the following mission statement, core values and vision statement were crafted.

**The College’s Mission**

*The mission of Carl Sandburg College is to provide students an opportunity to succeed by providing 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.*

**Core Values**

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

**Our Vision Statement**

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

## Major Goals and Objectives

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

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

## **FINANCIAL INFORMATION**

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

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

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

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

## ECONOMIC CONDITION

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 correctly anticipated a flat or declining enrollment commencing in fiscal year 2006 and continuing for the next couple of years. The loss of industry has also 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 fiscal years.

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

<u>Fund Type</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current:					
Education	0.2013	0.1953	0.2020	0.2063	0.2015
Operations and Maintenance	0.0500	0.0500	0.0495	0.0500	0.0500
Liability, Protection and					
Settlement	0.1099	0.1070	0.1167	0.1157	0.1191
Audit	0.0050	0.0050	0.0050	0.0050	0.0050
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security/Medicare	0.0129	0.0110	0.0128	0.0167	0.0170
Bond and Interest	0.2262	0.2193	0.2106	0.1953	0.1833
Plant:					
Operations and Maintenance	0.0062	0.0264	0.0239	0.0000	0.0000
(Restricted) - Life Safety					
Total	0.6115	0.6140	0.6205	0.6039	0.5759

The College District's 2009 tax levy base of \$1,427,057,760 increased by 3.80% over the 2008 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2011, local property taxes accounted for approximately 30% of total revenues.

*Debt.* Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2011, the college issued new debt to expand our Working Cash Fund to provide additional cushion in its reserves and to retain the ability to internally cash flow the operations without interruption.

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

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

The College has been able to locally fund building renovations/improvements through the use of accumulated interest on our Working Cash fund and Technology Quasi-Endowment Fund. The College's improvements for fiscal year 2011 included the expansion of our video monitoring system and emergency power provisions. Other plans continue to be designated primarily for investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication equipment, security equipment, and increased district wide wireless high speed internet access.

*Major College Initiatives.* With the retirement of the College's fifth President effective June 30, 2010, the Board of Trustees unanimously employed Dr. Lori Sundberg as the sixth President of the College on October 13, 2009, effective July 1, 2010. She was serving as the Vice President of Academic Services for the College.

In December of fiscal year 2011, the College issued \$2,500,000 of Working Cash Fund Bonds to enhance the College's ability to meet cash flow demands with the delay in receiving state allocations. The College also issued \$1,610,000 of refunding bonds to generate debt service savings and restructuring of the debt to maintain level tax rates to the district residents.

The College was also successful in extending our labor agreement through June 30, 2014 as a result of our Interest Based Bargaining (IBB) process with Sandburg Education Association (SEA). This incorporates the belief that each student is entitled to an education of the highest quality and that the attainment of this objective is dependent upon the quality and morale of the employees.

## **PROSPECTS FOR THE FUTURE**

Due to uncertainty regarding the state contribution to the community college system, the College's financial outlook remains challenging. Carl Sandburg College is accommodating significant structural and programmatic changes and enhancements which will result in a "Re-shaped Institution." There is a commitment to look inward on the quality and efficiencies of current programs/activities with an eye towards asking the simple question, "If we were not

already doing this today, would we begin doing it tomorrow?" The College will continue to conserve resources through financial control and reduction of expenses where possible without affecting the quality and viability of the educational programs. Contingencies are also budgeted annually to provide for the uncertainties associated with State funding, enrollment, capital funding requirements, utility and other market-driven costs. The College has been able to negotiate a long term (rolling) labor agreement which currently goes thru June 30, 2014.

The College has done the right things at the right time. A Working Cash Fund has been established to help fund targeted "one-shot" improvements and/or acquisitions from the interest income generated from the principal. A quasi-endowment fund in the liability protection account of \$3.985M generates interest income to be used for tort related purposes. An additional \$7M is invested in a capital endowment account to generate interest income to refresh the College's strategic technologies.

Higher education is an opportunity. It is an opportunity to learn about ideas and concepts that will challenge you to think differently. Carl Sandburg College provides the opportunity to interact with the professors. The College offers a time of learning about many things including history, politics, mathematics, sciences, and the arts. It also offers a time of self exploration and sharing of ideas.

## **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, 2010. This was the eighth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Lisa M. Blake  
Chief Financial Officer



Samuel Sudhakar  
Vice President of Administrative Services



**CARL SANDBURG COLLEGE –**  
**Illinois Community College District No. 518**  
**FY 2011**  
**Principal Officials as of June 30, 2011**

**Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>Term Expires</b>
Mr. Thomas H. Colclasure	Chairperson	2015
Mr. Bruce Lauerma	Secretary	2015
Ms. Gayla J. Pacheco	Trustee	2017
Mr. Michael T. Bavery	Chairperson	2013
Mr. William C. Robinson	Trustee	2017
Reverend Jon A. Sibley, Sr.	Trustee	2013
Mr. John T. Huston	Trustee	2017
Mr. Joseph Gembala	Student Trustee	
Ms. Marjorie Smolensky	Faculty Representative	
Ms. Joan Smith	Staff Representative	

**Officers of the College**

Dr. Lori Sundberg	President
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Administrative Services and CIO
Ms. Julie Gibb	Vice President of Academic Services

**Administrative Staff**

Ms. Gena Alcorn	Director of Foundation
Mr. Tony Bentley	Director of TRiO Upward Bound Project
Ms. Lisa Blake	Chief Financial Officer/Treasurer
Mr. Larry Byrne	Director of Business Services
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Marnie Dugan	Director of Recruiting
Ms. Sherry Foster	Dean of Corporate and Community Services
Ms. Lisa Hanson	Director of Financial Aid
Ms. Carol Kreider	Dean of Student Support Services
Ms. Misty Lyon	Director of TRIO Student Support Services
Ms. Debra Miller	Dean of Extension Services
Mr. Mark Pfeleger	Dean of Occupational Programs
Mr. Jim Rich	Dean of Adult & Developmental Education
Dr. Connie Thurman	Dean of Human Resources and Organizational Development
Mr. Michael Walters	Dean of the Library
Ms. Lauri Wiechmann	Dean of Allied Health

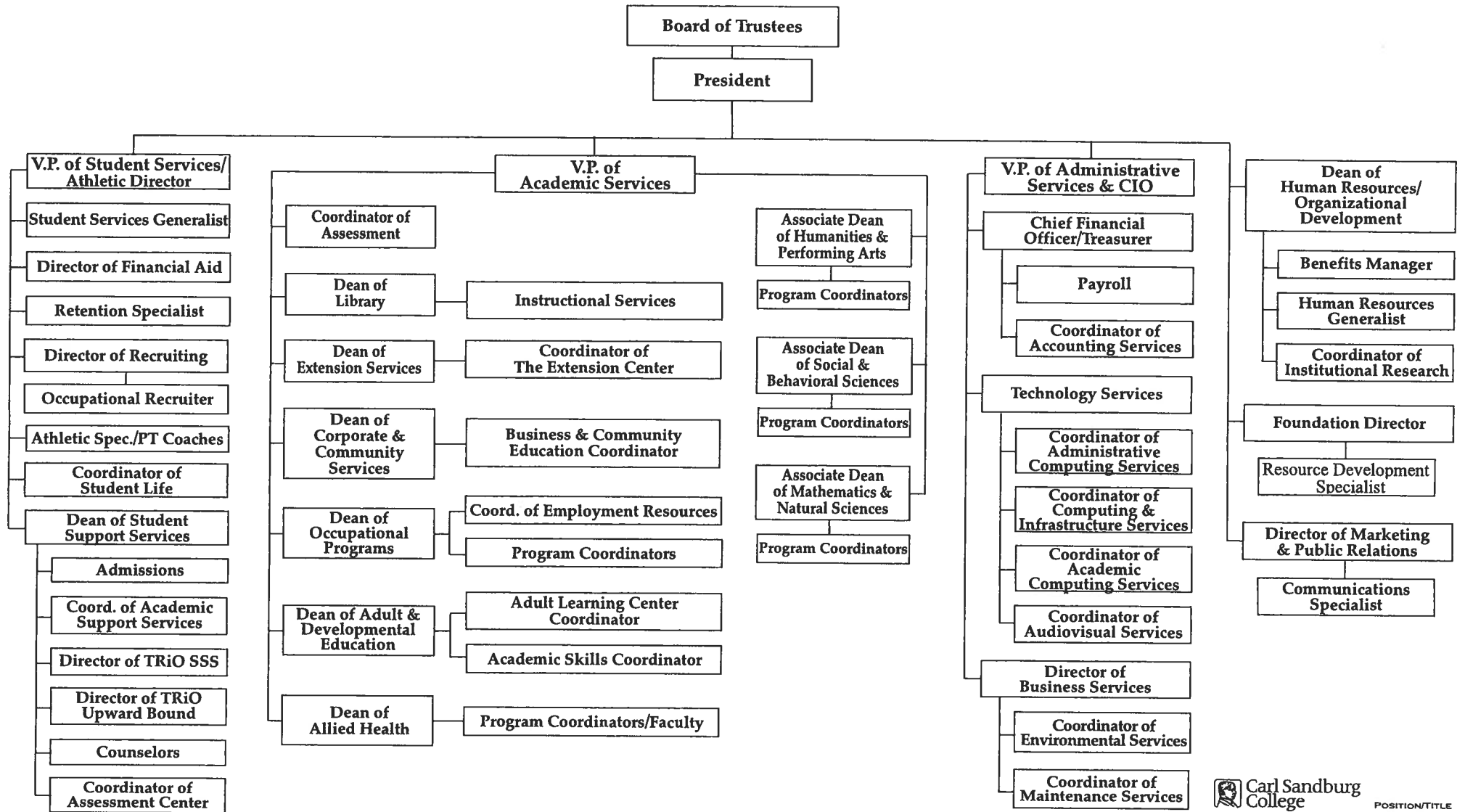
**Official Issuing Report**

Ms. Lisa Blake, Chief Financial Officer/Treasurer

**Department Issuing Report**

Finance Office

# CARL SANDBURG COLLEGE ORGANIZATIONAL CHART



# 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, 2010

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.



President

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 financial statements of Carl Sandburg College – Community College District No. 518 (the College) and its discretely presented component unit, Carl Sandburg College Foundation, as of and for the years ended June 30, 2011 and 2010, which collectively comprise of the College's basic financial statements 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 audit.

We conducted our audit 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 audit provides a reasonable basis for our opinions.

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, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year 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 13, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 62 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carl Sandburg College – Community College District No. 518's financial statements as a whole. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

*Wipfli LLP*

Sterling, Illinois  
September 13, 2011

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS**  
For the years ended June 30, 2011 and 2010

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**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, 2011 and 2010. 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 vi-xiv), the College's basic financial statements (pages 13-18), and the footnotes (pages 20-43). Responsibility for the completeness and fairness of this information rests with the College.

**Using This Annual Report**

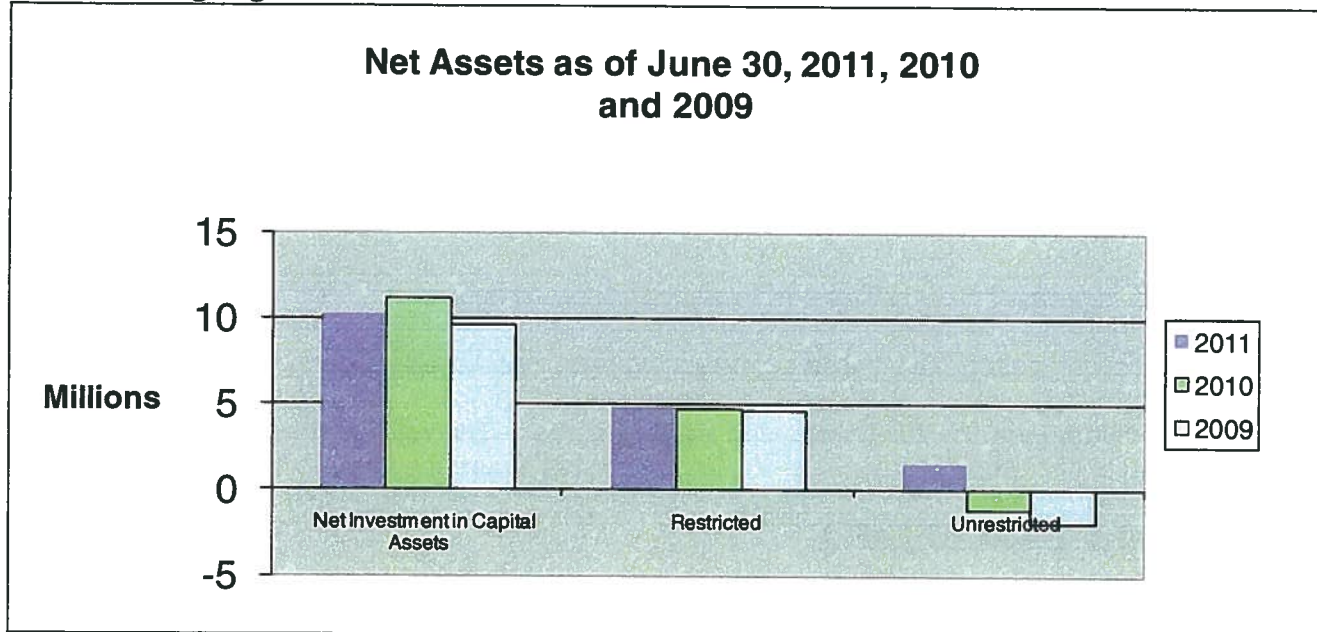
The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements (see pages 13-18) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of 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 (H) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

**Financial Highlights**



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

	2011	2010	Increase (Decrease) 2011-2010	2009	Increase (Decrease) 2010-2009
Current assets	\$22.6	\$18.7	\$3.9	\$23.6	(\$4.9)
Non-current assets					
Capital assets, net of depreciation	21.3	22.3	(1.0)	19.7	2.6
Other	13.0	13.1	(0.1)	7.7	5.4
<b>Total assets</b>	<b>56.9</b>	<b>54.1</b>	<b>2.8</b>	<b>51.0</b>	<b>3.1</b>
Current liabilities	12.9	12.4	0.5	11.7	0.7
Non-current liabilities	27.4	27.0	0.4	27.0	0.0
<b>Total liabilities</b>	<b>40.3</b>	<b>39.4</b>	<b>0.9</b>	<b>38.7</b>	<b>0.7</b>
<b>Net assets</b>					
Investment in capital assets, net	10.2	11.1	(0.9)	9.6	1.5
Restricted for					
Debt service	0.6	0.4	0.2	0.3	0.1
Insurance	4.3	4.3	0.0	4.3	0.0
Unrestricted	1.5	(1.1)	2.6	(1.9)	0.8
<b>Total</b>	<b>\$16.6</b>	<b>\$14.7</b>	<b>\$1.9</b>	<b>\$12.3</b>	<b>\$2.4</b>



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

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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 2011 Compared to 2010**

Current assets increased \$3.9 million mainly due to the expansion of the Working Cash Fund and expenditure control. Receivables also decreased due to receiving more first installments of property taxes prior to year end.

Capital assets decreased \$1.0 million due to depreciation expense.

Current liabilities increased \$0.5 million due to an increase in deferred property taxes.

Total net assets at June 30, 2011 increased by \$1.9 million. The restricted net assets are reserved for \$0.6 million of debt service payments and \$4.3 million of insurance reserve fund

**Fiscal Year 2010 Compared to 2009**

Current assets decreased \$4.9 million due to the completion of the Charger Community Center renovation and the long term investment of the expansion of the STEF Fund. Receivables also decreased due to receiving more first installments of property taxes prior to year end and better timing of receiving state funds.

Capital assets increased \$2.6 million with the completion of the Charger Community Center renovation. Other non-current assets increased \$5.4 million due to the long term investment of proceeds received for the expansion of the STEF and Working Cash Funds.

Current liabilities increased \$0.7 million due to an increase in the current portion of bonds payable.

Total net assets at June 30, 2010 increased by \$2.4 million. The restricted net assets are reserved for \$0.4 million of debt service payments and \$4.3 million of insurance reserve fund bonds.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

<b>Operating Results for the Year Ended June 30, (in millions)</b>					
	<b>2011</b>	<b>2010</b>	<b>Increase (Decrease) 2011-2010</b>	<b>2009</b>	<b>Increase (Decrease) 2010-2009</b>
Operating revenue					
Tuition and fees	\$4.5	\$5.0	(\$0.5)	\$5.2	(\$0.2)
Auxiliary	0.7	0.6	0.1	0.6	0.0
Total operating revenue	5.2	5.6	(0.4)	5.8	(0.2)
Less operating expenses	26.2	26.6	(0.4)	24.8	1.8
Operating loss	(21.0)	(21.0)	0.0	(19.0)	(2.0)
Non-operating revenue					
State grants and contracts	4.6	5.5	(0.9)	6.3	(0.8)
Federal grants and contracts	7.3	7.2	0.1	5.6	1.6
Property taxes	8.7	8.4	0.3	8.0	0.4
Investment income	0.4	0.6	(0.2)	0.6	0.0
Other	2.9	3.1	(0.2)	2.3	0.8
Total non-operating revenue	23.9	24.8	(0.9)	22.8	2.0
Non-operating expense					
Interest expense	1.0	1.4	(0.4)	1.2	0.2
<b>Increase (decrease) in net assets</b>	<b>1.9</b>	<b>2.4</b>	<b>(0.5)</b>	<b>2.6</b>	<b>(0.2)</b>
Net assets, beginning of year	14.7	12.3	2.4	9.7	2.6
Net assets, end of year	\$16.6	\$14.7	\$1.9	\$12.3	\$2.4

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2011 were \$29.1 million and \$27.2 million, respectively. Fiscal year 2010 total revenues and expenses (Operating and Non-Operating) were \$30.4 million and \$28.0 million. Fiscal year 2009 total revenues and expenses (Operating and Non-Operating) were \$28.6 million and \$26.0 million.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

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**Fiscal Year 2011 Compared to 2010**

Operating revenue decreased \$0.4 million due to an increase in scholarship allowances.

Operating expenses as of June 30, 2011, decreased \$0.4 million due to expenditure control on instructional salaries and supplies.

Non-operating revenue decreased \$0.9 million. State grants decreased due to less funds allocated to the College from the Illinois Community College Board.

The College incurred additional bond debt in Fiscal Year 2011 to expand our Working Cash Fund to provide the ability to internally cash flow operations without interruption. State payments continue to be delinquent in excess of 180 days with little prospect of improvement in the near future.

**Fiscal Year 2010 Compared to 2009**

Operating revenue decreased \$0.2 million due to an increase in scholarship allowances.

Operating expenses as of June 30, 2010, increased \$1.8 million due to costs incurred for employee benefits and increased student financial assistance.

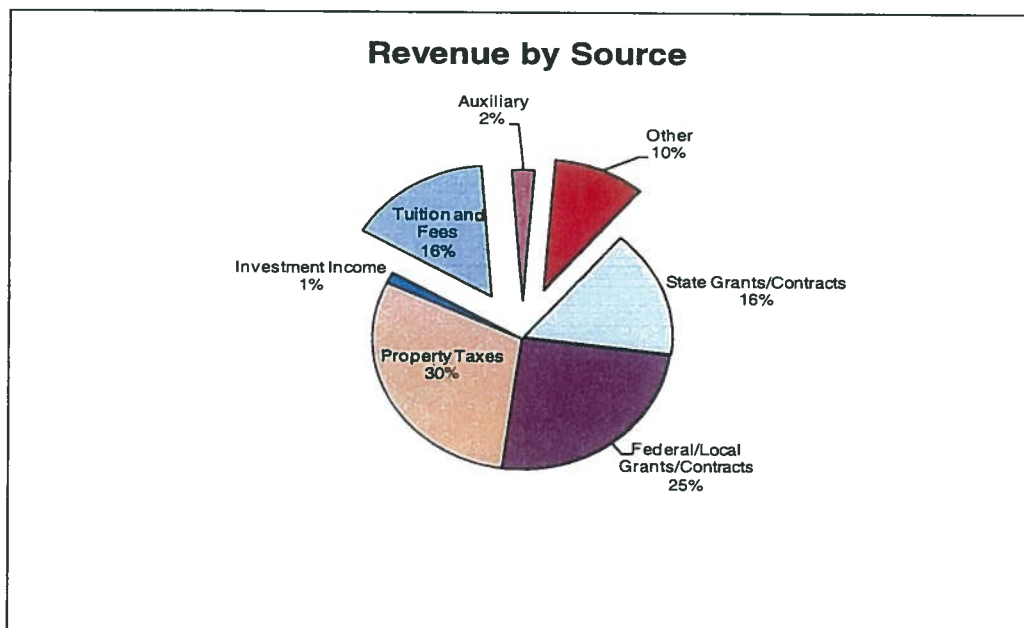
Non-operating revenue increased \$2.0 million. Property tax revenue increased with an increase in EAV. Federal grants also increased due to increased student financial assistance.

