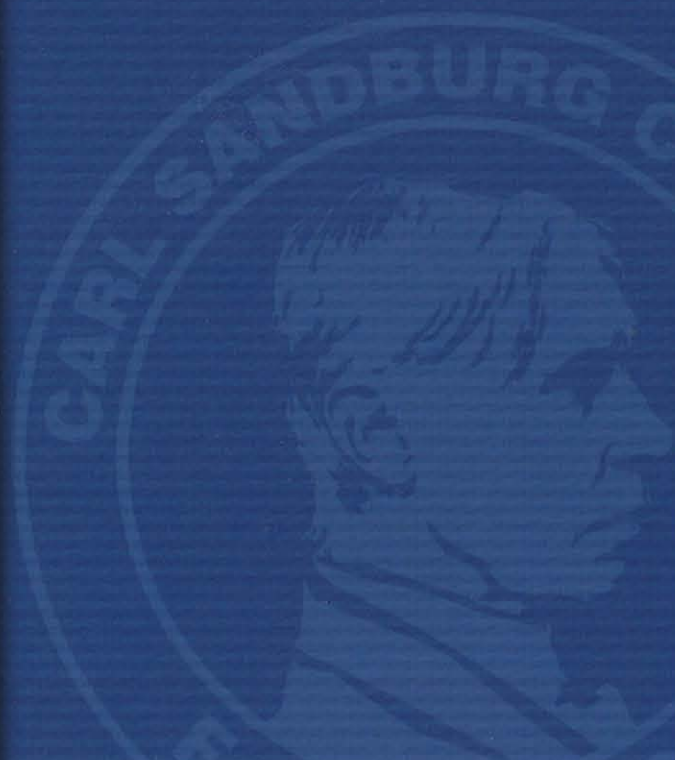




Carl Sandburg
College



2009 Comprehensive Annual Financial Report

Fiscal year ended June 30, 2009 • Community College District 518
2400 Tom L. Wilson Blvd., Galesburg, IL 61401

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT 518
Galesburg, Illinois**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

June 30, 2009 and 2008

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION (UNAUDITED)

Table of Contents	i -iv
President's Letter	v
Transmittal Letter	vi - xiv
Principal Officials	xv
Organization Chart	xvi
Certificate of Achievement for Excellence in Financial Reporting	xvii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1 - 2
Management's Discussion and Analysis (Unaudited)	3 -12
Basic Financial Statements:	
Statements of Net Assets	13
Statements of Revenues, Expenses, and Changes in Net Assets	14
Statements of Cash Flows	15 - 16
Component Unit – Carl Sandburg College Foundation – Statements of Financial Position, Statements of Activities, and Statements of Cash Flows	17 - 19
Notes to Financial Statements	20 – 40

STATISTICAL SECTION (UNAUDITED)

TABLE

Statistical Section		41
Net Assets by Component	A	42
Changes in Net Assets	B	43
Fund Balances of Governmental Funds	C	44
Changes in Fund Balances of Governmental Funds	D	45
Assessed and Estimated Actual Value of Taxable Property	E	46
Property Tax Levies and Collections	F	47
Property Tax Rates – Direct and Overlapping Governments	G	48

STATISTICAL SECTION (UNAUDITED) - Continued

TABLE

Principal Taxpayers	H	49
Ratios of Outstanding Debt by Type	I	50
Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita	J	51
Computation of Direct and Overlapping Bonded Debt	K	52
Legal Debt Margin Information	L	53
Demographic and Economic Statistics	M	54
Principal Employers	N	55
Full-time Equivalent Employees	O	56
Operating Indicators	P	57
Capital Asset Statistics	Q	58

SPECIAL REPORTS SECTION

Supplemental Financial Information:

Schedule of Management Information Balance Sheet – All Fund Types	59
Schedule of Management Information Schedule of Changes in Fund Balances – All Fund Types	60
Schedule of Management Information Schedule of Current Funds Revenue, Expenditures and Other Changes	61
Balance Sheet – Current Funds	62
Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Equity (Deficit) - Current Funds	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Education Fund	64 - 66
Operations and Maintenance Fund	67 – 68
Audit Fund	69
Sandburg Initiates Life – Changing Opportunities Fund	70
Bond and Interest Fund	71
Operations and Maintenance Fund (Restricted)	72
Capital Endowment Fund	73

SPECIAL REPORTS SECTION - Continued

Schedule of Revenues, Expenses, and Changes in Retained Earnings – Budget and Actual – Auxiliary Enterprise Fund	74
Schedule of Operating Revenues and Expenses, by Program – Auxiliary Enterprise Fund	75
Combining Balance Sheet – Liability Protection Funds	76
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Liability Protection Funds	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual – Employee Insurance Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)–Budget and Actual – Liability, Protection, and Settlement Fund	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Insurance Reserve Fund	80
Schedule of Management Information – Reconciliation of the Balance Sheet – All Fund Types to the Statement of Net Assets	81
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	82
Illinois Community College Board State Grants - Financial and Compliance Section:	
Supplemental Financial Information Section	83
Uniform Financial Statements	84 - 90
Certification of Chargeback Reimbursement (Unaudited)	91
AUDITOR’S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR WORKFORCE DEVELOPMENT GRANT, CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANTS, ADULT EDUCATION & FAMILY LITERACY GRANTS, AND TECH PREP SUPPORT GRANTS	92
Workforce Development Business/Industry Grant Program:	
Balance Sheet	93
Statement of Revenues, Expenditures, and Changes in Fund Balance	94
ICCB Compliance Statement for the Workforce Preparation (Business/industry) Grant - Total Expenditures for ICCB Grant Funds Only	95

	<u>Page Number</u>
State Adult Education Restricted Funds Grants:	
Balance Sheet	96
Statement of Revenues, Expenditures, and Changes in Fund Balance	97
ICCB Compliance Statement for the Adult Education and Family Literacy Grant – Expenditure Amounts and Percentages for ICCB Grant Funds Only	98
Tech Prep Support Grant Program:	
Balance Sheet	99
Statement of Revenues, Expenditures, and Changes in Fund Balance	100
Career and Technical Education Program Improvement Grant:	
Balance Sheet	101
Statement of Revenues, Expenditures, and Changes in Fund Balance	102
Notes to Financial Statements – Illinois Community College Board Grants	103
INDEPENDENT AUDITOR’S REPORT ON SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED	104 - 105
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	106 – 107
Student Residency Verification Process	108
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	109 - 110
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 <i>GOVERNMENT AUDITING STANDARDS</i>	111 – 112
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR A-133	113 - 114
Schedule of Expenditures of Federal Awards	115
Notes to the Schedule of Expenditures of Federal Awards	116 - 117
Schedule of Findings and Questioned Costs	118
Corrective Action Plan	119
Schedule of Prior Audit Finding	120

INTRODUCTORY SECTION
(Unaudited)



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

President's Letter

September 24, 2009

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 2009. This document presents the record of the College's financial operations for the year ending June 30, 2009.

This past year, the College again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and we are proud of this achievement. In fiscal year 2009, we continued our efforts to reshape Carl Sandburg College, with an emphasis of accommodating students deciding to attend on a full-time basis. Against a backdrop of lagging state support, the College improved our relative financial condition while simultaneously preparing ourselves for an exciting future.

Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, retraining, upgrading their skills, maintaining certification, advancing in their profession or just taking a class or two. Carl Sandburg College's typical student is 28 years of age, nine percent are an ethnic minority, 64 percent are women and 55 percent attend part-time. What they all have in common is that they come to Carl Sandburg College to learn.

As the community's college, Carl Sandburg College is far more than a place where students can spend time before moving on to employment or a four-year institution. Students most commonly describe Carl Sandburg College as comfortable, reasonably priced, academic, and career oriented. Approximately 500 degrees and certificates are awarded every year.

I am grateful to the community which supports us, the students who enroll with us, and the trustees who govern us. And I am proud of all the employees who work with unflagging dedication to make Carl Sandburg College the "Finest Community College in the State of Illinois."

Respectfully,

Thomas A. Schmidt
President

Illinois Community College District 518

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Galesburg, Illinois 61401
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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 24, 2009

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

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). The ICCB requires accounting by funds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes to the financial statements expand and explain the financial statements and the accounting principles applied. State statutes require an annual audit by independent certified public accountants. The accounting firm of Lindgren, Callihan, Van Osdol & Co., Ltd. was selected by the College's Board of Trustees. Their report is included as part of the financial presentation.

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

Illinois Community College District 518

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

VISION, MISSION AND VALUES

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College’s district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage and an extension center in Bushnell. We serve a diverse group of students. In the fall of 2008, the College enrolled 2,615 students, with an average age of 28 years. Women represented 64 percent of the student body and 55 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

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

Fiscal Year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Fall College enrollment	3554	3575	3260	2930	2693	2615
Annual Full-time equivalents	2392	2443	2283	1581	1682	1600
Continuing Education Credit Hours	1282	1378	1400	1029	1021	1002
<u>Total Annual Credit Hours</u>	71756	73314	68500	57434	50470	49219

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

The College recently revisited our mission, focal points and goals with a Strategic Planning Process involving College Board members, staff, and community members. This is an ongoing process to reevaluate the students and communities educational needs. The following beliefs and strategies were added to our focal points and goals to guide our institutional decisions.