The College incurred additional bond debt in Fiscal Year 2010 to expand our Working Cash Fund to provide the ability to internally cash flow operations without interruption. State payments continue to be delinquent in excess of 180 days with little prospect of improvement in the near future.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

The following is a graphic illustration of revenues by source for the year ended June 30, 2011.



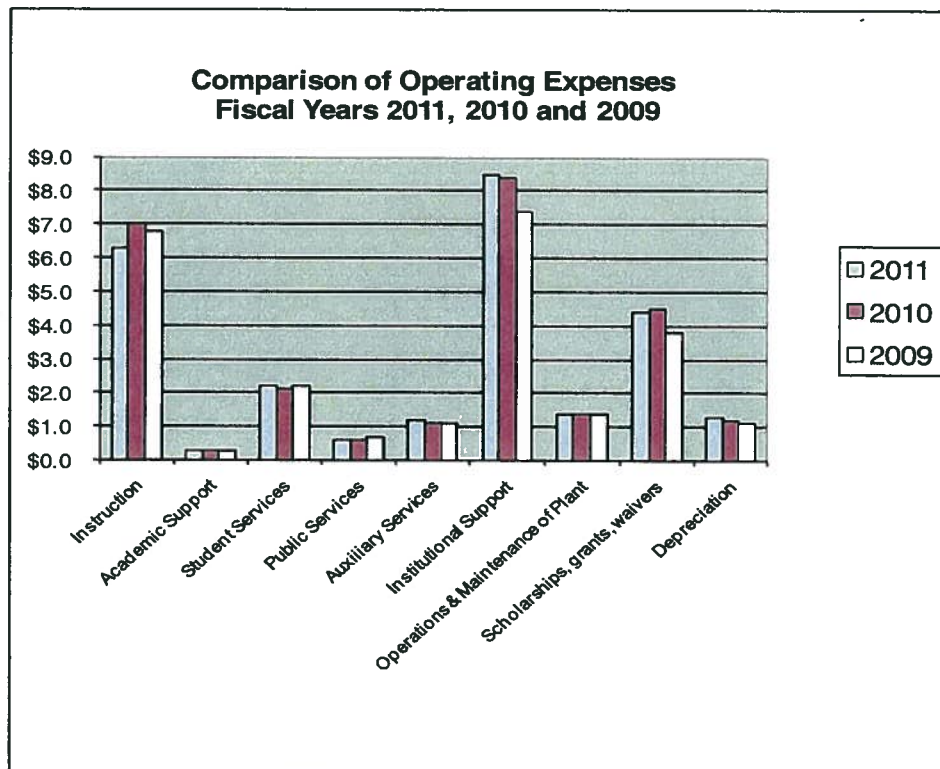
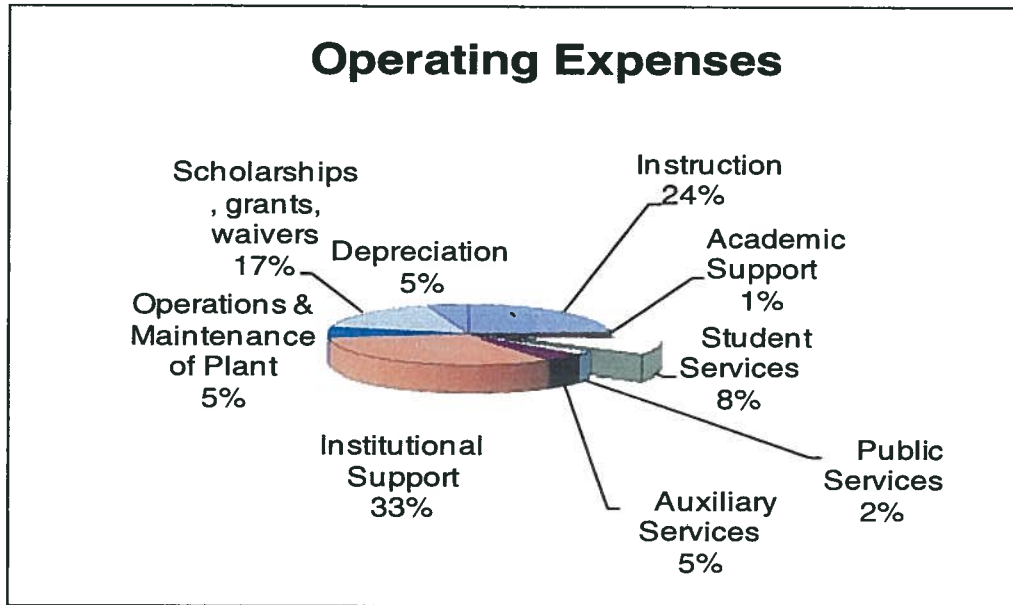
**Operating Expenses  
For the Year Ended June 30,  
(in millions)**

Operating expense			Increase (Decrease)		
	2011	2010	2011-2010	2009	2010-2009
Instruction	\$6.3	\$7.0	(\$0.7)	\$6.8	\$0.2
Academic support	0.3	0.3	0.0	0.3	0.0
Student services	2.2	2.1	0.1	2.2	(0.1)
Public services	0.6	0.6	0.0	0.7	(0.1)
Auxiliary services	1.2	1.1	0.1	1.1	0.0
Operations & maintenance of plant	1.4	1.4	0.0	1.4	0.0
Institutional support	8.5	8.4	0.1	7.4	1.0
Scholarships, grants, waivers	4.4	4.5	(0.1)	3.8	0.7
Depreciation	1.3	1.2	0.1	1.1	0.1
<b>Total</b>	<b>\$26.2</b>	<b>\$26.6</b>	<b>(\$0.4)</b>	<b>\$24.8</b>	<b>\$1.8</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

The following is a graphic illustration of operating expenses for the year ended June 30, 2011.



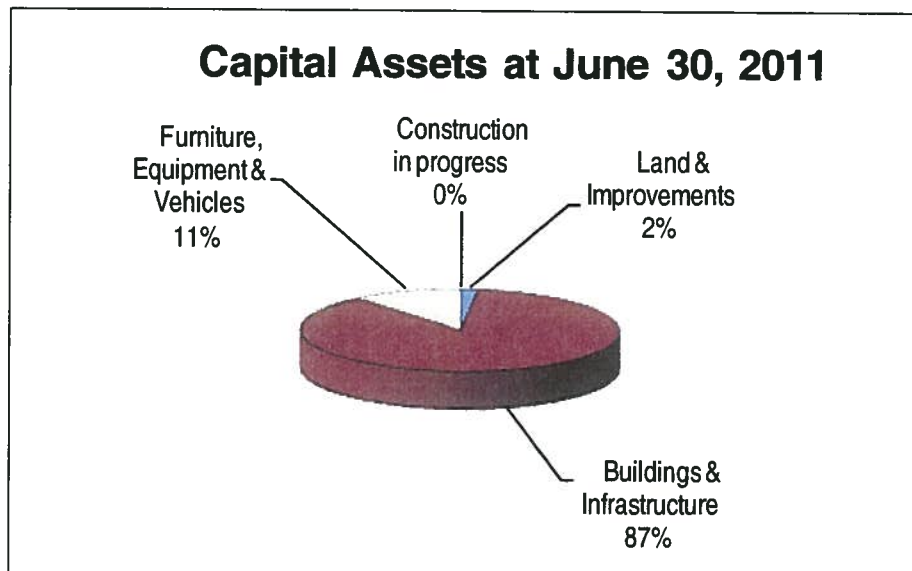
**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

<b>Capital Assets, Net June 30, (in millions)</b>					
	<b>2011</b>	<b>2010</b>	<b>Increase (Decrease) 2011-2010</b>	<b>2009</b>	<b>Increase (Decrease) 2010-2009</b>
<b>Capital Assets</b>					
Land & improvements	\$0.7	\$0.7	\$0.0	\$0.7	\$0.0
Buildings & infrastructure	35.0	34.8	0.2	28.6	6.2
Furniture, equipment, & vehicles	4.5	4.3	0.2	3.8	0.5
Construction in progress	0.0	0.1	(0.1)	3.1	(3.0)
<b>Total</b>	<b>40.2</b>	<b>39.9</b>	<b>0.3</b>	<b>36.2</b>	<b>3.7</b>
Less accumulated depreciation	(18.9)	(17.6)	(1.3)	(16.5)	(1.1)
<b>Net capital assets</b>	<b>\$21.3</b>	<b>\$22.3</b>	<b>(\$1.0)</b>	<b>\$19.7</b>	<b>\$2.6</b>

**Fiscal Year 2011 Compared to 2010**

As of June 30, 2011, the College had recorded \$40.2 million invested in capital assets, \$18.9 million in accumulated depreciation, and \$21.3 million in net capital assets. The College continued to make investments in communication and computer technology to provide students throughout the entire district with increased opportunities for learning and for safety precautions. For more detailed information on capital asset activity, refer to Note (C) – Capital Assets, in the Notes to Basic Financial Statements on pages 27-28.



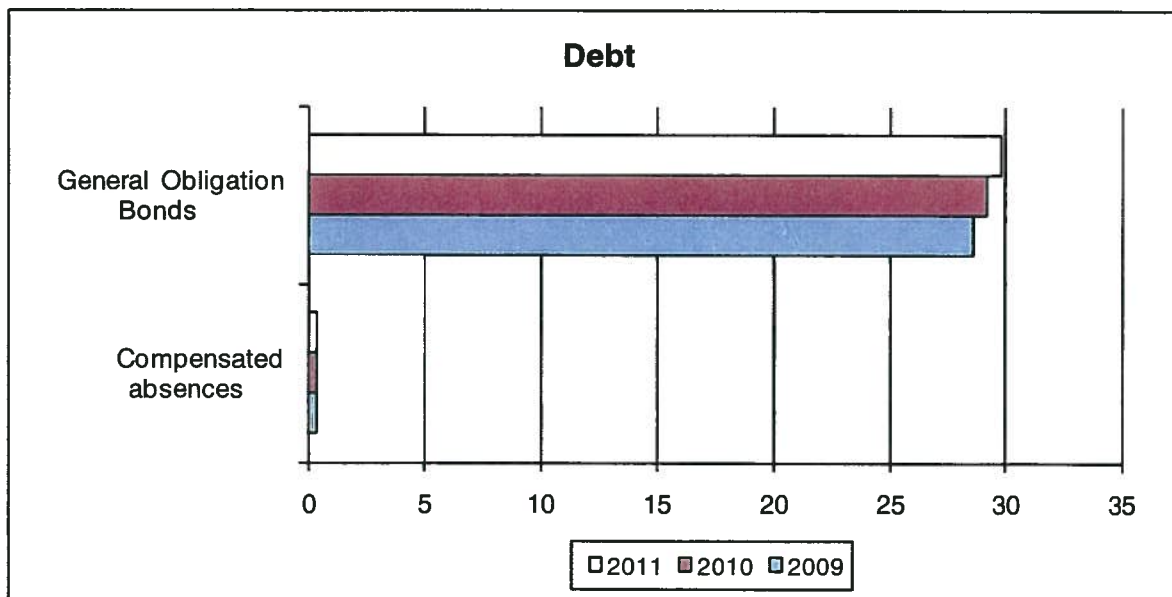
**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

**Fiscal Year 2010 Compared to 2009**

As of June 30, 2010, the College had recorded \$39.9 million invested in capital assets, \$17.6 million in accumulated depreciation, and \$22.3 million in net capital assets. The College completed renovation of the Charger Community Center to promote opportunities for K-12 school districts and other educational entities within the college district through enhanced facilities. The College also continued to make investments in communication and computer technology to provide students throughout the entire district with increased opportunities for learning and for safety precautions. For more detailed information on capital asset activity, refer to Note (C) – Capital Assets, in the Notes to Basic Financial Statements on pages 27-28.

	<b>Debt June 30, (in millions)</b>				
	<u>2011</u>	<u>2010</u>	<b>Increase (Decrease) 2011-2010</b>	<u>2009</u>	<b>Increase (Decrease) 2010-2009</b>
General Obligation Bonds	\$29.8	\$29.2	\$0.6	\$28.6	\$0.6
Compensated absences	0.4	0.4	0.0	0.4	0.0
<b>Total</b>	<b>\$30.2</b>	<b>\$29.6</b>	<b>\$0.6</b>	<b>\$29.0</b>	<b>\$0.6</b>



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

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**Fiscal Year 2011 Compared to 2010**

During fiscal year 2011, the College issued working cash bonds to retain the ability to internally cash flow operations without interruption due to delinquent state payments. The College also issued refunding bonds during a highly favorable interest rate environment. The bond payments continued to be funded through the tax levy while the capital leases were funded by bond proceeds. For more detailed information on long-term debt activity, refer to Note (D) – Debt, in the Notes to Basic Financial Statements on pages 28-34.

**Fiscal Year 2010 Compared to 2009**

Fiscal year 2010 saw the College issue working cash bonds to retain the ability to internally cash flow operations without interruption due to delinquent state payments. The College also issued refunding bonds during a highly favorable interest rate environment. The bond payments continued to be funded through the tax levy while the capital leases were funded by bond proceeds. For more detailed information on long-term debt activity, refer to Note (D) – Debt, in the Notes to Basic Financial Statements on pages 28-34.

**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.



## **BASIC FINANCIAL STATEMENTS**

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENTS OF NET ASSETS**  
June 30, 2011 and 2010

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$10,534,833	\$4,074,484
Deposits	899,000	2,334,716
Short-term investments	3,877,692	4,129,499
Property taxes receivable	4,554,643	5,272,659
Other receivables	2,241,080	2,367,037
Prepaid items	199,066	211,210
Inventories	9,750	9,950
Other assets	334,380	339,839
<b>Total current assets</b>	<b>22,650,444</b>	<b>18,739,394</b>
<b>Noncurrent assets:</b>		
Long-term investments	13,045,800	13,114,488
Capital assets	40,176,860	39,872,487
Less accumulated depreciation	(18,923,692)	(17,610,027)
<b>Total noncurrent assets</b>	<b>34,298,968</b>	<b>35,376,948</b>
<b>Total assets</b>	<b>56,949,412</b>	<b>54,116,342</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	270,831	186,716
Accrued liabilities	78,125	154,230
Unearned tuition and fees	522,184	531,064
Unearned property taxes	9,043,362	8,678,460
Other unearned revenue	249,445	191,517
Accrued compensated absences, current portion	267,273	267,517
Bonds payable, current portion	2,500,000	2,360,000
Other long-term obligations, current portion	0	0
<b>Total current liabilities</b>	<b>12,931,220</b>	<b>12,369,504</b>
<b>Noncurrent liabilities:</b>		
Accrued compensated absences, noncurrent	133,636	133,759
Bonds payable, noncurrent	27,325,000	26,895,000
<b>Total noncurrent liabilities</b>	<b>27,458,636</b>	<b>27,028,759</b>
<b>Total liabilities</b>	<b>40,389,856</b>	<b>39,398,263</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	10,151,839	11,085,428
Restricted - expendable:		
Debt service	559,075	373,529
Insurance	4,316,004	4,316,004
Unrestricted	1,532,638	(1,056,882)
<b>Total net assets</b>	<b>\$16,559,556</b>	<b>\$14,718,079</b>

See Notes to 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, 2011 and 2010

	2011	2010
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$2,777,149 and \$2,366,815, respectively	\$4,474,384	\$4,979,691
Auxiliary enterprises revenue	683,037	657,750
<b>Total operating revenue</b>	<b>5,157,421</b>	<b>5,637,441</b>
Operating expenses:		
Instruction	6,241,005	6,907,398
Academic support	340,465	349,791
Student services	2,188,983	2,111,962
Public services	549,648	619,085
Auxiliary services	1,165,037	1,132,156
Operation and maintenance of plant	1,422,516	1,452,909
Institutional support	8,513,681	8,380,754
Scholarships, student grants, and waivers	4,409,496	4,491,230
Depreciation	1,336,380	1,185,316
<b>Total operating expenses</b>	<b>26,167,211</b>	<b>26,630,601</b>
<b>Operating loss</b>	<b>(21,009,790)</b>	<b>(20,993,160)</b>
Nonoperating revenues:		
State grants	4,573,921	5,551,411
Property taxes	8,711,363	8,410,522
Personal property replacement tax	284,346	219,264
Federal grants	7,330,601	7,211,059
Local grants	23,918	34,375
Investment income	418,056	564,544
Other nonoperating revenues	2,569,230	2,858,099
<b>Nonoperating revenues</b>	<b>23,911,435</b>	<b>24,849,274</b>
Nonoperating expenses -		
Interest expense	1,060,168	1,436,207
<b>Net nonoperating expenses</b>	<b>22,851,267</b>	<b>23,413,067</b>
<b>Increase in net assets</b>	<b>1,841,477</b>	<b>2,419,907</b>
Net assets:		
Beginning of year	14,718,079	12,298,172
<b>End of year</b>	<b>\$16,559,556</b>	<b>\$14,718,079</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2011 and 2010

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$7,335,607	\$7,082,616
Payments to suppliers	(7,257,589)	(7,882,216)
Payments to employees	(11,092,339)	(11,376,265)
Payments to students for scholarships	(7,185,142)	(6,857,985)
Auxiliary enterprise charges	680,873	666,536
<b>Net cash used in operating activities</b>	<b>(17,518,590)</b>	<b>(18,367,314)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from property taxes	9,789,930	9,679,259
Proceeds from grants	12,894,328	15,270,449
<b>Net cash provided by noncapital financing activities</b>	<b>22,684,258</b>	<b>24,949,708</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(340,023)	(3,797,467)
Loss on disposal of capital assets	(12,935)	0
Proceeds from bonds sold	4,110,000	7,895,000
Principal deposit in escrow	(1,540,000)	(5,480,000)
Interest from escrow	(37,112)	(398,386)
Premium (discount) on bonds sold	6,087	(21,362)
Bond issuance costs	(37,358)	(61,243)
Principal paid on bonds payable	(2,000,000)	(1,770,000)
Interest paid on bonds payable and other long-term obligations	(1,050,534)	(988,998)
Principal paid on other long-term obligations	0	(7,288)
<b>Net cash used in capital and related financing activities</b>	<b>(901,875)</b>	<b>(4,629,744)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	456,830	695,067
Proceeds from maturities of investment securities	27,365,325	27,098,846
Purchases of investment securities	(25,625,599)	(28,934,816)
<b>Net cash (used in) provided by investing activities</b>	<b>2,196,556</b>	<b>(1,140,903)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,460,349</b>	<b>811,747</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	4,074,484	3,262,737
<b>End of year</b>	<b>\$10,534,833</b>	<b>\$4,074,484</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENTS OF CASH FLOWS  
(CONTINUED)**

For the years ended June 30, 2011 and 2010

	2011	2010
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	(\$21,009,790)	(\$20,993,160)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,336,380	1,185,316
State on-behalf payments for fringe benefits	2,055,908	1,928,341
Changes in assets and liabilities:		
Receivables	97,947	(264,931)
Other assets	12,344	18,954
Accounts payable	84,115	(173,999)
Accrued liabilities	(76,105)	(55,102)
Accrued compensated absences	(367)	(22,560)
Unearned tuition and fees	(8,880)	(7,294)
Other unearned revenue	(10,142)	17,121
<b>Net cash used in operating activities</b>	<b>(\$17,518,590)</b>	<b>(\$18,367,314)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCIAL:</b>		
Increase (decrease) in fair value of investments and amortization/accretion	(\$16,486)	(\$152,168)
Purchase of equipment under capital leases	\$0	\$0
<b>STATE ON-BEHALF PAYMENTS</b>	<b>\$2,055,908</b>	<b>\$1,928,341</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2011 and 2010**

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>
Cash	\$256,662	\$115,030
Investments	3,818,533	2,986,907
Pledged receivable	8,000	16,000
Due from Ed Fund	0	200
<b>Total assets</b>	<b>\$4,083,195</b>	<b>\$3,118,137</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Scholarships payable	\$95,100	\$117,750
Other payables	53,041	17,868
<b>Total liabilities</b>	<b>148,141</b>	<b>135,618</b>
Net assets:		
Unrestricted	253,515	(94,793)
Temporarily restricted	1,502,099	1,402,544
Permanently restricted	2,179,440	1,674,768
<b>Total net assets</b>	<b>3,935,054</b>	<b>2,982,519</b>
<b>Total liabilities and net assets</b>	<b>\$4,083,195</b>	<b>\$3,118,137</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION  
STATEMENTS OF ACTIVITIES**  
For the years ended June 30, 2011 and 2010

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$407,392	\$167,839	\$184,322	\$759,553
Interest and dividends	2,742	140,734	17,296	160,772
Net unrealized gain (loss) on investments	8,332	13,905	303,054	325,291
Donated goods & facilities	72,899			72,899
Donated services	26,578			26,578
Special events	15,584			15,584
Other	136,128			136,128
	669,655	322,478	504,672	1,496,805
Net assets released from restrictions - Satisfaction of program restrictions	222,923	(222,923)		0
<b>Total revenues, gains, and other support</b>	<b>892,578</b>	<b>99,555</b>	<b>504,672</b>	<b>1,496,805</b>
Expenses and losses:				
Program	302,869			302,869
Management and general	190,489			190,489
Fund raising	50,912			50,912
<b>Total expenses and losses</b>	<b>544,270</b>	<b>0</b>	<b>0</b>	<b>544,270</b>
Change in net assets	348,308	99,555	504,672	952,535
Net assets at beginning of year	(94,793)	1,402,544	1,674,768	2,982,519
<b>Net assets at end of year</b>	<b>\$253,515</b>	<b>\$1,502,099</b>	<b>\$2,179,440</b>	<b>\$3,935,054</b>

See Notes to Financial Statements.

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**2010**

<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
\$17,399	\$227,515	\$51,037	\$295,951
3,969	131,366	13,535	148,870
13,051	1,765	286,132	300,948
69,709			69,709
8,164			8,164
60,288			60,288
40,946			40,946
213,526	360,646	350,704	924,876
321,031	(321,031)		0
534,557	39,615	350,704	924,876
734,809			734,809
190,921			190,921
24,667			24,667
950,397	0	0	950,397
(415,840)	39,615	350,704	(25,521)
321,047	1,362,929	1,324,064	3,008,040
(\$94,793)	\$1,402,544	\$1,674,768	\$2,982,519



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011 and 2010**

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**(A) 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 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.

**Reporting Entity**

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

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

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**(A) Summary of Significant Accounting Policies (continued):**

**Reporting Entity (continued)**

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

The College is in a partnership with Educational Technology Center (ETC). The ETC is a partnership of educational institutions, the community, and businesses. The ETC is designed to offer residents of Galesburg, Illinois and west central Illinois state-of-the-art facilities and services for computer training, teaching, and teleconferencing. Carl Sandburg College, Galesburg School District #205, and Knox College began the ETC 1995 to provide a variety of educational opportunities for students and staff of each institution, as well as for the general public. ETC receives revenues through donations and third party contractual rental agreements including with Carl Sandburg College. Carl Sandburg College donates a portion of the leased rental and utilities expense. The College's share of CTE's operating expenses for the fiscal year ended June 30, 2011 was \$19,725. The member districts are jointly and severably liable as members of CTE.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The 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 FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

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**(A) 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 for the fiscal year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

**Cash and 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, the 2009 property tax levies passed on December 17, 2009 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2010 property tax levy which was passed on December 16, 2010. In addition, property taxes receivable represents the remaining 2010 property tax levy to be collected in fiscal year 2012.

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

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

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**(A) 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. Costs related to the development of computer software are expensed as incurred until (a) the College has completed the preliminary project stage and (b) management has implicitly or explicitly authorized or committed to funding the project. Activities related to the application development stage of internally generated software are capitalized at the amount of the associated outlays.

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

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

**Unearned Tuition and Fee Revenue**

Tuition and fee revenues received and related to the period after June 30 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.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

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**(A) Summary of Significant Accounting Policies (continued):**

**Compensated Absences**

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

**Other Post-Employment and Related Benefits**

The College does not provide post-employment health care benefits (OPEB) for retired employees.

**Classification of Revenues and Expenses**

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

**Federal Financial Assistance Programs**

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Direct Loan programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and 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**

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2011 and 2010, the state made contributions of \$2,055,908 and \$1,928,341 respectively (Note (E)).

**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.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(A) Summary of Significant Accounting Policies (continued):**

**Net Assets (continued)**

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.

**Use of Estimates**

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

**(B) Cash and Investments:**

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

Cash and deposits as of June 30, 2011 consist of the following:

	<b>Carrying Amount</b>
Cash on hand	\$6,957
Deposits with financial institutions	11,426,876
<b>Total</b>	<b>\$11,433,833</b>

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.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(B) Cash and Investments (continued):**

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

Investments at June 30, 2011 and 2010 comprise the following at fair value:

	2011	2010
Money market	\$1,665,568	\$1,806,072
Certificate of deposit	242,027	
Municipal bonds	2,932,445	5,334,200
U.S. government agency securities	12,083,452	10,103,715
	<u>\$16,923,492</u>	<u>\$17,243,987</u>

As of June 30, 2011, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Money market	\$1,665,568	\$1,665,568			
Certificate of deposit	242,027		\$242,027		
Municipal bonds	2,932,445	1,460,568		\$1,471,877	
U.S. Government agency securities	12,083,452	2,417,124	5,476,144	4,190,184	
<b>Total</b>	<u>\$16,923,492</u>	<u>\$5,543,260</u>	<u>\$5,718,171</u>	<u>\$5,662,061</u>	<u>\$0</u>

As of June 30, 2010, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Money market	\$1,806,072	\$1,806,072			
Municipal bonds	5,334,200	633,209	\$1,514,755	\$2,645,248	\$540,988
U.S. Government agency securities	10,103,715	1,690,218	4,846,720	3,566,777	
<b>Total</b>	<u>\$17,243,987</u>	<u>\$4,129,499</u>	<u>\$6,361,475</u>	<u>\$6,212,205</u>	<u>\$540,988</u>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(B) Cash and Investments (continued):**

As of June 30, 2011, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Money market	\$1,665,568				\$1,665,568
Certificate of deposit	242,027				242,027
Municipal bonds	2,932,445	\$408,112	\$1,314,580	\$1,209,753	
U.S. Government agency securities	12,083,452	12,083,452			
<b>Total</b>	<b>\$16,923,492</b>	<b>\$12,491,564</b>	<b>\$1,314,580</b>	<b>\$1,209,753</b>	<b>\$1,907,595</b>

As of June 30, 2010, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Money market	\$1,806,072				\$1,806,072
Municipal bonds	5,334,200	\$1,463,560	\$2,631,020	\$1,239,620	
U.S. Government agency securities	10,103,715	10,103,715			
<b>Total</b>	<b>\$17,243,987</b>	<b>\$11,567,275</b>	<b>\$2,631,020</b>	<b>\$1,239,620</b>	<b>\$1,806,072</b>

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

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2011 there are no investments with custodial credit risk.

*Custodial credit risk for deposits* is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$11,426,876 and the bank balance was \$11,733,569. Of the bank balance, \$753,319 was covered by federal depository insurance, \$8,546,842 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name, and \$2,433,408 was uncollateralized.

*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.



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(B) Cash and Investments (continued):**

*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.

**(C) Capital Assets:**

Changes in the various capital asset categories during the year ended June 30, 2011 are as follows:

	Balance at July 1, 2010	Additions	Deletions	Transfers	Balance at June 30, 2011
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	38,732	\$24,044	\$12,935	(\$25,797)	24,044
Depreciable:					
Buildings and additions	32,469,483	75,760		3,750	32,548,993
Infrastructure	2,356,688	61,700		1,950	2,420,338
Furniture and equipment	4,026,771	160,359	22,715	12,097	4,176,512
Land improvements	263,179	18,160		8,000	289,339
Vehicles	312,151				312,151
<b>Total cost</b>	<b>\$39,872,487</b>	<b>\$340,023</b>	<b>\$35,650</b>	<b>\$0</b>	<b>\$40,176,860</b>

Accumulated depreciation for the year ended June 30, 2011 is as follows:

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Buildings and additions	\$11,886,742	\$949,731		\$12,836,473
Infrastructure	2,224,467	23,291		2,247,758
Furniture and equipment	3,052,139	321,220	\$22,715	3,350,644
Land improvements	177,541	21,190		198,731
Vehicles	269,138	20,948		290,086
<b>Total accumulated depreciation</b>	<b>\$17,610,027</b>	<b>\$1,336,380</b>	<b>\$22,715</b>	<b>\$18,923,692</b>

**CARL SANDBURG COLLEGE --  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(C) Capital Assets (continued):**

Changes in the various capital asset categories during the year ended June 30, 2010 as follows:

	Balance at July 1, 2009	Additions	Deletions	Transfers	Balance at June 30, 2010
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	3,122,134	\$38,732		(\$3,122,134)	38,732
Depreciable:					
Buildings and additions	26,189,383	3,280,855		2,999,245	32,469,483
Infrastructure	2,356,688				2,356,688
Furniture and equipment	3,487,517	457,262	\$40,897	122,889	4,026,771
Land improvements	263,179				263,179
Vehicles	308,743	20,618	17,210		312,151
<b>Total cost</b>	<b>\$36,133,127</b>	<b>\$3,797,467</b>	<b>\$58,107</b>	<b>\$0</b>	<b>\$39,872,487</b>

Accumulated depreciation for the year ended June 30, 2010 as follows:

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Buildings and additions	\$11,041,499	\$845,243		\$11,886,742
Infrastructure	2,194,053	30,414		2,224,467
Furniture and equipment	2,823,094	269,942	\$40,897	3,052,139
Land improvements	156,481	21,060		177,541
Vehicles	267,691	18,657	17,210	269,138
<b>Total accumulated depreciation</b>	<b>\$16,482,818</b>	<b>\$1,185,316</b>	<b>\$58,107</b>	<b>\$17,610,027</b>

**(D) Debt:**

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2011:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$29,255,000	\$4,110,000	\$3,540,000	\$29,825,000	\$2,500,000	\$27,325,000
Compensated absences	401,276	352,772	353,139	400,909	267,273	133,636
<b>Totals</b>	<b>\$29,656,276</b>	<b>\$4,462,772</b>	<b>\$3,893,139</b>	<b>\$30,225,909</b>	<b>\$2,767,273</b>	<b>\$27,458,636</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(D) Debt (continued):**

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2010:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$28,610,000	\$7,895,000	\$7,250,000	\$29,255,000	\$2,360,000	\$26,895,000
Capital leases	7,288		7,288	0		
Compensated absences	423,836	303,647	326,207	401,276	267,517	133,759
<b>Totals</b>	<b>\$29,041,124</b>	<b>\$8,198,647</b>	<b>\$7,583,495</b>	<b>\$29,656,276</b>	<b>\$2,627,517</b>	<b>\$27,028,759</b>

Details on the debt as of June 30, 2011 are as follows:

1. 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. A portion of these bonds were defeased with the issuance of the general obligation refunding bonds, series 2007C. A portion of the bonds were called early resulting in an additional principal payment of \$1,015,000 on December 1, 2008. The bond proceeds were used 100.00% for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30: 2012	\$55,000	\$1,238	\$56,238

2. 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, with final maturity on January 1, 2016. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2005. A portion of the bond proceeds (16.32%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(D) Debt (continued):**

	Principal	Interest	Total
During the year ending June 30:			
2012	\$55,000	\$52,469	\$107,469
2013	215,000	44,706	259,706
2014	225,000	32,056	257,056
2015	235,000	18,831	253,831
2016	210,000	6,038	216,038
<b>Totals</b>	<b>\$940,000</b>	<b>\$154,100</b>	<b>\$1,094,100</b>

3. The general obligation bonds, Series 2004B, 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. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2010B. A portion of the bond proceeds (71.89%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012	\$305,000	\$118,145	\$423,145
2013	340,000	102,020	442,020
2014	405,000	83,395	488,395
2015	485,000	63,327	548,327
2016	580,000	41,205	621,205
2017	675,000	14,513	689,513
<b>Totals</b>	<b>\$2,790,000</b>	<b>\$422,605</b>	<b>\$3,212,605</b>

4. 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. A portion of the bond proceeds (11.77%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012	\$100,000	\$387,653	\$487,653
2013	100,000	383,952	483,952
2014	1,000,000	361,578	1,361,578
2015	1,065,000	318,712	1,383,712
2016	1,205,000	272,850	1,477,850
2017 – 2020	6,055,000	525,276	6,580,276
<b>Totals</b>	<b>\$9,525,000</b>	<b>\$2,250,021</b>	<b>\$11,775,021</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(D) Debt (continued):**

5. The general obligation bonds, Series 2007C, bear interest at 4.250 to 4.125 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year (excluding 2009-2017), with final maturity on January 1, 2020. A portion of the bond proceeds (85.24%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012		\$130,406	\$130,406
2013		130,406	130,406
2014		130,407	130,407
2015		130,406	130,406
2016		130,407	130,407
2017 – 2020	\$3,100,000	328,284	3,428,284
<b>Totals</b>	<b>\$3,100,000</b>	<b>\$980,316</b>	<b>\$4,080,316</b>

6. The general obligation bonds, Series 2009, bear interest at 2.90 to 4.40 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2024. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2010B. A portion of the bond proceeds (56.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012	\$735,000	\$106,151	\$841,151
2013	155,000	91,500	246,500
2014	160,000	86,933	246,933
2015	170,000	81,807	251,807
2016	180,000	76,032	256,032
2017 – 2021	1,025,000	271,076	1,296,076
2022 – 2024	750,000	50,200	800,200
<b>Totals</b>	<b>\$3,175,000</b>	<b>\$763,699</b>	<b>\$3,938,699</b>

7. The general obligation bonds, Series 2010A, bear interest at 1.10 to 1.20 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, 2012. A portion of the bond proceeds (0.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(D) Debt (continued):**

	Principal	Interest	Total
During the year ending June 30: 2012	\$235,000	\$2,350	\$237,350

8. The general obligation bonds, Series 2010B, bear interest at 2.00 to 4.00 percent, which is due on January 1 and July 1 of each year (excluding 2010-2011), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (36.24%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012	\$760,000	\$159,337	\$919,337
2013	1,175,000	139,987	1,314,987
2014	400,000	124,238	524,238
2015	415,000	115,050	530,050
2016	425,000	103,488	528,488
2017 - 2021	2,720,000	307,046	3,027,046
<b>Totals</b>	<b>\$5,895,000</b>	<b>\$949,146</b>	<b>\$6,844,146</b>

9. The general obligation bonds, Series 2010C, bear interest at 1.60 to 4.70 percent, which is due on January 1 and July 1 of each year (excluding 2018-2020), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (0.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2012	\$255,000	\$85,870	\$340,870
2013	225,000	81,636	306,636
2014	225,000	76,799	301,799
2015	230,000	71,165	301,165
2016	175,000	65,550	240,550
2017 - 2021	1,390,000	258,003	1,648,003
<b>Totals</b>	<b>\$2,500,000</b>	<b>\$639,023</b>	<b>\$3,139,023</b>

10. The general obligation bonds, Series 2010D, bear interest at 4.00 to 4.25 percent, which is due on January 1 and July 1 of each year (excluding 2012-2016 and 2019-2020), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (75.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

**CARL SANDBURG COLLEGE –  
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(CONTINUED)  
June 30, 2011 and 2010**

**(D) Debt (continued):**

	Principal	Interest	Total
During the year ending June 30:			
2012		\$67,163	\$67,163
2013		67,162	67,162
2014		67,163	67,163
2015		67,162	67,162
2016		67,163	67,163
2017 - 2021	\$1,610,000	230,831	1,840,831
<b>Totals</b>	<b>\$1,610,000</b>	<b>\$566,644</b>	<b>\$2,176,644</b>

11. In April 1999, the College defeased the Series 1992 general obligation bonds by placing a portion of the proceeds of the Series 1999 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, 2011, the College has \$280,000 of the bonds outstanding which are considered defeased.
12. 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, 2011, the College has \$1,135,000 of the debt certificates outstanding which are considered defeased.
13. 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, 2011, the College has \$8,750,000 of the general obligation bonds which are considered defeased.
14. In January 2011, the College defeased portions of Series 2001A general obligation debt bonds by placing a portion of the proceeds of the Series 2010D 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, 2011, the College has \$0 of the general obligation bonds which are considered defeased as these bonds were called. The decrease in cash flow requirements as a result of the 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 District had an economic loss on this refunding of \$9,037.

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

**(D) Debt (continued):**

The annual requirements to amortize all debt outstanding as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Total Principal	Interest	Total Principal And Interest
2012	\$2,500,000	\$267,273	\$2,767,273	\$1,110,782	\$3,878,055
2013	2,210,000	133,636	2,343,636	1,041,369	3,385,005
2014	2,415,000		2,415,000	962,569	3,377,569
2015	2,600,000		2,600,000	866,460	3,466,460
2016	2,775,000		2,775,000	762,733	3,537,733
2017 – 2021	16,575,000		16,575,000	1,935,029	18,510,029
2022 – 2024	750,000		750,000	50,200	800,200
<b>Total</b>	<b>\$29,825,000</b>	<b>\$400,909</b>	<b>\$30,225,909</b>	<b>\$6,729,142</b>	<b>\$36,955,051</b>

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2011, is \$41,969,422. General obligation debt at June 30, 2011 is \$29,825,000, resulting in a legal debt margin of \$12,144,422.

**(E) 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 accessing the website at [www.SURS.org](http://www.SURS.org), or calling 1-800-275-7877.

*Funding Policy.* Plan members are required to contribute 8.0% 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 (for FY 2012) is 24.21% 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, 2011, 2010 and 2009, were \$2,055,908, \$1,928,341, and \$1,210,134, respectively, equal to the required contributions for each year.



**CARL SANDBURG COLLEGE –  
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(CONTINUED)**

June 30, 2011 and 2010

**(F) Risk Management:**

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

**(G) Contingencies and Commitments:**

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

Year Ended June 30	Facilities	Equipment	Vehicles	Total
2012	\$25,072	\$98,910	\$11,138	\$135,120
2013		98,910	4,256	103,166
2014		49,456		49,456
Total	\$25,072	\$247,276	\$15,394	\$287,742

Fiscal year 2011 facilities, equipment, and vehicles rent expense was \$24,700, \$98,910, and \$20,446, respectively.

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.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

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**(H) Component Unit Disclosures**

**Carl Sandburg College Foundation**

Nature of Business

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

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Financial Statement Presentation

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

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

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

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

Contributions and Revenues

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

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**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

Contributions and Revenues (continued)

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

Donated services include certain administrative, marketing, and professional services funded by the College.

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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Income Taxes

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

Cash and Cash Equivalents

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

Concentrations of credit risk

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

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

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**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

Investments and Investment Earnings

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices and realized and unrealized gains and losses are reported in the statement of activities. Investment earnings on 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:

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

Donated Services

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

Pledged Receivable:

The Foundation receivables consist principally of pledged contributions from donors. Management individually reviews all delinquent accounts receivable balances. After all attempts to collect a receivable have failed, the receivable is written off as a bad debt using the specific charge-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. Foundation's management expects to collect all pledged receivables shown on the Statement of Financial Position.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

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**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

Estimates

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

Subsequent Events

The Foundation has evaluated subsequent events through September 13, 2011 which is the date these financial statement were available to be issued. All subsequent events requiring recognition as of June 30, 2011 have been incorporated herein. There are no other subsequent events that require disclosure, except for the events described in the following footnotes.