The College’s mission is as follows:

“Opportunity to Succeed”

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.

I. Beliefs

- A. We believe that everyone should have equal access to education.
- B. We believe in financial stability and responsibility.
- C. We believe in providing a quality educational experience through faculty, staff, curricula, and physical resources.
- D. We believe the educational experience is enriched through diversity in its people, curricula, and environment.
- E. We believe in the value of partnerships.
- F. We believe that learning to learn never ends.
- G. We believe that community colleges are vital to economic and workforce development.
- H. We believe in assessment and accountability.
- I. We believe Carl Sandburg College must have a commitment to every stakeholder in the district.
- J. We believe where you live should not determine the quality of the education you can access.
- K. We believe in taking ownership of our future.
- L. We believe in a safe and secure environment.
- M. We believe in student centered decision making.
- N. We believe in the use of up-to-date technology.
- O. We believe that co-curricular and extra-curricular activities are an integral part of the education experience.
- P. We believe in the value of shared governance.

II. Strategies

- A. We will ensure long-term financial stability and accountability.
- B. We will implement an effective enrollment management program (housing).
- C. We will enhance communications internally.
- D. We will enhance communications externally.
- E. We will develop and maintain partnerships with all elected officials and hold them accountable.
- F. We will ensure vibrant curricula.
- G. We will ensure an effective delivery of services throughout the entire district.

III. Focal Points and Goals

A. Learning

1. Promote and support student learning at the classroom, program, and school levels.
2. Provide and maintain resources, which enable and enhance student retention and learning.
3. Promote and support local research on the learning process.

B. Caring Environment

1. Shape an environment that recognizes the need for diversity.
2. Create opportunities for all within the College community to interact with understanding, tolerance, and respect for others.
3. Promote sensitivity to individual needs and aspirations of those throughout the College community.
4. Promote organizational development as a long-range effort to improve the College's problem-solving and renewal process.

C. Technology

1. Establish and maintain effective technology in academic programs and support functions.
2. Upgrade employee skills in use of technology.

D. Cooperative Alliances

1. Develop programs in cooperation with neighboring institutions.
2. Maintain and expand alliances within and beyond the College district.
3. Support economic development activities

E. Stability

1. Establish/maintain an operating fund balance equal to 5-6 percent of the previous year's adopted budget.
2. Develop institutional shape/make-up that best addresses long-range fiscal concerns.
3. Maintain the College comprehensive Risk Management Program.
4. Maintain a competitive compensation program to enable the College to attract and retain a quality workforce.
5. Promote operating efficiencies to accommodate growth.
6. Promote the development of human resources.
7. Promote and develop information management systems that facilitate decision-making.

F. Assessment

1. Promote and support local research on the assessment process.
2. Promote student assessment at the course, program, and school levels.
3. Promote assessment as an institutional way of life.

Major College Initiatives. In March of fiscal year 2009, the College issued \$4,500,000 of General Obligation Bonds to retire fiscal year 2009 debt certificates issued to renovate a building donated to the College to serve as the Charger Community Center auditorium in the southern part of our district and to expand our existing STEF Fund to allow for additional technology updates in our future.

The Board of Trustees also unanimously approved additional funding to our quasi-endowment fund, Sandburg Initiates Life-changing Opportunities – SILO fund. This was established with existing fund balance in the general funds and accumulated Working Cash Fund interest income. Interest income generated will be placed under the tutelage of the Vice President of Academic Services, who will in turn work with the College’s Instructional Team to prioritize the use of the funds to launch new and improved educational “Silos of Opportunity.”

We continued our partnership with our Enrollment Management Partner (Noel-Levitz) for the purpose of “Revitalizing Carl Sandburg College through the development of a comprehensive Enrollment Management Program.” This will be a long term partnership to address recruitment and retention of students. Included in addition to this initiative is the refurbishing of faculty offices, student lounge areas and the cafeteria.

FINANCIAL INFORMATION

The College’s financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the college as a whole. The financial statements presented here encompass the College and its component unit, the Carl Sandburg College Foundation.

Budgeting Controls. The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College’s Board of Trustees. Activities of the following fund groups and individual funds are included in the annual budget.