Investments

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2011 consisted of the following:

	<b>Fair Value</b>	<b>Cost</b>	<b>Unrealized Appreciation (Depreciation)</b>
Mutual Funds - equity	\$2,623,933	\$2,449,458	\$174,475
Mutual Funds - bonds	1,194,600	1,185,398	9,202
	<b>\$3,818,533</b>	<b>\$3,634,856</b>	<b>\$183,677</b>

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

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

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

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

**Investments (continued)**

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

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

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2011:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a recurring basis:</b>				
Mutual Funds – equity	\$2,623,933	\$2,623,933		
Mutual Funds - bonds	1,194,600	1,194,600	\$0	\$0
<b>Total investments</b>	<b>\$3,818,533</b>	<b>\$3,818,533</b>	<b>\$0</b>	<b>\$0</b>

**Endowment Funds**

The Foundation's endowment consists of approximately 70 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The endowment net asset composition by type of fund as of June 30, 2011 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds		\$1,502,099	\$2,179,440	\$3,681,539
Board-designated endowment funds	\$253,515			253,515
	<b>\$253,515</b>	<b>\$1,502,099</b>	<b>\$2,179,440</b>	<b>\$3,935,054</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

June 30, 2011 and 2010

**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

Changes in endowment net assets as of June 30, 2011 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	\$(94,793)	\$1,402,544	\$1,674,768	\$2,982,519
Contributions	407,392	167,839	184,322	759,553
Interest and dividend income	2,742	140,734	17,296	160,772
Net unrealized gain(loss) on investments	8,332	13,905	303,054	325,291
Donated goods, services, facilities	99,477			99,477
Special events	15,584			15,584
Other Income	136,128			136,128
Amounts appropriated for expenditure	(544,270)			(544,270)
Amounts released from restriction	222,923	(222,923)		0
	<b>\$253,515</b>	<b>\$1,502,099</b>	<b>\$2,179,440</b>	<b>\$3,935,054</b>

**Temporarily Restricted Net Assets**

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

Student scholarships currently available	\$960,480
For periods after June 30, 2015	541,619
	<b>\$1,502,099</b>

**Permanently Restricted Net Assets**

Permanently restricted net assets are restricted to be held as investments, with a portion of earnings to be added to permanently restricted net assets and a portion of earnings to be used for scholarships to students. Earnings which are used for scholarships to students are temporarily restricted until such earnings are used for scholarships to students as specified by the donor, at which time they are reclassified as unrestricted. As of June 30, 2011 permanently restricted net assets totaled \$2,179,440.

**Net Assets Released**

The Foundation reports gifts or cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, temporarily and permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2011 and 2010**

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**(H) Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

Net Assets Released (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2011 for scholarships totaled \$222,923.

Related Parties

The Foundations is a component unit of Carl Sandburg College – Community College District 518 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated \$99,477 of services, goods, and facilities to the Foundation during the year ended June 30, 2011.

Income Taxes

As stated in footnote (A), the Foundation is organized as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation pays no income tax on its related function income as long as it stays within the guidelines of Section 501(c)(3). The Foundation is subject to income tax on its "non-related" function income. For the year ending June 30, 2011, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

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

U.S. Department of Education – Endowment Challenge Grant

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 four years remaining in the twenty-year period at June 30, 2011. The Endowment Challenge Grant has \$ 786,520 of investments as of June 30, 2011.

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



**CARL SANDBURG COLLEGE –  
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**(I) New Reporting Standards:**

In December 2009, the Governmental Accounting Standards Board (GASB) issued Statement 57 "OPEB Measurements by Agent Employers and Agent-Multiple Employer Plans." The College is required to implement this standard for the fiscal year ending June 30, 2012. The College has not yet determined the full impact that adoption of GASB Statement 57 will have on the financial statements.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 61 "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34." The College is required to implement this standard for the fiscal year ending June 30, 2013. The College has not yet determined the full impact that adoption of GASB Statement 61 will have on the financial statements.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The College is required to implement this standard for the fiscal year ending June 30, 2013. The College has not yet determined the full impact that adoption of GASB Statement 62 will have on the financial statements.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The College is required to implement this standard for the fiscal year ending June 30, 2013. The College has not yet determined the full impact that adoption of GASB Statement 63 will have on the financial statements.

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement 64 "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53." The College is required to implement this standard for the fiscal year ending June 30, 2012. The College has not yet determined the full impact that adoption of GASB Statement 64 will have on the financial statements.

**(J) Related Party Transactions:**

The following presents significant transactions between the Carl Sandburg Community College and its component units during the year ended June 30, 2011:

Component Unit:

Carl Sandburg College Foundation

Significant Transactions:

Reimbursed \$400,000 donation received from Foundation in fiscal year 2010 due to the Foundation's lack of unrestricted net assets.

**STATISTICAL SECTION**  
**(Unaudited)**

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
STATISTICAL SECTION  
June 30, 2011**

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The statistical section of the College's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

**Contents**

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**Financial Trends**

These schedules contain trend information to help the reader understand how the college's financial performance and well-being have changed over time.

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**Revenue Capacity**

These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.

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**Debt Capacity**

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the ability to issue additional debt in the future.

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**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

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**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

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*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The College implemented GASB Statement No. 35 in 2003; schedules presenting government-wide information include information beginning in that year.*

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
NET ASSETS BY COMPONENT  
For the Last Nine Fiscal Years ended June 30,  
(Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

**TABLE A**

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$10,152	\$11,085	\$9,641	\$7,933	\$9,881	\$9,981	\$8,717	\$8,596	\$8,219
Restricted - expendable:									
Debt Service	559	374	235	136	205	89	279	547	598
Insurance	4,316	4,316	4,316	5,324	5,332	5,429	5,349	5,191	5,195
Unrestricted	1,533	(1,057)	(1,894)	(3,738)	(7,152)	(7,965)	(6,856)	(6,593)	(5,089)
<b>Total net assets</b>	<b>\$16,560</b>	<b>\$14,718</b>	<b>\$12,298</b>	<b>\$9,655</b>	<b>\$8,266</b>	<b>\$7,534</b>	<b>\$7,489</b>	<b>\$7,741</b>	<b>\$8,923</b>

Note: The district implemented GASB 35 beginning with the fiscal year ending June 30, 2003.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CHANGES IN NET ASSETS  
For the Last Nine Fiscal Years ended June 30,  
(Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

TABLE B

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Operating expenses:</b>									
Instruction	\$6,241	\$6,907	\$6,796	\$7,135	\$7,640	\$14,856	\$13,538	\$10,230	\$11,108
Academic support	340	350	318	323	355	364	382	377	517
Student services	2,189	2,112	2,256	1,844	1,773	1,829	1,617	1,524	1,343
Public services	550	619	692	650	829	1,032	914	938	1,184
General administration	0	0	0	0	0	373	649	645	419
Auxiliary services	1,165	1,132	1,068	1,027	950	942	833	785	692
Operation and maintenance of plant	1,422	1,453	1,343	1,339	1,217	1,148	1,190	1,094	953
Institutional support	8,514	8,381	7,357	6,874	6,368	6,231	7,095	11,052	6,371
Scholarships, student grants, and waivers	4,409	4,491	3,825	3,985	4,242	2,901	2,886	3,203	3,483
Depreciation	1,337	1,185	1,146	1,231	1,279	1,116	1,024	1,105	1,057
<b>Total operating expenses</b>	<b>26,167</b>	<b>26,630</b>	<b>24,801</b>	<b>24,408</b>	<b>24,653</b>	<b>30,792</b>	<b>30,128</b>	<b>30,953</b>	<b>27,127</b>
<b>Operating revenues:</b>									
<b>Charges for services:</b>									
Student tuition and fees	4,474	4,979	5,215	4,679	4,848	4,812	4,859	5,093	4,557
Chargeback revenue	0	0	0	9	8	3	4	26	39
Auxiliary enterprise	683	658	634	670	628	601	511	463	387
Other general government	0	0	0	0	0	0	0	226	202
<b>Total operating revenue</b>	<b>5,157</b>	<b>5,637</b>	<b>5,849</b>	<b>5,358</b>	<b>5,484</b>	<b>5,416</b>	<b>5,374</b>	<b>5,808</b>	<b>5,185</b>
<b>Operating loss</b>	<b>(21,010)</b>	<b>(20,993)</b>	<b>(18,952)</b>	<b>(19,050)</b>	<b>(19,169)</b>	<b>(25,376)</b>	<b>(24,754)</b>	<b>(25,145)</b>	<b>(21,942)</b>
<b>Nonoperating revenues (expenses):</b>									
State grants	4,574	5,551	6,268	6,572	6,805	6,789	6,026	10,180	5,812
Property taxes	8,711	8,411	8,017	7,411	6,944	6,761	6,612	6,444	6,044
Personal property replacement tax	284	219	271	361	285	257	200	170	152
Federal grants	7,331	7,211	5,599	4,874	4,853	11,666	11,030	7,337	8,495
Local grants	24	34	331	120	225	241	222	257	327
Investment income	418	565	644	952	805	392	769	100	1,101
Interest expense	(1,060)	(1,436)	(1,163)	(1,235)	(1,161)	(1,193)	(1,111)	(1,159)	(1,556)
Other nonoperating revenues	2,569	2,858	1,627	1,385	1,145	614	754	633	838
State capital grants	0	0	0	0	0	0	0	0	3,735
<b>Net nonoperating revenues</b>	<b>22,851</b>	<b>23,413</b>	<b>21,594</b>	<b>20,440</b>	<b>19,901</b>	<b>25,527</b>	<b>24,502</b>	<b>23,962</b>	<b>24,948</b>
<b>Residual equity transfer</b>						<b>(106)</b>			
<b>Change in net assets</b>	<b>\$1,841</b>	<b>\$2,420</b>	<b>\$2,642</b>	<b>\$1,390</b>	<b>\$732</b>	<b>\$45</b>	<b>(\$252)</b>	<b>(\$1,183)</b>	<b>\$3,006</b>

Note: The district implemented GASB 35 beginning with the fiscal year ending June 30, 2003.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
Fund Balances of Governmental Funds  
For the Last Ten Fiscal Years Ended June 30,  
(Modified Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)**

TABLE C

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund:										
Reserved	\$4	\$11	\$4	\$10	\$7	\$1	\$1	\$12	\$1	\$2
Unreserved	4,199	3,394	2,974	1,924	1,617	1,316	1,374	792	730	359
<b>Total general fund</b>	<b>\$4,203</b>	<b>\$3,405</b>	<b>\$2,978</b>	<b>\$1,934</b>	<b>\$1,624</b>	<b>\$1,317</b>	<b>\$1,375</b>	<b>\$804</b>	<b>\$731</b>	<b>\$361</b>
All other governmental funds:										
Reserved	\$4,326	\$4,340	\$4,335	\$5,324	\$5,331	\$5,429	\$3,723	\$3,745	\$4,339	\$4,832
Unreserved, reported in:										
Special revenue funds	(506)	(292)	(399)	(1,525)	(1,509)	(1,317)	(47)	(91)	181	105
Debt service funds	559	374	235	136	205	97	1,762	4,797	598	2,301
Capital projects funds	8,709	8,659	10,730	6,380	5,642	5,545	5,886	5,112	5,724	6,735
<b>Total all other governmental funds</b>	<b>\$13,088</b>	<b>\$13,081</b>	<b>\$14,901</b>	<b>\$10,315</b>	<b>\$9,669</b>	<b>\$9,754</b>	<b>\$11,324</b>	<b>\$13,563</b>	<b>\$10,842</b>	<b>\$13,973</b>

General Fund includes the Education Fund and the Operations & Maintenance Fund.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518**  
**Changes in Fund Balances of Governmental Funds**  
**For the Last Ten Fiscal Years Ended June 30,**  
(Modified Accrual Basis of Accounting)  
(Amounts Expressed in Thousands)

TABLE D

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues:</b>										
Property taxes	\$9,023	\$8,664	\$8,066	\$7,471	\$7,159	\$7,006	\$6,838	\$6,727	\$6,410	\$6,259
Government grants	13,953	14,671	13,315	12,742	12,600	19,499	18,203	18,538	18,793	13,793
Student tuition and fees	6,976	7,059	6,425	5,123	5,152	5,428	5,441	5,133	4,472	3,577
Sales and service fees							283	787	549	511
Interest	351	474	521	690	671	615	593	474	587	837
Net increase (decrease) in fair value of investments	(24)	22	18	106	(50)	(335)	99	(438)	423	109
Other	336	732	550	362	349	642	610	497	710	585
<b>Total revenues</b>	<b>30,615</b>	<b>31,622</b>	<b>28,895</b>	<b>26,494</b>	<b>25,881</b>	<b>32,855</b>	<b>32,067</b>	<b>31,718</b>	<b>31,944</b>	<b>25,671</b>
<b>Expenditures:</b>										
Instruction	6,168	6,824	6,646	6,986	7,452	14,896	13,549	10,231	11,195	10,454
Academic support	349	348	324	325	355	364	382	377	517	604
Student services	2,214	2,126	2,257	1,857	1,772	1,828	1,644	1,524	1,300	1,254
Public services	549	618	690	657	828	1,032	914	938	1,184	1,542
General administration						374	649	715	471	243
Operation and maintenance of plant	1,425	1,472	1,327	1,345	1,213	1,164	1,190	1,094	953	987
Institutional support	8,052	8,753	7,152	6,796	6,540	6,187	7,152	11,818	6,727	6,252
Scholarships, student grants, and waivers	7,187	6,858	5,129	4,588	4,836	4,536	4,543	4,214	4,095	3,056
<b>Debt service:</b>										
Principal	2,000	1,777	6,973	4,735	1,035	975	735	660	605	3,683
Interest and issuance costs	1,088	1,060	1,269	1,217	1,147	1,285	1,313	1,167	1,187	1,235
Capital outlay	843	3,507	1,342	3,146	478	1,863	1,607	1,856	6,535	2,441
<b>Total expenditures</b>	<b>29,875</b>	<b>33,343</b>	<b>33,109</b>	<b>31,652</b>	<b>25,656</b>	<b>34,504</b>	<b>33,678</b>	<b>34,594</b>	<b>34,769</b>	<b>31,751</b>
<b>Excess of revenues over (under) expenditures</b>	<b>740</b>	<b>(1,721)</b>	<b>(4,214)</b>	<b>(5,158)</b>	<b>225</b>	<b>(1,649)</b>	<b>(1,611)</b>	<b>(2,876)</b>	<b>(2,825)</b>	<b>(6,080)</b>
<b>Other financing sources (uses):</b>										
Proceeds from issuance of long-term debt	4,110	7,895	8,875	6,550		44	9,690	4,335		8,229
Premium (discount) on bond issuance	6	(21)	(35)	13			(151)			(89)
Payment to refunding bond escrow agent	(1,577)	(5,878)					(9,451)			(1,948)
Proceeds from issuance of capital leases							157	1,344		57
Prior period adjustment unamortized bond issue costs										(524)
Residual equity transfer						(106)				
Transfers in	469	663	6,139	3,822	56	2,816	3,859	854	2,750	3,326
Transfers out	(2,943)	(2,331)	(5,754)	(3,653)	(58)	(2,733)	(4,161)	(863)	(2,686)	(3,160)
<b>Total other financing sources (uses)</b>	<b>65</b>	<b>328</b>	<b>9,225</b>	<b>6,732</b>	<b>(2)</b>	<b>21</b>	<b>(57)</b>	<b>5,670</b>	<b>64</b>	<b>5,891</b>
<b>Net change in fund balances</b>	<b>\$805</b>	<b>(\$1,393)</b>	<b>\$5,011</b>	<b>\$1,574</b>	<b>\$223</b>	<b>(\$1,628)</b>	<b>(\$1,668)</b>	<b>\$2,794</b>	<b>(\$2,761)</b>	<b>(\$189)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.64%</b>	<b>9.51%</b>	<b>25.95%</b>	<b>20.88%</b>	<b>8.67%</b>	<b>6.92%</b>	<b>6.39%</b>	<b>5.58%</b>	<b>6.35%</b>	<b>16.78%</b>

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

TABLE E

<b>Year of Levy</b>	<b>Farm</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Railroad</b>	<b>Assessed Valuation</b>	<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
2010	\$455,125,203	\$709,365,274	\$232,398,947	\$14,408,616	\$48,507,941	\$1,459,805,981	\$4,379,417,943	0.6187
2009	422,967,267	710,540,769	235,181,036	14,766,284	43,602,404	1,427,057,760	4,281,173,280	0.6115
2008	388,086,823	705,307,888	230,806,544	14,488,324	36,186,986	1,374,876,565	4,124,629,695	0.6140
2007	366,114,462	685,531,667	217,675,204	15,337,689	33,242,770	1,317,901,792	3,953,705,376	0.6205
2006	353,713,202	627,785,603	206,387,886	14,700,023	31,039,414	1,233,626,128	3,700,878,384	0.6039
2005	370,911,761	587,047,230	199,895,676	16,308,829	29,315,785	1,203,479,281	3,610,437,843	0.5759
2004	385,139,723	585,377,052	200,479,506	19,448,129	30,515,095	1,220,959,504	3,662,878,512	0.5530
2003	409,399,553	623,111,270	204,699,777	20,598,720	29,610,660	1,287,419,979	3,862,259,937	0.5139
2002	411,201,967	626,728,154	197,819,165	19,344,460	26,354,805	1,281,448,552	3,844,345,656	0.5042
2001	433,148,371	589,283,248	190,131,988	18,887,284	27,701,349	1,259,152,240	3,777,456,720	0.4810

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

Source: Knox County Clerk's Office

See Accompanying Independent Auditor's Report.



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

**TABLE F**

<b>Year of Levy</b>	<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Year Taxes Collected</b>	<b>Percent of Levy Collected</b>	<b>Collected in Subsequent Years</b>	<b>Total Collections to Date</b>	<b>Total Percent of Levy Collected to Date</b>
2010	2011	\$9,111,406	\$4,492,332	49.30%		\$4,492,332	49.30%
2009	2011	8,755,224	8,702,932	99.40%		8,702,932	99.40%
2008	2010	8,452,772	8,425,007	99.67%	\$3,062	8,428,069	99.71%
2007	2009	7,940,586	8,016,081	100.95%	466	8,016,547	100.96%
2006	2008	7,508,428	7,380,245	98.29%	(13,760)	7,366,485	98.11%
2005	2007	7,088,319	6,932,067	97.80%	(2,258)	6,929,809	97.76%
2004	2006	6,751,906	6,759,972	100.12%	530	6,760,502	100.13%
2003	2005	6,616,051	6,611,494	99.93%	12,880	6,624,374	100.13%
2002	2004	6,461,063	6,444,426	99.74%	8,513	6,452,939	99.87%
2001	2003	6,054,003	6,044,238	99.84%	657	6,044,895	99.85%
2000	2002	5,835,729	5,831,033	99.92%	850	5,831,883	99.93%

Source: Knox County Treasurer's Office

See Accompanying Independent Auditor's Report.

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

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

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

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

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

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

TABLE G

<b>Taxing Bodies</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
City of Galesburg	1.4420	1.4055	1.4353	1.4638	1.6952	1.7196	1.6099	1.8674	1.8900	1.9750
Township of the City of Galesburg	0.1757	0.1932	0.2075	0.2166	0.2221	0.2147	0.2015	0.1852	0.1829	0.1800
Galesburg Unit School District 205	4.1994	4.2039	4.063	4.137	4.2769	4.2761	4.122	3.9452	3.9287	3.9190
Knox County	1.1472	1.1282	1.108	1.0826	1.0838	1.0799	1.0392	0.936	1.0176	0.9610
Galesburg City Fire	1.0063	0.9927	0.9254	0.8782	0.5875	0.5833	0.5464	0.3456	0.3874	
Galesburg Sanitary District	0.2873	0.3063	0.304	0.3075	0.3141	0.3052	0.2906	0.2672	0.2635	0.2620
<b>Total Overlapping Rate</b>	<b>8.2579</b>	<b>8.2298</b>	<b>8.0432</b>	<b>8.0857</b>	<b>8.1796</b>	<b>8.1788</b>	<b>7.8096</b>	<b>7.5466</b>	<b>7.6701</b>	<b>7.2970</b>
<b>Carl Sandburg College Dist. 518</b>										
Educational	0.2000	0.2013	0.1953	0.2020	0.2063	0.2015	0.1989	0.2054	0.2057	0.2021
Building	0.0500	0.0500	0.0500	0.0495	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.2244	0.2262	0.2193	0.2106	0.1943	0.1833	0.1813	0.1458	0.1425	0.1423
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0041	0.0041	0.0023
Tort Immunity	0.1225	0.1099	0.1070	0.1167	0.1168	0.1191	0.1095	0.1010	0.0872	0.0678
Protection, health, and safety	0.0060	0.0062	0.0264	0.0239	0.0149	0.0000	0.0000	0.0000	0.0071	0.0087
Social security and medicare	0.0108	0.0129	0.0110	0.0128	0.0167	0.0170	0.0083	0.0076	0.0076	0.0076
<b>Total</b>	<b>0.6187</b>	<b>0.6115</b>	<b>0.6140</b>	<b>0.6205</b>	<b>0.6040</b>	<b>0.5759</b>	<b>0.5530</b>	<b>0.5139</b>	<b>0.5042</b>	<b>0.4808</b>
<b>Total rate</b>	<b>8.8766</b>	<b>8.8413</b>	<b>8.6572</b>	<b>8.7062</b>	<b>8.7836</b>	<b>8.7547</b>	<b>8.3626</b>	<b>8.0605</b>	<b>8.1743</b>	<b>7.7778</b>
<b>Carl Sandburg College Percentage of Total</b>	<b>6.97%</b>	<b>6.92%</b>	<b>7.09%</b>	<b>7.13%</b>	<b>6.88%</b>	<b>6.58%</b>	<b>6.61%</b>	<b>6.38%</b>	<b>6.17%</b>	<b>6.18%</b>

See Accompany Independent Auditor's Report.

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

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

Source: Knox County Clerk's Office

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
PRINCIPAL TAXPAYERS  
Current Year and Nine Years Ago**

TABLE H

Taxpayer	Type of Business	2011		2002	
		Taxable Assessed Value (approx.)	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV
Burlington Northern Santa Fe	Railroad	\$22,036,080	1 1.54%	\$19,750,000	1 1.54%
Union Electric Co	Utilities	13,080,580	2 0.92%	12,574,270	2 0.98%
Galesburg Hospital Corporation	Hospital	7,123,830	3 0.50%		
Wal-Mart Stores	Retailer	4,123,880	4 0.29%	2,310,000	7 0.18%
Nauvoo Restoration Inc	Real property holdings	3,975,360	5 0.28%		
Twomey Company	Grain	3,889,780	6 0.27%	2,865,830	5 0.22%
Menard Inc.	Retailer	3,130,010	7 0.22%		
Hy Vee Food Stores Inc.	Retailer	2,557,320	8 0.18%		
Lowe's Home Centers, Inc.	Retailer	2,319,910	9 0.16%		
Douglas & Associates LLC	Real property holdings	2,310,040	10 0.16%		
United Facilities, Inc.	Shipping			2,770,000	6 0.22%
Admiral-Maytag Co.	Manufacturer			6,220,000	3 0.49%
First Property Management Corp	Mall			4,470,000	4 0.35%
Kmart Corporation	Retailer			2,130,000	8 0.16%
Target Corporation	Retailer			2,080,000	9 0.16%
Galesburg Housing Partners	Real property holdings			1,730,000	10 0.14%
		\$64,546,790	4.52%	\$56,900,100	4.44%

See Accompany Independent Auditor's Report.

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

TABLE I

Fiscal Year	General Bonded Debt	Leases Certificates	Notes Payable	Capital Leases	Purchase Contracts	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Net Bonded Debt Per Capita
2011	\$29,825,000					\$29,825,000	\$4,379,417,943	0.681%	120,186	248
2010	29,255,000					29,255,000	4,281,173,280	0.683%	120,186	243
2009	28,610,000			\$7,288		28,617,288	4,124,629,695	0.694%	120,877	237
2008	26,610,000			105,200		26,715,200	3,953,705,376	0.648%	121,300	219
2007	24,795,000			180,861		24,975,861	3,700,878,384	0.632%	121,300	204
2006	25,830,000			834,901		26,664,901	3,610,437,843	0.739%	109,788	235
2005	26,805,000			919,899		27,724,899	3,662,878,517	0.757%	110,862	242
2004	26,600,000			1,155,838		27,755,838	3,862,259,937	0.719%	111,242	239
2003	22,960,000			183,136		23,143,136	3,844,345,656	0.602%	112,074	205
2002	23,565,000			264,126		23,829,126	3,777,456,720	0.631%	112,668	209

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

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

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

TABLE J

<b>Fiscal Year</b>	<b>Net General Bonded Debt</b>	<b>Estimated Actual Taxable Value of Property</b>	<b>Estimated Population</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>	<b>Percentage of Total Debt to Personal Income</b>
2011	\$29,825,000	\$4,379,417,943	120,186	0.681%	248	7.39%
2010	29,255,000	4,281,173,280	120,186	0.683%	243	7.61%
2009	28,610,000	4,124,629,695	120,877	0.694%	237	7.21%
2008	26,610,000	3,953,705,376	121,300	0.673%	219	7.78%
2007	24,795,000	3,700,878,384	121,300	0.670%	204	8.42%
2006	25,830,000	3,610,437,843	109,788	0.715%	235	8.13%
2005	26,805,000	3,662,878,512	110,862	0.732%	242	7.91%
2004	26,600,000	3,862,259,937	111,242	0.689%	239	8.07%
2003	22,960,000	3,844,345,656	112,074	0.597%	205	9.43%
2002	23,565,000	3,777,456,720	112,668	0.624%	209	9.25%

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

Sources: Knox County Clerk's Office  
College records

See Accompanying Independent Auditor's Report.

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

June 30, 2011

**TABLE K**

<b>Overlapping Agencies</b>	<b>Outstanding Debt</b>	<b>Percent</b>	<b>Amount</b>
Fulton County	\$220,000	3.36%	\$7,392
Knox County	1,350,000	94.97%	1,282,095
Hamilton Park District	780,000	100.00%	780,000
Carthage Park District	95,000	100.00%	95,000
Monmouth Park District	290,000	100.00%	290,000
City of Monmouth	23,130,907	100.00%	23,130,907
City of Galesburg	24,385,000	100.00%	24,385,000
Spoon River Valley CUSD #4	930,000	27.28%	253,704
Wyoming CUSD #100	7,765,000	2.80%	217,420
Bushnell-Prairie City CUSD #170	880,000	86.54%	761,552
Avon CUSD #176	315,000	5.13%	16,160
Knoxville CUSD #202	3,905,000	100.00%	3,905,000
Galesburg CUSD #205	3,745,000	97.14%	3,637,893
Abingdon CUSD #217	3,134,993	89.88%	2,817,732
Galva CUSD #224	325,000	8.39%	27,268
Alwood CUSD #225	2,405,000	7.16%	172,198
West Central CUSD #235	1,340,000	2.66%	35,644
Monmouth-Roseville CUSD #238	2,175,000	100.00%	2,175,000
Farmington CUSD #265	7,980,938	18.39%	1,467,694
Alexis CUSD #304	2,000,000	0.13%	2,600
Warsaw CUSD #316	1,995,000	100.00%	1,995,000
Elmwood CUSD #322	2,820,000	0.20%	5,640
Nauvoo-Colusa CUSD #325	540,000	100.00%	540,000
Hamilton CUSD #328	575,000	100.00%	575,000
LaHarpe CUSD #335	75,000	100.00%	75,000
Dallas City CUSD #336	740,000	100.00%	740,000
			<u>\$69,390,898</u>
 Community College Dist. #518	 29,825,000	 100.00%	 <u>29,825,000</u>
 Total Direct & Overlapping General Obligation Bonded Debt			  <u><u>\$99,215,898</u></u>

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

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

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

TABLE L

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
2011	\$41,969,422	\$29,825,000	\$12,144,422	71.064%
2010	41,027,911	29,255,000	11,772,911	71.305%
2009	39,527,701	28,617,288	10,910,413	72.398%
2008	37,889,677	26,715,200	11,174,477	70.508%
2007	35,467,875	24,975,861	10,492,014	70.418%
2006	34,600,029	26,664,901	7,935,128	77.066%
2005	35,102,586	27,724,899	7,377,687	78.982%
2004	37,013,324	27,755,838	9,257,486	74.989%
2003	36,841,646	23,143,136	13,698,510	62.818%
2002	36,200,627	23,829,126	12,371,501	65.825%
2001	35,351,287	21,174,573	14,176,714	59.898%
2000	34,201,978	19,276,481	14,925,497	56.361%

Assessed valuation - 2010 levy \$1,459,805,981

Debt limit (2.875% of total assessed value) \$41,969,422

Debt applicable to limit:

General obligation bonds	29,825,000
Lease certificates	0
Notes payable	0
Capital leases	0
Purchase contracts	0
	<u>0</u>

Total net debt applicable to limit 29,825,000

Legal debt margin \$12,144,422

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
DEMOGRAPHIC AND ECONOMIC STATISTICS\*  
Last Ten Fiscal Years**

TABLE M

<b>Fiscal Year</b>	<b>Estimated Population*</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>	<b>District Student Enrollment</b>	<b>Average Class Size</b>
2011	105,835	\$2,204,225	\$20,827	39.2	39,111	7.1%	2,538	17
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17
2009	120,877	2,063,975	17,075	36.6	36,897	6.4%	2,615	12
2008	121,300	2,071,198	17,075	36.6	36,897	7.2%	2,693	12
2007	121,300	2,087,816	17,212	36.6	36,897	4.6%	2,490	10
2006	121,986	2,099,623	17,212	36.6	36,897	5.6%	2,930	10
2005	123,180	2,120,174	17,212	36.6	36,897	5.8%	3,260	10
2004	124,778	2,147,679	17,212	36.6	36,897	6.7%	3,575	12
2003	125,828	2,165,752	17,212	36.6	36,897	7.0%	3,554	12
2002	126,632	2,179,590	17,212	36.6	36,897	6.2%	3,441	12

Sources: U.S. Census Bureau  
College Records  
IL Dept. of Employment Security, Economic Information & Analysis Division

See Accompanying Independent Auditor's Report.



**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago**

TABLE N

Employer	2011			2002		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Farmland Foods	1,400	1	2.25%	875	3	1.31%
Burlington Northern Santa Fe Railroad	1,115	2	1.79%	850	4	1.27%
OSF (Galesburg, Monmouth)	1,025	3	1.65%	525	9	0.78%
Galesburg Cottage Hospital	730	4	1.17%	800	5	1.20%
Hy-Vee	574	5	0.92%			
Dick Blick Company	550	6	0.88%			
School District Number 205	542	7	0.87%	800	6	1.20%
Carl Sandburg College	454	8	0.73%			
Bridgeway/Bridgeway Training	450	9	0.72%			
Knox County	420	10	0.68%	447	10	0.67%
Maytag-Galesburg Refrigeration				2,400	1	3.59%
Method Electronics				1,200	2	1.79%
Butler Manufacturing				800	7	1.20%
Gates Rubber Company				580	8	0.87%
<b>Total</b>	<b>7,260</b>		<b>11.68%</b>	<b>9,277</b>		<b>13.86%</b>

Source: 2011 Principal Employers  
[Galesburg Regional Economic Development Association www.greda.org](http://www.greda.org)

Source: 2002 Principal Employers  
Illinois Department of Commerce and Economic Opportunity Community Profiles  
[http://www.ildceo.net/dceo/Bureaus/Business\\_Development/Resources+and+Support](http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support)  
College records

Source: Labor Force Population  
[Illinois Department of Employment Security Local Employment Dynamics](#)

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
FULL-TIME EQUIVALENT EMPLOYEES  
Last Ten Fiscal Years**

TABLE O

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction-Faculty	112	119	110	112	143	134	135	135	136	136
Full-time	55	64	62	64	68	64	65	65	66	66
Part-time	57	55	48	48	75	70	70	70	70	70
Administrative Staff	20	20	20	21	21	22	28	25	26	23
Full-time	20	20	20	21	21	22	28	25	26	23
Part-time	0	0	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	75	75	73	73	71	74	86	94	69	64
Full-time	67	70	69	69	70	74	86	94	69	63
Part-time	5	5	4	4	1	0	0	0	0	1
Classified Staff	52	52	54	58	63	56	53	56	78	76
Full-time	53	49	51	55	60	56	53	56	78	76
Part-time	2	3	3	3	3	0	0	0	0	0
<b>Total</b>	<b>259</b>	<b>266</b>	<b>257</b>	<b>264</b>	<b>298</b>	<b>286</b>	<b>302</b>	<b>310</b>	<b>309</b>	<b>299</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
OPERATING INDICATORS  
Last Ten Fiscal Years**

TABLE P

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction: <sup>1</sup>										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	3,270	2,965	2,844	2,731	2,972	2,349	2,289	2,240	2,230	2,389
Vocational	19	23	26	85	101	1,281	1,209	1,541	1,411	1,071
Occupational	1,055	1,220	1,206	1,311	1,536	1,880	2,572	2,645	2,444	2,008
ABE	225	266	201	153	146	43	50	43	62	58
ASE	142	182	209	206	226	226	382	493	439	468
ESL	74	67	71	39	46	14	61	45	35	27
General Studies	0	1	0	2	3	1	1	1	0	0
General Associates	83	80	71	88	170	241	55	33	19	15
<b>Total</b>	<b>4,868</b>	<b>4,804</b>	<b>4,628</b>	<b>4,615</b>	<b>5,200</b>	<b>6,035</b>	<b>6,619</b>	<b>7,041</b>	<b>6,640</b>	<b>6,036</b>
Annual FTE Students <sup>2</sup>	1,737	1,772	1,641	1,682	1,914	2,283	2,443	2,392	2,251	2,015
Total Reimbursable Credit Hours <sup>3</sup>	52,113	53,174	49,219	50,471	57,435	68,499	73,314	71,756	67,530	59,970
Degrees awarded: <sup>4</sup>										
Associate (transfer)	118	106	108	102	98	109	130	105	147	161
Associate in applied science	119	122	118	123	181	295	190	175	181	130
Career & technical certificates	152	137	141	139	187	157	123	170	205	175
Average annual faculty salary <sup>5</sup>	\$49,897	\$49,074	\$47,889	\$48,158	\$47,731	\$45,867	\$44,921	\$44,922	\$44,263	\$43,989
Students per faculty <sup>6</sup>	17	17	16	11	13	17	18	18	17	15
Institutional support: <sup>7</sup>										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.80	1.85	1.71	1.69	1.30	1.50	1.34	1.30	1.16	1.30

<sup>1</sup>Source: ICCB A1 Annual Student Enrollment and Completion

<sup>2</sup>Source: Total Reimbursable Credit Hours / 15 / 2

<sup>3</sup>Source: ICCB SU SR for each semester

<sup>4</sup>Source: ICCB A1 Annual Student Enrollment and Completion

<sup>5</sup>Source: ICCB C1 Faculty, Staff, Salary Data

<sup>6</sup>Source: ICCB C1, E1 Reports

<sup>7</sup>Source: ICCB Tax Revenue and Budget Information Survey

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CAPITAL ASSET STATISTICS  
Last Ten Fiscal Years**

**TABLE Q**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Instruction:</b>										
Building - acres	6.9	6.9	6.9	6.6	6.6	6.4	6.4	6.4	6.4	6.4
Classroom - sq. ft.	47,128	46,167	45,938	46,327	42,489	38,455	38,538	37,288	40,761	28,368
Lab - sq. ft.	70,124	70,124	71,505	71,505	64,704	65,743	67,128	64,341	66,114	68,436
<b>Academic support:</b>										
Support - sq. ft.	3,530	3,385	3,385	3,385	3,736	3,980	2,678	1,967	1,967	1,680
Study - sq. ft.	18,784	18,784	19,349	19,349	19,056	17,945	15,483	15,483	13,162	11,661
<b>Student services:</b>										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	11,694	18,133	18,133	18,133	18,133	18,133	12,214
<b>General administration:</b>										
Office - sq. ft.	37,154	37,025	39,963	39,574	30,666	29,464	31,306	33,367	31,867	6,270
<b>Institutional support:</b>										
Landscaped grounds - acres	37.9	37.9	37.9	36.5	36.5	36.7	36.7	36.7	36.7	38.7
Parking lots - acres	9.9	9.9	9.9	9.0	9.0	9.0	9.0	9.0	9.0	7.0
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.8

Source: Acres - ICCB Table C1.3

Source: Sq.ft. - ICCB R3

**SPECIAL REPORTS SECTION**

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION  
BALANCE SHEET - ALL FUND TYPES**

June 30, 2011 with comparative totals at June 30, 2010

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2011	Total June 30, 2010
	Unrestricted	Restricted		Operations and Maintenance Restricted	Capital Endowment Fund		
Cash and cash equivalents	\$6,823,576	\$3,711,257				\$10,534,833	\$4,074,484
Deposits	0	899,000				899,000	2,334,716
Investments	682,481	7,081,553		\$36,579	\$9,122,879	16,923,492	17,243,987
Receivables:							
Property taxes	1,847,287	2,663,298		44,058		4,554,643	5,272,659
Government claims and grants	901,275	418,038				1,319,313	1,277,145
Other	793,999	62,343			65,425	921,767	1,089,892
Due from other funds	1,018,581	4,159,057	\$85,665		84,188	5,347,491	3,571,532
Prepaid items	199,066	0				199,066	211,210
Inventories	9,750					9,750	9,950
Property and equipment, net	33,307					33,307	48,105
Other assets						0	0
<b>Total assets</b>	<b>\$12,309,322</b>	<b>\$18,994,546</b>	<b>\$85,665</b>	<b>\$80,637</b>	<b>\$9,272,492</b>	<b>\$40,742,662</b>	<b>\$35,133,680</b>
<b>LIABILITIES AND FUND EQUITY (DEFICIT)</b>							
Liabilities:							
Accounts payable	\$184,135	\$1,031	\$85,665			\$270,831	\$186,716
Accrued liabilities	76,667					76,667	86,941
Unearned revenue:							
Property taxes	3,661,058	5,294,716		\$87,588		9,043,362	8,678,460
Other	292,681	126,423				419,104	373,041
Due to other funds	3,781,676	1,008,954		556,861		5,347,491	3,571,532
<b>Total liabilities</b>	<b>7,996,217</b>	<b>6,431,124</b>	<b>85,665</b>	<b>644,449</b>	<b>\$0</b>	<b>15,157,455</b>	<b>12,896,690</b>
<b>FUND EQUITY (DEFICIT)</b>							
Retained earnings (deficit):							
Unreserved	109,506					109,506	96,810
Fund balance (deficit):							
Reserved for encumbrances	4,313	10,621				14,934	34,863
Reserved for insurance		4,316,004				4,316,004	4,316,004
Unreserved	4,199,286	8,236,797		(563,812)	9,272,492	21,144,763	17,789,313
<b>Total fund equity (deficit)</b>	<b>4,313,105</b>	<b>12,563,422</b>	<b>0</b>	<b>(563,812)</b>	<b>9,272,492</b>	<b>25,585,207</b>	<b>22,236,990</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$12,309,322</b>	<b>\$18,994,546</b>	<b>\$85,665</b>	<b>\$80,637</b>	<b>\$9,272,492</b>	<b>\$40,742,662</b>	<b>\$35,133,680</b>

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION  
SCHEDULE OF CHANGES IN FUND BALANCES - ALL FUND TYPES**

For the year ended June 30, 2011 with comparative totals for fiscal year ended June 30, 2010

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2011	Total June 30, 2010
	Unrestricted	Restricted		Operations and Maintenance Restricted	Capital Endowment Fund		
<b>Revenues:</b>							
Local government	\$3,864,339	\$5,070,476		\$88,325		\$9,023,140	\$8,664,161
State government	5,463,346	1,179,854				6,643,200	7,479,752
Federal government	21,817	7,308,784				7,330,601	7,211,059
Student tuition and fees	7,254,518					7,254,518	7,339,212
Sales and service fees	683,037					683,037	657,750
Interest	58,997	163,006		658	\$211,882	434,543	553,737
Net increase (decrease) in fair value of investments		7,127			(23,619)	(16,492)	10,808
Other	336,898	100,168		59,378		496,444	929,757
<b>Total revenues</b>	<b>17,682,952</b>	<b>13,829,415</b>	<b>\$0</b>	<b>148,361</b>	<b>188,263</b>	<b>31,848,991</b>	<b>32,846,236</b>
<b>Expenditures/expenses:</b>							
Current:							
Instruction	5,774,943	392,761				6,167,704	6,823,692
Academic support	349,217	0				349,217	347,640
Student services	1,633,452	580,657				2,214,109	2,125,672
Public services	172,934	376,585				549,519	617,556
Auxiliary services	1,165,037					1,165,037	1,132,156
Operation and maintenance of plant	1,424,681					1,424,681	1,472,365
Institutional support	5,905,150	2,136,721		8,658	1,254	8,051,783	8,753,627
Scholarships, student, grants, and waivers	2,714	7,183,931				7,186,645	6,858,045
Debt service:							
Principal retirement		2,000,000				2,000,000	1,777,288
Interest		1,050,534				1,050,534	998,455
Bond issuance costs		37,358				37,358	61,243
Capital outlay:							
Building construction, building improvement and equipment	117,972	66,938		658,252		843,162	3,506,930
<b>Total expenditures/expenses</b>	<b>16,546,100</b>	<b>13,825,485</b>	<b>0</b>	<b>666,910</b>	<b>1,254</b>	<b>31,039,749</b>	<b>34,474,669</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>1,136,852</b>	<b>3,930</b>	<b>0</b>	<b>(518,549)</b>	<b>187,009</b>	<b>809,242</b>	<b>(1,628,433)</b>
<b>Other financing sources (uses):</b>							
Issuance of refunding bonds and serial bonds		4,110,000				4,110,000	7,895,000
Net (discount) premium on bonds sold		6,087				6,087	(21,362)
Payment to refunded bonds escrow agent		(1,577,112)				(1,577,112)	(5,878,386)
Transfers in	42,226	2,506,016		463,219		3,011,461	2,711,494
Transfers out	(367,594)	(2,561,000)			(82,867)	(3,011,461)	(2,711,494)
<b>Total other financing sources (uses)</b>	<b>(325,368)</b>	<b>2,483,991</b>	<b>0</b>	<b>463,219</b>	<b>(82,867)</b>	<b>2,538,975</b>	<b>1,995,252</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>811,484</b>	<b>2,487,921</b>		<b>(55,330)</b>	<b>104,142</b>	<b>3,348,217</b>	<b>366,819</b>
<b>Fund equity (deficit) at beginning of year</b>	<b>3,501,621</b>	<b>10,075,501</b>		<b>(508,482)</b>	<b>9,168,350</b>	<b>22,236,990</b>	<b>21,870,171</b>
<b>Fund equity (deficit) at end of year</b>	<b>\$4,313,105</b>	<b>\$12,563,422</b>	<b>\$0</b>	<b>(\$563,812)</b>	<b>\$9,272,492</b>	<b>\$25,585,207</b>	<b>\$22,236,990</b>