<u>Fund Group</u>	<u>Fund</u>
Current Unrestricted	Education Operations and Maintenance Enterprise
Current Restricted	Bond and Interest Restricted Purpose Nonexpendable Trust Audit Liability, Protection, and Settlement Sandburg Initiates Life-changing Opportunities
Plant	Operations and Maintenance (Restricted) Capital Endowment

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. This includes the reporting of one enterprise fund, Auxiliary Enterprise, and one discretely presented component unit, Carl Sandburg College Foundation.

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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current:					
Education	0.2020	0.2063	0.2015	0.1989	0.2054
Operations and Maintenance	0.0495	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1167	0.1157	0.1191	0.1095	0.1010
Audit	0.0050	0.0050	0.0050	0.0050	0.0041
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security/Medicare	0.0128	0.0167	0.0170	0.0083	0.0076
Bond and Interest	0.2106	0.1953	0.1833	0.1813	0.1458
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0239	0.0149	0.0000	0.0000	0.0000
Total	0.6205	0.6039	0.5759	0.5530	0.5139

Estimated assessed value of taxable property for 2008, representing taxes collectible in 2009, is \$1,374,876,565.

The College’s average collection rate over the past five years, including collection of back taxes, has been 100.0 percent.

The College's capital improvement plan for fiscal year 2009 continues 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. Funding will come from accumulated interest in the Strategic Technology Endowment Fund, SMART V funds, tech fees, life safety property tax and barter dollars.

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 2009, the college issued new debt to accomplish facility renovation to serve as the Charger Community Center auditorium in the southern part of our district and to expand our existing STEF Fund to allow for additional technology updates in our future.

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 is approved by the Board of Trustees.

In the fiscal year ending June 30, 2009, the College's investments generated \$644,672 in investment income.

The College invests funds in an Operating Checking account at First Bank. The College's average rate on these funds was 1.11 percent. As of June 30, 2009, other investments were as follows:

Investments	Amount	Percent
First Bank Money Market	\$1,504,718	7.61
Illinois Funds	2,922,490	14.79
Illinois School District Liquid Asset Fund	510,476	2.58
Municipal bonds & US Government securities	11,524,720	58.31
Certificates of Deposit	3,301,693	16.71
	\$19,764,097	100.00

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

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

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

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, 2012.

The Board has also approved a new Enrollment Management partner (Noel-Levitz) for the purpose of "Revitalizing Carl Sandburg College through the development of a comprehensive Enrollment Management Program." This will be a long term partnership to address recruitment and retention of students. A \$1M quasi-endowment "Sandburg Initiates Life-changing Opportunities (SILO) Fund" has been established. Interest income generated will be placed under the tutelage of the Vice President of Academic Services, who will in turn work with the College's Instructional Team to prioritize the use of the funds to launch new and improved educational "Silos of Opportunity." The College will also embark on a tuition rate guarantee program effective with the Fall of 2008. Students will be able to "lock into" that semester's tuition rate (for a maximum of three years) so long as they enroll for at least twelve credit hours during successive Fall and Spring semesters.

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.

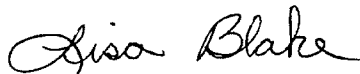
AWARDS AND ACKNOWLEDGEMENTS

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, 2008. This was the sixth 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 2009
Principal Officials as of June 30, 2009

Board of Trustees

Name	Position	Term Expires
Reverend Jon A. Sibley, Sr.	Chairperson	2013
Mr. Michael T. Bavery	Vice Chairperson	2013
Ms. Gayla J. Pacheco	Secretary	2011
Mr. Thomas H. Colclasure	Trustee	2015
Mr. John T. Huston	Trustee	2011
Mr. Bruce Lauerman	Trustee	2015
Mr. William C. Robinson	Trustee	2011
Ms. Cristina Campos	Student Trustee	
Ms. Carol J. Petersen	Faculty Representative	
Ms. Diane E. Inman	Staff Representative	

Officers of the College

Mr. Thomas A. Schmidt	President
Dr. Lori Sundberg	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Administrative Services and CIO

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 Pfleiger	Dean of Occupational Programs
Mr. Jim Rich	Dean of Adult & Developmental Education
Dr. Connie Thurman	Dean of Human Resources
Mr. Michael Walters	Dean of the Library
Ms. Lauri Wiechmann	Dean of Allied Health