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION  
SCHEDULE OF CURRENT FUNDS REVENUES,  
EXPENDITURES AND OTHER CHANGES**

For the year ended June 30, 2011 with comparative totals for year ended June 30, 2010

	Unrestricted	Restricted	Total June 30, 2011	Total June 30, 2010
<b>Revenues:</b>				
Local government	\$3,864,339	\$5,070,476	\$8,934,815	\$8,306,209
State government	5,463,346	1,179,854	6,643,200	7,479,752
Federal government	21,817	7,308,784	7,330,601	7,211,059
Student tuition and fees	7,254,518		7,254,518	7,339,212
Sales and service fees	683,037		683,037	657,750
Interest	58,997	163,006	222,003	224,057
Net increase (decrease) in fair value of investments		7,127	7,127	(46,591)
Other	336,898	100,168	437,066	499,848
<b>Total revenues</b>	<b>17,682,952</b>	<b>13,829,415</b>	<b>31,512,367</b>	<b>31,671,296</b>
<b>Expenditures/expenses:</b>				
<b>Current:</b>				
Instruction	5,774,943	392,761	6,167,704	6,823,692
Academic support	349,217		349,217	347,640
Student services	1,633,452	580,657	2,214,109	2,125,672
Public services	172,934	376,585	549,519	617,556
Auxiliary services	1,165,037		1,165,037	1,132,156
Operation and maintenance of plant	1,424,681		1,424,681	1,472,365
Institutional support	5,905,150	2,136,721	8,041,871	8,490,858
Scholarships, student, grants, and waivers	2,714	7,183,931	7,186,645	6,858,045
<b>Debt service:</b>				
Principal retirement		2,000,000	2,000,000	1,777,288
Interest		1,050,534	1,050,534	998,455
Bond issuance costs		37,358	37,358	61,243
<b>Capital outlay:</b>				
Building construction, building improvements, and equipment	117,972	66,938	184,910	228,538
<b>Total expenditures/expenses</b>	<b>16,546,100</b>	<b>13,825,485</b>	<b>30,371,585</b>	<b>30,933,508</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>1,136,852</b>	<b>3,930</b>	<b>1,140,782</b>	<b>737,788</b>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds and serial bonds		4,110,000	4,110,000	7,895,000
Net (discount) premium on bonds sold		6,087	6,087	(21,362)
Payment to refunded bonds escrow agent		(1,577,112)	(1,577,112)	(5,878,386)
Transfers in	42,226	2,506,016	2,548,242	2,270,563
Transfers out	(367,594)	(2,561,000)	(2,928,594)	(2,566,863)
<b>Total other financing sources (uses)</b>	<b>(325,368)</b>	<b>2,483,991</b>	<b>2,158,623</b>	<b>1,698,952</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$811,484</b>	<b>\$2,487,921</b>	<b>\$3,299,405</b>	<b>\$2,436,740</b>



**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
BALANCE SHEET - CURRENT FUNDS**

June 30, 2011

<b>ASSETS</b>	<b>Current Unrestricted Funds</b>			
	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Auxiliary Enterprise Fund</b>	<b>Total Current Unrestricted Funds</b>
Cash and cash equivalents	\$6,822,726		\$850	\$6,823,576
Deposits				0
Investments	682,481			682,481
Receivables:				
Property taxes	1,480,138	\$367,149		1,847,287
Government claims and grants	821,460	79,815		901,275
Other	781,185		12,814	793,999
Due from other funds		800,804	217,777	1,018,581
Prepaid items	194,888	4,178		199,066
Inventories			9,750	9,750
Property and equipment, net			33,307	33,307
<b>Total assets</b>	<b>\$10,782,878</b>	<b>\$1,251,946</b>	<b>\$274,498</b>	<b>\$12,309,322</b>
<b>LIABILITIES AND FUND EQUITY (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$182,653		\$1,482	\$184,135
Accrued liabilities	36,179		40,488	76,667
Unearned revenue:				
Property taxes	2,931,155	\$729,903		3,661,058
Other		169,659	123,022	292,681
Due to other funds	3,781,676			3,781,676
<b>Total liabilities</b>	<b>6,931,663</b>	<b>899,562</b>	<b>164,992</b>	<b>7,996,217</b>
<b>FUND EQUITY (DEFICIT)</b>				
Retained earnings (deficit):				
Unreserved			109,506	109,506
Fund balance (deficit):				
Reserved for encumbrances	4,313			4,313
Reserved for insurance				0
Unreserved	3,846,902	352,384		4,199,286
<b>Total fund equity (deficit)</b>	<b>3,851,215</b>	<b>352,384</b>	<b>109,506</b>	<b>4,313,105</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$10,782,878</b>	<b>\$1,251,946</b>	<b>\$274,498</b>	<b>\$12,309,322</b>

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**Current Restricted Funds**

<b>Restricted Purpose</b>	<b>Nonexpendable Trust</b>	<b>Audit</b>	<b>Liability Protection Funds</b>	<b>Sandburg Initiates Life-Changing Opportunities</b>	<b>Bond and Interest</b>	<b>Total Current Restricted Funds</b>
	\$3,711,257					\$3,711,257
	899,000					899,000
	2,910,077		\$4,164,757		\$6,719	7,081,553
\$418,038		\$36,715	978,819		1,647,764	2,663,298
14	24,089		38,240			418,038
125,988	639,473		119,368	\$1,093,831	2,180,397	62,343
						4,159,057
						0
						0
						0
<b>\$544,040</b>	<b>\$8,183,896</b>	<b>\$36,715</b>	<b>\$5,301,184</b>	<b>\$1,093,831</b>	<b>\$3,834,880</b>	<b>\$18,994,546</b>
\$1,031						\$1,031
						0
		\$72,990	\$1,945,921		\$3,275,805	5,294,716
126,423						126,423
		94,628	914,326			1,008,954
127,454	\$0	167,618	2,860,247	\$0	3,275,805	6,431,124
						0
10,621						10,621
			4,316,004			4,316,004
405,965	8,183,896	(130,903)	(1,875,067)	1,093,831	559,075	8,236,797
416,586	8,183,896	(130,903)	2,440,937	1,093,831	559,075	12,563,422
<b>\$544,040</b>	<b>\$8,183,896</b>	<b>\$36,715</b>	<b>\$5,301,184</b>	<b>\$1,093,831</b>	<b>\$3,834,880</b>	<b>\$18,994,546</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,  
AND CHANGES IN FUND EQUITY (DEFICIT) - CURRENT FUNDS  
For the year ended June 30, 2011**

	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education	Operations and Maintenance	Auxiliary Enterprise	
<b>Revenues:</b>				
Local government	\$3,052,305	\$812,034		\$3,864,339
State government	5,183,282	280,064		5,463,346
Federal government	1,211		\$20,606	21,817
Student tuition and fees	6,434,003	541,636	278,879	7,254,518
Sales and service fees			683,037	683,037
Interest	52,385	6,612		58,997
Net increase (decrease) in fair value of investments				0
Other	142,352	34,452	160,094	336,898
<b>Total revenues</b>	<b>14,865,538</b>	<b>1,674,798</b>	<b>1,142,616</b>	<b>17,682,952</b>
<b>Expenditures/expenses:</b>				
<b>Current:</b>				
Instruction	5,774,943			5,774,943
Academic support	349,217			349,217
Student services	1,633,452			1,633,452
Public services	172,934			172,934
Auxiliary services			1,165,037	1,165,037
Operation and maintenance of plant		1,424,681		1,424,681
Institutional support	5,832,841	72,309		5,905,150
Scholarships, student grants, and waivers	2,714			2,714
<b>Debt service:</b>				
Principal retirement				
Interest				
<b>Bond issuance costs</b>				
<b>Capital outlay:</b>				
Building construction, building improvements, and equipment	98,413	19,559		117,972
<b>Total expenditures/expenses</b>	<b>13,864,514</b>	<b>1,516,549</b>	<b>1,165,037</b>	<b>16,546,100</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>1,001,024</b>	<b>158,249</b>	<b>(22,421)</b>	<b>1,136,852</b>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds and serial bonds				
Net premium (discount) on bonds sold				
Payment to refunded bonds escrow agent				
Transfers in			42,226	42,226
Transfers out	(360,485)		(7,109)	(367,594)
<b>Total other financing sources (uses)</b>	<b>(360,485)</b>	<b>0</b>	<b>35,117</b>	<b>(325,368)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>640,539</b>	<b>158,249</b>	<b>12,696</b>	<b>811,484</b>
<b>Fund equity (deficit) at beginning of year</b>	<b>3,210,676</b>	<b>194,135</b>	<b>96,810</b>	<b>3,501,621</b>
<b>Fund equity (deficit) at end of year</b>	<b>\$3,851,215</b>	<b>\$352,384</b>	<b>\$109,506</b>	<b>\$4,313,105</b>

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Current Restricted Funds						
Restricted Purpose	Nonexpendable Trust	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Bond and Interest	Total Current Restricted Funds
\$27,431		\$71,229	\$1,749,395		\$3,222,421	\$5,070,476
1,179,854						1,179,854
7,308,784						7,308,784
						0
						0
	\$83,565	339	43,715	\$19,112	16,275	163,006
	7,397		(270)			7,127
83,838			16,330			100,168
8,599,907	90,962	71,568	1,809,170	19,112	3,238,696	13,829,415
392,761						392,761
						0
580,657						580,657
376,585						376,585
						0
						0
4,184		69,205	2,059,099		4,233	2,136,721
7,183,931						7,183,931
					2,000,000	2,000,000
					1,050,534	1,050,534
					37,358	37,358
66,938						66,938
8,605,056	0	69,205	2,059,099	0	3,092,125	13,825,485
(5,149)	90,962	2,363	(249,929)	19,112	146,571	3,930
					4,110,000	4,110,000
					6,087	6,087
6,016	2,500,000				(1,577,112)	(1,577,112)
	(61,000)				(2,500,000)	(2,561,000)
6,016	2,439,000	0	0	0	38,975	2,483,991
867	2,529,962	2,363	(249,929)	19,112	185,546	2,487,921
415,719	5,653,934	(133,266)	2,690,866	1,074,719	373,529	10,075,501
\$416,586	\$8,183,896	(\$130,903)	\$2,440,937	\$1,093,831	\$559,075	\$12,563,422

**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, 2011

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$2,933,684	\$2,867,698	(\$65,986)
Corporate personal property replacement tax	86,675	184,607	97,932
<b>Total local government</b>	<b>3,020,359</b>	<b>3,052,305</b>	<b>31,946</b>
State government:			
ICCB base operating grant	1,629,138	1,578,400	(50,738)
ICCB equalization grant	1,877,442	1,376,810	(500,632)
Board of Vocational Education and Rehabilitation	100,000	155,280	55,280
Other state sources	0	16,884	16,884
State of Illinois SURS on-behalf payments	800,000	2,055,908	1,255,908
<b>Total state government</b>	<b>4,406,580</b>	<b>5,183,282</b>	<b>776,702</b>
Federal government -			
AmeriCorps	0	1,211	1,211
<b>Total federal government</b>	<b>0</b>	<b>1,211</b>	<b>1,211</b>
Student tuition and fees	5,294,461	6,434,003	1,139,542
Interest	24,687	52,385	27,698
Miscellaneous - other	91,464	142,352	50,888
<b>Total revenues</b>	<b>12,837,551</b>	<b>14,865,538</b>	<b>2,027,987</b>
<b>Expenditures:</b>			
Instruction:			
Salaries	5,228,306	4,984,390	243,916
Employee benefits	15,000	2,808	12,192
Contractual services	214,622	538,935	(324,313)
General materials and supplies	349,235	145,885	203,350
Conference and meeting expense	133,612	97,414	36,198
Other	101,606	5,511	96,095
<b>Total instruction</b>	<b>6,042,381</b>	<b>5,774,943</b>	<b>267,438</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
(CONTINUED)**

For the year ended June 30, 2011

	Budget	Actual	Variance With Budget
<b>Expenditures (continued):</b>			
<b>Academic support:</b>			
Salaries	261,882	244,219	17,663
Contractual services	37,280	28,612	8,668
General materials and supplies	107,349	74,432	32,917
Conference and meeting expense	4,221	1,954	2,267
<b>Total academic support</b>	<b>410,732</b>	<b>349,217</b>	<b>61,515</b>
<b>Student services:</b>			
Salaries	1,085,134	1,045,525	39,609
Contractual services	28,623	14,269	14,354
General materials and supplies	54,559	25,145	29,414
Conference and meeting expense	27,794	16,968	10,826
Fixed charges	413	202	211
Other	488,643	531,343	(42,700)
<b>Total student services</b>	<b>1,685,166</b>	<b>1,633,452</b>	<b>51,714</b>
<b>Public services:</b>			
Salaries	122,754	94,700	28,054
Contractual services	58,200	34,904	23,296
General materials and supplies	29,580	19,388	10,192
Conference and meeting expense	26,300	22,726	3,574
Fixed charges	400	0	400
Utilities	1,500	942	558
Other	7,048	274	6,774
<b>Total public services</b>	<b>245,782</b>	<b>172,934</b>	<b>72,848</b>
<b>Institutional support:</b>			
Salaries	1,370,373	1,301,796	68,577
Employee benefits	2,408,824	3,372,237	(963,413)
Contractual services	167,975	158,700	9,275
General materials and supplies	627,939	591,872	36,067
Conference and meeting expense	95,726	55,847	39,879
Fixed charges	149,179	134,937	14,242
Other	116,185	217,452	(101,267)
<b>Total institutional support</b>	<b>4,936,201</b>	<b>5,832,841</b>	<b>(896,640)</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
EDUCATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
(CONTINUED)**

For the year ended June 30, 2011

	Budget	Actual	Variance With Budget
<b>Expenditures (continued):</b>			
Scholarships, student grants, and waivers:			
Other	0	2,714	(2,714)
<b>Total scholarships, student grants, and waivers</b>	<b>0</b>	<b>2,714</b>	<b>(2,714)</b>
Debt service -			
Capital outlay	0	98,413	(98,413)
<b>Total expenditures</b>	<b>13,320,262</b>	<b>13,864,514</b>	<b>(544,252)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(482,711)</b>	<b>1,001,024</b>	<b>1,483,735</b>
<b>Other financing sources:</b>			
Transfers in	599,525	0	(599,525)
Transfers out	0	(360,485)	(360,485)
<b>Excess (deficiency) of revenues and other financing     sources over expenditures</b>	<b><u>\$116,814</u></b>	<b>640,539</b>	<b><u>\$523,725</u></b>
<b>Fund balance at beginning of year</b>		<b><u>3,210,676</u></b>	
<b>Fund balance at end of year</b>		<b><u><u>\$3,851,215</u></u></b>	

**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, 2011

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$728,685	\$712,295	(\$16,390)
Corporate personal property replacement tax	123,325	99,739	(23,586)
<b>Total local government</b>	<b>852,010</b>	<b>812,034</b>	<b>(39,976)</b>
State government:			
ICCB base operating grant	141,664	160,341	18,677
ICCB equalization grant	163,256	119,723	(43,533)
<b>Total state government</b>	<b>304,920</b>	<b>280,064</b>	<b>(24,856)</b>
Student tuition and fees	437,150	541,636	104,486
Interest	3,126	6,612	3,486
Other:			
Rent	42,000	33,956	(8,044)
Miscellaneous	1,178	496	(682)
<b>Total other revenue</b>	<b>43,178</b>	<b>34,452</b>	<b>(8,726)</b>
<b>Total revenues</b>	<b>1,640,384</b>	<b>1,674,798</b>	<b>34,414</b>
<b>Expenditures:</b>			
Operation and maintenance of plant:			
Salaries	596,003	547,274	48,729
Contractual services	111,898	65,262	46,636
General materials and supplies	100,050	92,210	7,840
Conference and meeting expense	5,696	4,259	1,437
Fixed charges	2,154	2,602	
Utilities	579,222	574,446	4,776
Other	170,579	138,628	31,951
<b>Total operation and maintenance of plant</b>	<b>1,565,602</b>	<b>1,424,681</b>	<b>140,921</b>



**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
OPERATIONS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
(CONTINUED)**

For the year ended June 30, 2011

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	11,115	5,332	5,783
General materials and supplies	616	42	574
Conference and meeting expense	514	0	514
Utilities	96,790	66,935	29,855
<b>Total institutional support</b>	<b>109,035</b>	<b>72,309</b>	<b>36,726</b>
<b>Capital outlay</b>	<b>10,772</b>	<b>19,559</b>	<b>(8,787)</b>
<b>Total expenditures</b>	<b>1,685,409</b>	<b>1,516,549</b>	<b>168,860</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(45,025)</b>	<b>158,249</b>	<b>203,274</b>
Other financing sources (uses) -			
Transfers in	35,000	0	0
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b><u>(\$10,025)</u></b>	<b>158,249</b>	<b><u>\$168,274</u></b>
<b>Fund balance at beginning of year</b>		<b>194,135</b>	
<b>Fund balance at end of year</b>		<b><u>\$352,384</u></b>	

**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, 2011

	Budget	Actual	Variance With Budget
Revenues:			
Local government -			
Property taxes	\$72,868	\$71,229	(\$1,639)
Interest	167	339	172
Total revenues	73,035	71,568	(1,467)
Expenditures -			
Institutional support:			
Salaries	7,130	7,130	0
Contractual services	60,266	62,075	(1,809)
General materials and supplies	700	0	700
Conference and meeting expense	4,640	0	4,640
Total expenditures	72,736	69,205	3,531
Excess of revenues over expenditures	<u>\$299</u>	2,363	<u>\$2,064</u>
Fund balance (deficit) at beginning of year		<u>(133,266)</u>	
Fund balance (deficit) at end of year		<u><u>(\$130,903)</u></u>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SANDBURG INITIATES LIFE-CHANGING OPPORTUNITIES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL**

For the year ended June 30, 2011

	Budget	Actual	Variance With Budget
Revenues - Interest	\$22,500	\$19,112	(\$3,388)
Other financing sources - Transfers out	(98,375)	0	98,375
Excess of revenues and other financing sources	<u>(\$75,875)</u>	19,112	<u>\$94,987</u>
Fund balance at beginning of year		<u>1,074,719</u>	
Fund balance at end of year		<u>\$1,093,831</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, 2011**

	Budget	Actual	Variance With Budget
Revenues:			
Local government - Property taxes	\$3,229,530	\$3,222,421	(\$7,109)
Interest	7,682	16,275	8,593
<b>Total revenues</b>	<b>3,237,212</b>	<b>3,238,696</b>	<b>1,484</b>
Expenditures -			
Institutional support - Other	6,700	4,233	2,467
Debt service:			
Principal retirement	2,360,000	2,000,000	360,000
Interest	894,814	1,050,534	(155,720)
Bond issuance costs	0	37,358	(37,358)
<b>Total debt service</b>	<b>3,254,814</b>	<b>3,087,892</b>	<b>166,922</b>
<b>Total expenditures</b>	<b>3,261,514</b>	<b>3,092,125</b>	<b>169,389</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(24,302)</b>	<b>146,571</b>	<b>170,873</b>
Other financing sources (uses):			
Issuance of refunding bonds and serial bonds	0	4,110,000	4,110,000
Net premium (discount) on bonds sold	0	6,087	6,087
Payment to refunded bonds escrow agent	0	(1,577,112)	(1,577,112)
Transfers out	0	(2,500,000)	(2,500,000)
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b><u>(\$24,302)</u></b>	<b>185,546</b>	<b><u>\$209,848</u></b>
<b>Fund balance at beginning of year</b>		<b>373,529</b>	
<b>Fund balance at end of year</b>		<b><u>\$559,075</u></b>	

**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, 2011

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government - Property taxes	\$86,800	\$88,325	\$1,525
Interest	206	658	452
Other	29,500	59,378	29,878
<b>Total revenues</b>	<b>116,506</b>	<b>148,361</b>	<b>31,855</b>
<b>Expenditures -</b>			
Institutional support - Contractual services	11,680	8,658	3,022
Capital outlay - building construction and building improvements	261,520	658,252	(396,732)
<b>Total expenditures</b>	<b>273,200</b>	<b>666,910</b>	<b>(393,710)</b>
Excess (deficiency) of revenues over expenditures	(156,694)	(518,549)	(361,855)
<b>Other financing sources -</b>			
Transfers in	149,600	463,219	313,619
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$7,094)</u>	<u>(55,330)</u>	<u>(\$62,424)</u>
Fund balance (deficit) at beginning of year		(508,482)	
<b>Fund balance (deficit) at end of year</b>		<b><u>(\$563,812)</u></b>	

**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, 2011

	Budget	Actual	Variance With Budget
Revenues:			
Interest	\$354,402	\$211,882	(\$142,520)
Net increase (decrease) in fair value of investments	0	(23,619)	(23,619)
<b>Total revenues</b>	<b>354,402</b>	<b>188,263</b>	<b>(166,139)</b>
Expenditures:			
Institutional support:			
Fixed charges	1,250	1,250	0
Other	0	4	(4)
<b>Total expenditures</b>	<b>1,250</b>	<b>1,254</b>	<b>(4)</b>
Excess of revenues over expenditures	353,152	187,009	(166,143)
Other financing sources -			
Transfers out	(405,825)	(82,867)	(322,958)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$52,673)</u>	104,142	<u>\$51,469</u>
Fund balance at beginning of year		<u>9,168,350</u>	
Fund balance at end of year		<u>\$9,272,492</u>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
AUXILIARY ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - BUDGET AND ACTUAL  
For the year ended June 30, 2011**

	Budget	Actual	Variance With Budget
Operating revenues:			
State government	\$130	\$0	(\$130)
Federal government	27,000	20,606	(6,394)
Student tuition and fees	218,053	278,879	60,826
Sales and service fees	736,420	683,037	(53,383)
Other	197,995	160,094	(37,901)
<b>Total operating revenues</b>	<b>1,179,598</b>	<b>1,142,616</b>	<b>(36,982)</b>
Operating expenses:			
Salaries	578,307	547,374	30,933
Employee benefits	11,998	13,165	(1,167)
Contractual services	185,923	159,403	26,520
General materials and supplies	270,257	267,501	2,756
Conference and meeting expense	50,866	53,158	(2,292)
Depreciation	19,235	23,247	(4,012)
Other	125,643	101,189	24,454
<b>Total operating expenses</b>	<b>1,242,229</b>	<b>1,165,037</b>	<b>77,192</b>
Operating income before transfers in (out)	(62,631)	(22,421)	40,210
Transfers in	55,800	42,226	(13,574)
Transfers out	(49,600)	(7,109)	42,491
Net income	<u>(\$56,431)</u>	12,696	<u>(\$43,735)</u>
Retained earnings at beginning of year		<u>96,810</u>	
Retained earnings at end of year		<u>\$109,506</u>	

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**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, 2011**

	<b>Message Therapy</b>	<b>Auto Mechanics</b>
<b>Operating revenues:</b>		
Federal government grants	\$0	\$0
Student tuition and fees	0	0
Sales and service fees	13,651	53,168
Other	0	0
<b>Total operating revenues</b>	<b>13,651</b>	<b>53,168</b>
<b>Operating expenses:</b>		
Salaries	0	0
Employee benefits	0	0
Contractual services	0	0
General materials and supplies	226	51,748
Conference and meetings	0	0
Depreciation	0	0
Other	0	0
<b>Total operating expenses</b>	<b>226</b>	<b>51,748</b>
<b>Operating income (loss)</b>	<b>\$13,425</b>	<b>\$1,420</b>

<b>Bookstore</b>	<b>Child Care Center</b>	<b>Cosmetology</b>	<b>Dental Hygiene</b>	<b>Food Service</b>	<b>Athletics</b>	<b>Student Activities - Other Services</b>	<b>Totals</b>
\$0	\$20,606	\$0	\$0	\$0	\$0	\$0	\$20,606
0	0	0	0	0	0	278,879	278,879
0	395,403	25,989	33,898	0	0	160,928	683,037
127,286	3,038	0	0	18,213	0	11,557	160,094
127,286	419,047	25,989	33,898	18,213	0	451,364	1,142,616
0	384,946	0	0	0	96,888	65,540	547,374
0	13,165	0	0	0	0	0	13,165
0	36,595	3,630	0	33,785	33,471	51,922	159,403
0	2,854	500	27,779	665	45,987	137,742	267,501
0	180	0	0	0	52,978	0	53,158
0	0	0	0	0	0	23,247	23,247
0	3,389	0	1,983	9,629	11,635	74,553	101,189
0	441,129	4,130	29,762	44,079	240,959	353,004	1,165,037
\$127,286	(\$22,082)	\$21,859	\$4,136	(\$25,866)	(\$240,959)	\$98,360	(\$22,421)

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMBINING BALANCE SHEET - LIABILITY PROTECTION FUNDS  
June 30, 2011**

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments			\$4,164,757	\$4,164,757
Receivables:				
Property taxes		\$978,819		978,819
Other			38,240	38,240
Due from other funds	\$6,361		113,007	119,368
<b>Total assets</b>	<b>\$6,361</b>	<b>\$978,819</b>	<b>\$4,316,004</b>	<b>\$5,301,184</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Unearned revenue -				
Property taxes		\$1,945,921		\$1,945,921
Due to other funds		914,326		914,326
<b>Total liabilities</b>	<b>\$0</b>	<b>2,860,247</b>	<b>\$0</b>	<b>2,860,247</b>
Fund balance (deficit):				
Reserved for insurance			4,316,004	4,316,004
Unreserved	6,363	(1,881,430)		(1,875,067)
<b>Total fund balance (deficit)</b>	<b>6,363</b>	<b>(1,881,430)</b>	<b>4,316,004</b>	<b>2,440,937</b>
<b>Total liabilities and fund balance</b>	<b>\$6,363</b>	<b>\$978,817</b>	<b>\$4,316,004</b>	<b>\$5,301,184</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
LIABILITY PROTECTION FUNDS  
For the year ended June 30, 2011**

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
<b>Revenues:</b>				
Local government		\$1,749,395		\$1,749,395
Interest		8,726	\$34,989	43,715
Net (decrease) in fair value of investments			(270)	(270)
Other	\$16,330			16,330
<b>Total revenues</b>	<b>16,330</b>	<b>1,758,121</b>	<b>34,719</b>	<b>1,809,170</b>
<b>Expenditures -</b>				
<b>Current -</b>				
Institutional support	9,643	2,049,451	5	2,059,099
Excess (deficiency) of revenues over expenditures	6,687	(291,330)	34,714	(249,929)
<b>Other financing sources -</b>				
Transfers in (out)	0	34,714	(34,714)	0
Excess (deficiency) of revenues and other financing sources over expenditures	6,687	(256,616)	0	(249,929)
Fund balance (deficit) at beginning of year	(324)	(1,624,814)	4,316,004	2,690,866
Fund balance (deficit) at end of year	\$6,363	(\$1,881,430)	\$4,316,004	\$2,440,937

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
EMPLOYEE INSURANCE FUND  
For the year ended June 30, 2011**

	Budget	Actual	Variance With Budget
Revenues -			
Other	\$16,626	\$16,328	(\$298)
Expenditures -			
Employee benefits	16,626	9,643	6,983
Excess (deficiency) of revenues over expenditures	0	6,685	6,685
Other financing sources (uses) -			
Transfer in	0	0	0
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$0</u>	6,685	<u>\$6,685</u>
Fund balance (deficit) at beginning of year		(324)	
Fund balance at end of year		<u>\$6,361</u>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
LIABILITY, PROTECTION, AND SETTLEMENT FUND  
For the year ended June 30, 2011**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Property taxes	\$1,741,266	\$1,749,395	\$8,129
Interest income	0	8,728	8,728
<b>Total revenues</b>	<b>1,741,266</b>	<b>1,758,123</b>	<b>16,857</b>
<b>Expenditures:</b>			
Salaries	1,431,615	1,409,521	22,094
Employee benefits	180,982	187,251	(6,269)
Contractual services	223,017	173,612	49,405
General materials and supplies	22,724	21,865	859
Conference and meetings	1,906	99	1,807
Fixed charges	262,175	246,949	15,226
Other	3,731	10,154	(6,423)
<b>Total expenditures</b>	<b>2,126,150</b>	<b>2,049,451</b>	<b>76,699</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(384,884)</b>	<b>(291,328)</b>	<b>93,556</b>
<b>Other financing sources (uses) -</b>			
Transfer in	3,000	34,714	31,714
Transfer out	0	0	0
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>(\$381,884)</u></b>	<b><u>(256,614)</u></b>	<b><u>\$125,270</u></b>
<b>Fund balance (deficit) at beginning of year</b>		<b><u>(1,624,814)</u></b>	
<b>Fund balance (deficit) at end of year</b>		<b><u>(\$1,881,428)</u></b>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
INSURANCE RESERVE FUND  
For the year ended June 30, 2011**

	Budget	Actual	Variance With Budget
Revenues:			
Interest income	\$170,754	\$34,989	(\$135,765)
Net (decrease) in fair value of investments	0	(270)	(270)
<b>Total revenues</b>	<b>170,754</b>	<b>34,719</b>	<b>(136,035)</b>
Expenditures -			
Other	0	5	(5)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>170,754</b>	<b>34,714</b>	<b>(136,040)</b>
Other financing sources (uses) -			
Transfers out	0	(34,714)	(34,714)
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>\$170,754</u></b>	<b>0</b>	<b><u>(\$170,754)</u></b>
<b>Fund balance at beginning of year</b>		<b><u>4,316,004</u></b>	
<b>Fund balance at end of year</b>		<b><u>\$4,316,004</u></b>	

**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, 2011**

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Fund equity - all fund types (page 62)	\$25,585,207
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	21,219,861
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	334,380
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(37,903)
Long-term liabilities not reported in the governmental funds	(30,189,464)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(352,525)</u>
Net assets (Page 13)	<u><u>\$16,559,556</u></u>

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, 2011

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Net increase in fund equity - all fund types (page 63)	\$3,348,217
<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	331,574
Depreciation expense	(1,313,133)
<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 Statement of Net Assets:</p>	
Bond principal repayments and loss on defeasement of bonded debt	1,962,888
Compensated absences	1,990
<p>Bond proceeds and bond premium on bonds sold are revenues or other financing sources of governmental funds, but increases long-term liabilities in the Statement of Net Assets:</p>	
Bond proceeds	(4,110,000)
Bond issuance costs	37,358
Premium on bonds sold	(6,087)
Deposits in escrow	1,577,112
<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>	
	(36,730)
<p>Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.</p>	
	64,208
<p>The net effect of various transactions involving capital assets (i.e., disposals and sales) is to decrease net assets</p>	
	(12,935)
<p>Revenue for student tuition is recognized in the governmental funds when substantially received.</p>	
	(2,985)
Increase in net assets (page 14)	\$1,841,477

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
SUPPLEMENTAL FINANCIAL INFORMATION SECTION**  
June 30, 2011

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**Uniform Financial Statements**

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

The Uniform Financial Statements include the following:

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

**Certificate of Chargeback Reimbursement**

- No. 6 - Certificate of Chargeback Reimbursement (unaudited)

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #1  
ALL FUNDS SUMMARY**  
For the year ended June 30, 2011

	Education Fund **	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2010	\$3,210,676	\$194,135	(\$508,482)	\$9,168,350
Revenue:				
Local taxes	3,052,305	812,034	88,325	
All other local government				
ICCB grants	3,110,490	280,064		
All other state revenue	16,884			
Federal revenue	1,211			
Student tuition and fees	6,434,003	541,636		
All other revenue	194,737	41,064	60,036	188,263
<b>Total revenue</b>	<b>12,809,630</b>	<b>1,674,798</b>	<b>148,361</b>	<b>188,263</b>
Expenditures:				
Instruction	5,774,943			
Academic support	349,217			
Student services	1,633,452			
Public service	172,934			
Auxiliary services				
Operation and maintenance		1,424,681		
Institutional support	3,776,933	72,309	8,658	1,254
Scholarships, student grants, and waivers	2,714			
Principal retirement				
Interest, service charges, and issuance costs				
Building construction, building improvements, and equipment	98,413	19,559	658,252	
<b>Total expenditures</b>	<b>11,808,606</b>	<b>1,516,549</b>	<b>666,910</b>	<b>1,254</b>
Par on bonds sold				
Net premium (discount) on bonds sold				
Deposit in Escrow				
Transfers in			463,219	
Transfers out	(360,485)			(82,867)
	(360,485)	0	463,219	(82,867)
<b>Fund balance (deficit) at June 30, 2011</b>	<b>\$3,851,215</b>	<b>\$352,384</b>	<b>(\$563,812)</b>	<b>\$9,272,492</b>

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

Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Nonexpendable Trust Fund	Total
\$373,529	\$96,810	\$415,719	(\$133,266)	\$2,690,866	\$1,074,719	\$5,653,934	\$22,236,990
3,222,421			71,229	1,749,395			8,995,709
		27,431					27,431
		220,629					3,611,183
		959,225					976,109
	20,606	7,308,784					7,330,601
	278,879						7,254,518
16,275	843,131	83,838	339	59,775	19,112	90,962	1,597,532
3,238,696	1,142,616	8,599,907	71,568	1,809,170	19,112	90,962	29,793,083
		392,761					6,167,704
		580,657					349,217
		376,585					2,214,109
	1,165,037						549,519
							1,165,037
4,233		4,184	69,205	2,059,099			1,424,681
		7,183,931					5,995,875
2,000,000							7,186,645
1,087,892							2,000,000
							1,087,892
		66,938					843,162
3,092,125	1,165,037	8,605,056	69,205	2,059,099	0	0	28,983,841
4,110,000							4,110,000
6,087							6,087
(1,577,112)							
	42,226	6,016				2,500,000	3,011,461
(2,500,000)	(7,109)					(61,000)	(3,011,461)
38,975	35,117	6,016	0	0	0	2,439,000	4,116,087
\$559,075	\$109,506	\$416,586	(\$130,903)	\$2,440,937	\$1,093,831	\$8,183,896	\$25,585,207

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #2  
SUMMARY OF FIXED ASSETS AND DEBT\***  
For the year ended June 30, 2011

	Fixed Assets/ Debt Account Groups July 1, 2010	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2011
Fixed assets:					
Land	\$405,483				\$405,483
Work in progress	38,732	\$24,044	\$12,935	(\$25,797)	24,044
Furniture and equipment	4,026,771	160,359	22,715	12,097	4,176,512
Land improvements	263,179	18,160		8,000	289,339
Buildings and additions	32,469,483	75,760		3,750	32,548,993
Vehicles	312,151				312,151
Infrastructure	2,356,688	61,700		1,950	2,420,338
<b>Total fixed assets</b>	<b>39,872,487</b>	<b>340,023</b>	<b>35,650</b>	<b>0</b>	<b>40,176,860</b>
Accumulated depreciation	17,610,027	1,336,380	22,715		18,923,692
<b>Total net fixed assets</b>	<b>\$22,262,460</b>	<b>(\$996,357)</b>	<b>\$12,935</b>	<b>\$0</b>	<b>\$21,253,168</b>
Fixed debts:					
Bonds payable	\$29,255,000	\$4,110,000	\$3,540,000		\$29,825,000
Other fixed liabilities	401,276	352,772	353,139		400,909
<b>Total fixed debts</b>	<b>\$29,656,276</b>	<b>\$4,462,772</b>	<b>\$3,893,139</b>	<b>\$0</b>	<b>\$30,225,909</b>

\* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2011.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #3  
OPERATING FUNDS REVENUES AND EXPENDITURES  
For the year ended June 30, 2011**

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$2,867,698	\$712,295	\$3,579,993
Corporate personal property replacement tax	184,607	99,739	284,346
Tuition chargeback revenue	0	0	0
<b>Total local government</b>	<b>3,052,305</b>	<b>812,034</b>	<b>3,864,339</b>
State government:			
ICCB base operating grant	1,578,400	160,341	1,738,741
ICCB equalization grant	1,376,810	119,723	1,496,533
ICCB career and technical education	155,280		
Other state sources	16,884		16,884
<b>Total state government</b>	<b>3,127,374</b>	<b>280,064</b>	<b>3,407,438</b>
Federal government -			
AmeriCorps	1,211	0	1,211
<b>Total federal government</b>	<b>1,211</b>	<b>0</b>	<b>1,211</b>
Student tuition and fees:			
Tuition	6,314,265	541,636	6,855,901
Fees	119,738	0	119,738
<b>Total tuition and fees</b>	<b>6,434,003</b>	<b>541,636</b>	<b>6,975,639</b>
Other sources:			
Interest	52,385	6,612	58,997
Other	142,352	34,452	176,804
<b>Total other sources</b>	<b>194,737</b>	<b>41,064</b>	<b>235,801</b>
<b>Total revenue</b>	<b>12,809,630</b>	<b>1,674,798</b>	<b>14,484,428</b>
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
<b>Adjusted revenue</b>	<b>\$12,809,630</b>	<b>\$1,674,798</b>	<b>\$14,484,428</b>

\* 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  
(CONTINUED)**

For the year ended June 30, 2011

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$5,873,356	\$19,559	\$5,892,915
Academic support	349,217		349,217
Student services	1,633,452		1,633,452
Public services	172,934		172,934
Institutional support **	3,776,933	72,309	3,849,242
Operation and maintenance of plant		1,424,681	1,424,681
Scholarships, student grants, and waivers	2,714		2,714
<b>Total expenditures</b>	<b>11,808,606</b>	<b>1,516,549</b>	<b>13,325,155</b>
Less nonoperating items -*			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$11,808,606</b>	<b>\$1,516,549</b>	<b>\$13,325,155</b>
By object:			
Salaries	7,670,630	547,274	\$8,217,904
Employee benefits **	1,319,137		1,319,137
Contractual services	775,420	70,594	846,014
General materials and supplies	856,722	92,252	948,974
Conference and meeting expense	194,909	4,259	199,168
Fixed charges	135,139	2,602	137,741
Utilities	942	641,381	642,323
Capital outlay	98,413	19,559	117,972
Other	757,294	138,628	895,922
<b>Total expenditures</b>	<b>11,808,606</b>	<b>1,516,549</b>	<b>13,325,155</b>
Less nonoperating items -*			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$11,808,606</b>	<b>\$1,516,549</b>	<b>\$13,325,155</b>

\* 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, 2011

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Revenue by source:

Local government:

United Way	\$4,126
Development of Special Educators	1,068
Pre-K	14,506
Quality Counts Child Care	4,218
Other	3,513

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Total local government	27,431
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State government:

ICCB:

Workforce Development Business/Industry Grant	54,870
State Adult Education Restricted Funds Grants	135,533
Program Improvement Grant	12,672
Perkins Postsecondary Innovation Grant	3,071
Student Success Grant	14,483
Illinois Student Assistance Commission	839,884
S.O.S. Family Literacy	88,850
RSVP	30,491

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Total state government	1,179,854
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Federal government:

Department of Education:

College Work Study Grants	67,533
Pell Grants	5,454,965
Supplemental Educational Opportunity Grant	51,875
Direct Loans	750,913
Federal Adult Basic	72,249
Federal Adult EL/Civics	17,135
Tech Prep Education	10,000
Trio-Student Support services	185,304
Trio-Upward Bound	284,425
Perkins Postsecondary-Federal Allocation	201,110
Perkins Postsecondary Innovation Grant	5,704
Academic Competitive Grant	14,246
CTE Innovation Grant	20,000
Map Plus	3,071
Title III	68,476
Other-RSVP	101,778

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Total federal government	7,308,784
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**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #4  
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES  
(CONTINUED)**

For the year ended June 30, 2011

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Revenue by source (continued):	
Other sources	83,838
<hr/>	
Total restricted purposes fund revenues	\$8,599,907

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Expenditures by program:	
Instruction	\$459,699
Academic support	0
Student services	580,657
Public services	376,585
Institutional support	4,184
Scholarships, student grants, and waivers	7,183,931
<hr/>	
Total restricted purposes fund expenditures by program	\$8,605,056

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Expenditures by object:	
Salaries	\$713,149
Employee benefits	129,944
Contractual services	56,298
General materials and supplies	169,937
Travel, conference and meeting expense	34,625
Student financial aid	7,183,931
Fixed charges	36,273
Utilities	2,377
Capital outlay	66,938
Other	211,584
<hr/>	
Total restricted purposes fund expenditures by object	\$8,605,056

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**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #5  
CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY**  
For the year ended June 30, 2011

<b>Instructional:</b>	
Programs	\$5,632,544
Support	685,467
<b>Total instructional</b>	<b>6,318,011</b>
<b>Academic support:</b>	
Learning resource center	157,075
Instructional materials center	167,971
Educational media services	24,171
<b>Total academic support</b>	<b>349,217</b>
<b>Student services:</b>	
Admissions and records	204,309
Counseling and career guidance	388,669
Financial aid administration	162,772
Other student services	1,458,359
<b>Total student services</b>	<b>2,214,109</b>
<b>Public service/continuing education:</b>	
Community education	40,671
Customized training (instructional)	107,597
Community services	397,033
Other public service	4,218
<b>Total public service/continuing education</b>	<b>549,519</b>
<b>Auxiliary services</b>	<b>1,165,037</b>
<b>Operations and maintenance of plant:</b>	
Maintenance	472,289
Custodial	252,596
Grounds	120,281
Plant utilities	574,446
Other operations and maintenance	24,628
<b>Total operations and maintenance of plant</b>	<b>1,444,240</b>
<b>Institutional support:</b>	
Executive management	345,603
Fiscal operations **	414,181
Community relations	559,129
Administrative support services	1,705,596
Board of trustees	75,172
General institution	1,862,383
Institutional research	25,139
Administrative data processing	628,333
Other institutional support	381,238
<b>Total institutional support</b>	<b>5,996,774</b>
<b>Scholarships, student grants, and waivers</b>	<b>7,186,645</b>
<b>Total current funds expenditures</b>	<b>\$25,223,552</b>

\* 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 FISCAL YEAR 2011**

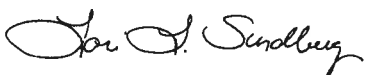
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All fiscal year 2011 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$11,710,193	
2	Operations and Maintenance Fund	1,496,990	
3	Bond and Interest Fund	3,092,125	
4	Restricted Purposes Fund	8,538,118	
5	Audit Fund	69,205	
6	Liability, Protection, and Settlement Fund	<u>2,059,099</u>	
7	Total noncapital expenditures (sum of lines 1-6)		<u><u>\$26,965,730</u></u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$869,602</u>	
9	Total costs included (line 7 plus line 8)		<u><u>\$27,835,332</u></u>
10	Total certified semester credit hours for FY 2011	<u>\$52,113</u>	
11	Per capita cost (line 9 divided by line 10)		\$534.13
12	All FY 2011 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$10,035,921</u>	
13	FY 2011 state and federal grants per semester credit hour (line 12 divided by line 10)		192.58
14	District's average ICCB grant rate (excluding equalization grants) for FY 2012		46.65
15	District's student tuition and fee rate per semester credit hour for FY 2012		<u>138.00</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)		<u><u>\$156.90</u></u>

Approved:   
Chief Financial Officer

9/13/2011  
Date

  
President

9/13/2011  
Date



**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM  
BALANCE SHEET  
June 30, 2011**

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**ASSETS**

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Cash	\$0
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**LIABILITIES AND FUND BALANCE**

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Liabilities	\$0
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Fund balance	0
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Total liabilities and fund balance	\$0
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See Note to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE**

For the year ended June 30, 2011

	<b>Business/ Industry</b>
<hr/>	
Revenues*	
State Sources	\$54,870
<hr/>	
Expenditures:*	
Salaries	24,001
Benefits	4,109
Rent	24,700
Other	2,060
<hr/>	
Total expenditures	54,870
<hr/>	
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0
<hr/> <hr/>	

\*Report ICCB grant funds only.

See Note to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
ICCB COMPLIANCE STATEMENT FOR WORKFORCE  
DEVELOPMENT BUSINESS/INDUSTRY GRANT  
TOTAL EXPENDITURES FOR ICCB GRANT FUNDS ONLY**

For the year ended June 30, 2011

	General	Operation of Workforce Dev. Office	Total
Expenditures:			
1. Personnel (salaries and benefits) **		\$28,110	\$28,110
2. Contractual services		2,060	2,060
3. Instructional materials			0
4. Instructional equipment *			0
5. Promotional materials			0
6. Staff development			0
7. Conference and meeting expenses			0
8. Travel **			0
9. Costs of operating a business assistance center/economic development/work force preparation offices			
a. Office equipment *			0
b. Utilities and telephone			0
c. Consumable supplies			0
d. Duplicating			0
e. Facility rental		24,700	24,700
10. <u>Totals</u>	<u>\$0</u>	<u>\$54,870</u>	<u>\$54,870</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.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATE ADULT EDUCATION RESTRICTED FUNDS GRANT  
BALANCE SHEET  
June 30, 2011**

<b>ASSETS</b>	<b>State Basic</b>	<b>State Public Assistance</b>	<b>State Performance</b>	<b>Total</b>
Due from other funds	\$0	\$0	\$0	\$0
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities	\$0	\$0	\$0	\$0
Fund balance - reserved for encumbrances	0	0	0	0
Total liabilities and fund balance	\$0	\$0	\$0	\$0

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, 2011

	State Basic	State Public Assistance	State Performance	Total
Revenues -				
Grant revenue	\$75,242	\$10,551	\$49,740	\$135,533
Expenditures:				
Instruction	46,992	5,319	4,029	56,340
Social work services				0
Guidance services	7,941		20,739	28,680
Assistive and adaptive equipment				0
Assessment and testing		5,232	5,445	10,677
Student transportation services			3,217	3,217
Literacy services	14,141		16,348	30,489
Child care services				0
Subtotal instructional and student services	69,074	10,551	49,778	129,403
Improvement of instructional services				0
General administration	6,168			6,168
Operation and maintenance of plant services				0
Workforce coordination				0
Data and information services				0
Indirect costs				0
Subtotal program support	6,168	0	0	6,168
Total expenditures	75,242	10,551	49,778	135,571
Excess of revenues over expenditures	0	0	(38)	(38)
Fund balance at beginning of year	0	0	38	38
Fund balance at end of year	\$0	\$0	\$0	\$0

See Note to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS  
ICCB COMPLIANCE STATEMENT FOR THE ADULT EDUCATION  
AND FAMILY LITERACY GRANT - EXPENDITURE AMOUNTS  
AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY**

For the year ended June 30, 2011

<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$46,992	62.45%
General Administration (9% maximum allowed)	\$6,168	8.20%
<b>State Public Assistance</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$5,319	50.41%
General Administration (9% maximum allowed)	\$0	0.00%

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CAREER AND TECHNICAL EDUCATION  
PROGRAM IMPROVEMENT GRANT  
BALANCE SHEET  
June 30, 2011**

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**ASSETS**

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Cash	\$0
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**LIABILITIES AND FUND BALANCE**

---

Liabilities	\$0
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Fund balance	0
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Total liabilities and fund balance	\$0
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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, 2011

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Revenues -*	
State sources	\$12,672
<hr/>	
Expenditures -*	
General materials and supplies	12,672
<hr/>	
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0
<hr/>	

\*Report ICCB grant funds only

See Note to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STUDENT SUCCESS GRANT  
BALANCE SHEET  
June 30, 2011**

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**ASSETS**

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Due from other funds	\$ 67,281
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**LIABILITIES AND FUND BALANCE**

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Liabilities:	
Unearned revenue	\$67,281
Fund balance	0
<b>Total liabilities and fund balance</b>	<b>\$67,281</b>

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Grant period 6/28/2010 - 12/31/2011

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STUDENT SUCCESS GRANT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE**

For the year ended June 30, 2011

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Revenues -*	
State sources	\$14,483
<hr/>	
Expenditures -*	
General materials and supplies	14,483
<hr/>	
Excess of revenues over expenditures	0
<hr/>	
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0
<hr/>	

\*Report ICCB grant funds only

Grant period 6/28/2010 - 12/31/2011

See Note to Financial Statements.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS  
June 30, 2011**

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**(A) Summary of Significant Accounting Policies:**

**General**

The accompanying statements include only those transactions resulting from the Illinois Community College Board Workforce Development Business/Industry, Student Success, Career and Technical Education-Program Improvement, and Adult Education & Family Literacy 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, 2011. For all ICCB grants except Student Success Grant, funds obligated for goods prior to June 30, for which the goods and services are received prior to August 31, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15.

For the Student Success Grant, funds must be obligated and services rendered by December 31, 2011. Goods must be received and funds must be spent by February 28, 2012.

**Fixed Assets**

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

**Unearned Revenue**

Unearned revenues represent revenues received but not yet spent due to the grant period ending after the fiscal year end.

**(B) Payment of Prior Year's Encumbrances**

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

**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, 2011, and have issued our report thereon dated September 13, 2011. 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, 2011. 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.

In our opinion, 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, 2011, 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 84-90 and 108-110 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 91 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.

*Wipfli LLP*

Sterling, Illinois  
September 13, 2011


**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, 2011**

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	3,604.0		12,454.0		12,026.0		28,084.0	0.0
Business Occupational	1,045.0		1,437.0		1,644.5		4,126.5	0.0
Technical Occupation	389.5		1,677.5		1,386.5		3,453.5	0.0
Health Occupational	1,350.5		4,476.0		3,941.5		9,768.0	0.0
Remedial Development	412.0		1,915.0		1,290.0		3,617.0	0.0
Adult Basis Education/ Adult Secondary Education	232.5	35.5	83.5	1,214.5	94.0	1,404.0	410.0	2,654.0
<b>Total credit hours certified</b>	<b>7,033.5</b>	<b>35.5</b>	<b>22,043.0</b>	<b>1,214.5</b>	<b>20,382.5</b>	<b>1,404.0</b>	<b>49,459.0</b>	<b>2,654.0</b>

	<u>Attending In-District</u>	<u>Attending Out-of-District on Chargeback or Contractual Agreement</u>	<u>Total</u>
Semester credit hours	<u>46,463.0</u>	<u>0.0</u>	<u>46,463.0</u>
	<u>Dual Credit</u>	<u>Dual Enrollment</u>	
Reimbursable semester credit hours (all terms)	<u>2,731.0</u>	<u>16.5</u>	
District equalized assessed valuation			<u>\$1,459,805,981</u>

	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Categories:				
Baccalaureate	0.0			0.0
Business Occupational	0.0			0.0
Technical Occupation	0.0			0.0
Remedial Development	0.0			0.0
<b>Total credit hours certified</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</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. Total of unrestricted and restricted should equal the SU and SR record totals.

Signatures   
President

  
Chief Financial Officer (CFO)

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON  
WHICH CLAIMS ARE FILED  
(CONTINUED)**

For the year ended June 30, 2011

Reconciliation of Total Semester Credit Hours For the year ended June 30, 2011						
	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit hours Certified to the ICCB	Difference
Categories:						
Baccalaureate	28,084.0	28,084.0	-	-	-	-
Business Occupational	4,126.5	4,126.5	-	-	-	-
Technical Occupation	3,453.5	3,453.5	-	-	-	-
Health Occupational	9,768.0	9,768.0	-	-	-	-
Remedial Development	3,617.0	3,617.0	-	-	-	-
Adult Basis Education/Adult Secondary Education	410.0	410.0	-	2,654.0	2,654.0	-
<b>Total</b>	<b>49,459.0</b>	<b>49,459.0</b>	<b>-</b>	<b>2,654.0</b>	<b>2,654.0</b>	<b>-</b>

Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours			
	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	46,463.0	46,463.0	-
Out-of-districts on chargeback or contractual agreement	0.0	0.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	2,731.0	2,731.0	-
Dual enrollment	16.5	16.5	-

Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2011			
	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupation	-	-	-
Remedial Development	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
STUDENT RESIDENCY VERIFICATION PROCESS**

June 30, 2011

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Carl Sandburg College requires that all credit students provide documentation to verify their permanent residence. This information is used to determine their residency for both tuition calculation and submission of reports for state funding purposes.

Carl Sandburg College verifies addresses via correspondence. Students complete and submit to Student Services an Application for General Admission including their current and permanent address. They may also be requested to show a valid voter registration card or driver's license. The College uses the address provided by the student for correspondence. If the mail is returned, the College proceeds with an investigation. If the correspondence is not returned, the college assumes the address is correct.

A resident of Carl Sandburg College District 518 is one who has established a permanent dwelling place (domicile) in the district for purposes other than education and shows evidence of continuing intent to remain in the district. Residency must be established a minimum of 30 days prior to registering for, or the beginning of the term in which the student wishes to enroll. A student may also qualify for in-district tuition rates if he/she is employed full-time at a company within the college District or is a resident of a neighboring community college enrolled in a specific program not offered by their community college. Specific agreement terms are available in Student Services.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,  
AND TAX COLLECTIONS  
Levy Years 2010, 2009, and 2008**

	2010	2009	2008
<b>Assessed Valuations:</b>			
Knox County	\$680,739,185	\$678,622,871	\$662,869,159
Warren County	245,699,442	235,973,144	227,252,463
Fulton County	12,863,319	12,256,160	11,738,827
Henderson County	114,246,717	107,931,669	101,640,442
Mercer County	17,888,483	16,472,238	15,627,204
Stark County	96,063	88,167	81,214
Henry County	596,242	571,005	536,286
McDonough County	129,680,226	124,160,206	115,126,492
Schuyler County	2,313,882	2,128,348	2,007,984
Hancock County	255,682,422	248,853,952	237,996,493
<b>Total assessed valuations</b>	<b>\$1,459,805,981</b>	<b>\$1,427,057,760</b>	<b>\$1,374,876,564</b>
<b>Tax Rate (per \$100 assessed valuation):</b>			
Educational Accounts	0.2000	0.2013	0.1953
Operations and Maintenance Accounts	0.0560	0.0562	0.0764
Bond and Interest Fund	0.2244	0.2262	0.2193
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1333	0.1228	0.1180
<b>Total tax rate</b>	<b>0.6187</b>	<b>0.6115</b>	<b>0.6140</b>
<b>Tax Extensions:</b>			
Educational Accounts	\$2,931,156	\$2,856,867	\$2,704,094
Operations and Maintenance Accounts	817,452	797,595	1,040,591
Bond and Interest Fund	3,275,645	3,210,250	2,986,934
Audit Fund	72,987	70,960	68,102
Liability, Protection, Settlement, Social Security, and Medicare Accounts	1,945,826	1,742,788	1,607,197
<b>Total tax extensions</b>	<b>\$9,043,066</b>	<b>\$8,678,460</b>	<b>\$8,406,918</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,  
AND TAX COLLECTIONS  
(CONTINUED)**

Levy Years 2010, 2009, and 2008

	2010	2009	2008
Tax Collections to June 30:			
Education Fund	\$1,452,184	\$2,864,923	\$2,679,811
Operations and Maintenance Fund	363,046	711,605	686,076
Bond and Interest Fund	1,629,351	3,219,302	3,009,127
Audit Fund	36,305	71,161	68,608
Protection, Health, Safety	43,566	88,239	362,248
Liability, Protection, and Settlement Fund	967,881	1,747,703	1,619,138
<b>Total tax collections</b>	<b>\$4,492,333</b>	<b>\$8,702,933</b>	<b>\$8,425,008</b>
 Percent of extensions collected	 49.68%	 100.28%	 100.22%

**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**

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

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

We have audited the financial statements of Carl Sandburg College – Community College District No. 518 (the College) and of its discretely presented component unit, Carl Sandburg College Foundation as of and for the years ended June 30, 2011 and 2010, which collectively comprise of the College's basic financial statements and have issued our report thereon dated September 13, 2011. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Carl Sandburg College – Community College District No. 518's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of College's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## **Compliance and Other Matters**

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

We noted certain other matters that we reported to management of Carl Sandburg College – Community College District No. 518 in a separate letter dated September 13, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wipac LLP*

Sterling, Illinois  
September 13, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited Carl Sandburg College – Community College District No. 518's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2011. Carl Sandburg College – Community College District No. 518's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Carl Sandburg College – Community College District No. 518's management. Our responsibility is to express an opinion on Carl Sandburg College – Community College District No. 518's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carl Sandburg College – Community College District No. 518's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Carl Sandburg College – Community College District No. 518's compliance with those requirements.

In our opinion, Carl Sandburg College – Community College District No. 518 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## Internal Control Over Compliance

Management of Carl Sandburg College – Community College District No. 518 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Carl Sandburg College – Community College District No. 518’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carl Sandburg College – Community College District No. 518’s internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Wipfli LLP*

Sterling, Illinois  
September 13, 2011

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture -</b>			
Pass-through the Illinois State Board of Education:			
Child & Adult Care Food Program	10.558	XX-4226-00	\$20,804
<b>U.S. Department of Education:</b>			
Pass-through Illinois Community College Board:			
Adult Education:			
Federal Adult EL/Civics	84.002	51801	17,135
Federal Adult Basic	84.002	51801	71,870
Total CFDA 84.002			89,005
Direct awards:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1115	51,875
Federal Work Study Program	84.033	P033AXX1115	73,907
Federal Pell Grant Program	84.063	P063XXX0511	5,463,265
Federal Direct Loan Program	84.268	P268KXX0511	750,913
Academic Competitive Grant	84.375	P375AXX0511	14,246
Total student financial assistance cluster			6,354,206
Higher Education Institutional Aid -			
Title III Strengthening Institutions	84.031	P031A050036-XX	70,404
Pass-through Southeastern Community College -			
TRIO - Student Support Services	84.042	P042A100091	184,700
Direct awards -			
TRIO - Upward Bound -			
Crossing the Bridge to Success	84.047	P047A070128-XX	284,495
Total TRIO cluster			469,195
Pass-through Illinois Community College Board:			
Career and Technical Education Programs:			
Perkins Postsecondary Grants	84.048	CTE51811	197,755
Innovation Grant	84.048	CTE11518	18,817
Total CFDA 84.048			216,572
Pass-through Western Area Career Center -			
Tech-Prep Education	84.243	11PCCS7280	10,000
Total U.S. Department of Education			7,209,382
<b>Corporation for National and Community Services -</b>			
Direct awards:			
Retired and Senior Volunteer Program	94.002	10SRNIL003	101,778
Americorps	94.006	N/A	1,211
Total Corporation for National and Community Service			102,989
<b>Total federal awards expended</b>			<b>\$7,333,175</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2011**

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- **General** – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Carl Sandburg College – Community College District No. 518. Carl Sandburg College – Community College District No. 518 reporting entity is defined in Note (A) to the College’s basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.
- **Basis of Accounting** – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in Note (A) to the College’s basic financial statements.
- **Program Totals** – Subtotals for major programs are as follows:  

Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268, 84.375)	\$6,354,206
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- **Subrecipient Payments** - Carl Sandburg College – Community College District No. 518 did not provide any federal payments to subrecipients during the year ended June 30, 2011.
- **Non-Cash Assistance** - Carl Sandburg College – Community College District No. 518 did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2011.
- **Loans Outstanding** - Carl Sandburg College – Community College District No. 518 has no loans or loan guarantees outstanding at June 30, 2011.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)  
June 30, 2011**

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**Section I – Summary of Auditor’s Results**

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	___ yes	_X_ none reported

Type of auditor’s report issued on compliance for major programs:		Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	___ yes	_X_ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268, 84.375	Student Financial Aid

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>300,000</u>
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Auditee qualified as low-risk auditee?	_X_ yes	___ no
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**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
June 30, 2011

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**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

A. Significant Deficiencies in Administering Federal Awards

None

B. Compliance Findings

None

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the year ended June 30, 2011

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**Prior Year Findings:**

**June 30, 2010:**

None

**June 30, 2009:**

None