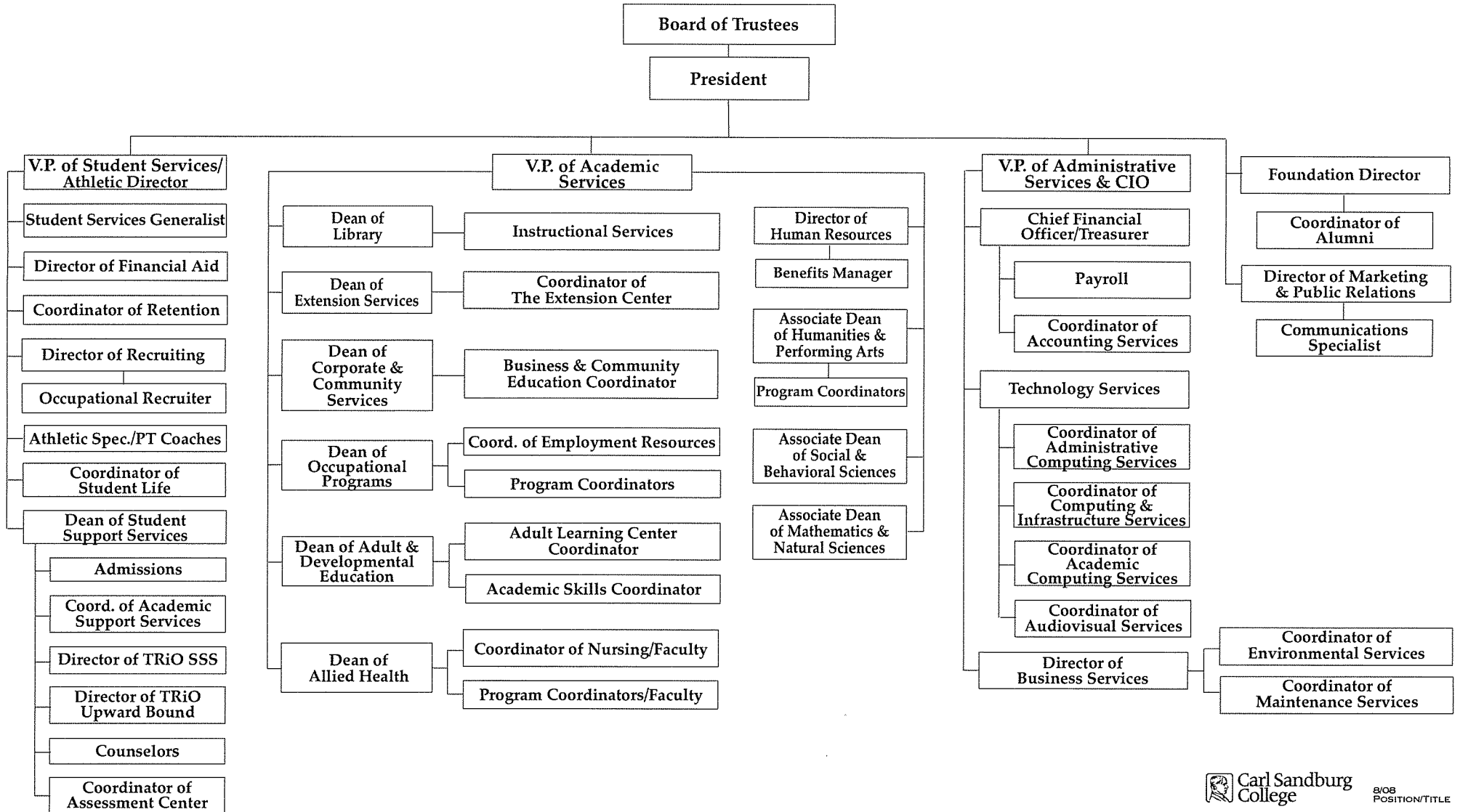
Official Issuing Report

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, 2008

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 basic financial statements of Carl Sandburg College – Community College District No. 518 (the College) as of and for the years ended June 30, 2009 and 2008, and of its discretely presented component unit, Carl Sandburg College Foundation, as of and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our 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, 2009 and 2008, 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 14, 2009, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 64 through 80 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 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 basic financial statements. 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 basic 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 not a required part of the basic financial statements of Carl Sandburg College – Community College District No. 518. The combining fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 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 on them.

Jundgen, Callihan, Van Osdol & Co., Ltd.

Sterling, Illinois
September 14, 2009

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
MANAGEMENT DISCUSSION AND ANALYSIS**
For the years ended June 30, 2009 and 2008

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, 2009 and 2008. 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 13-19), and the footnotes (pages 20-40). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

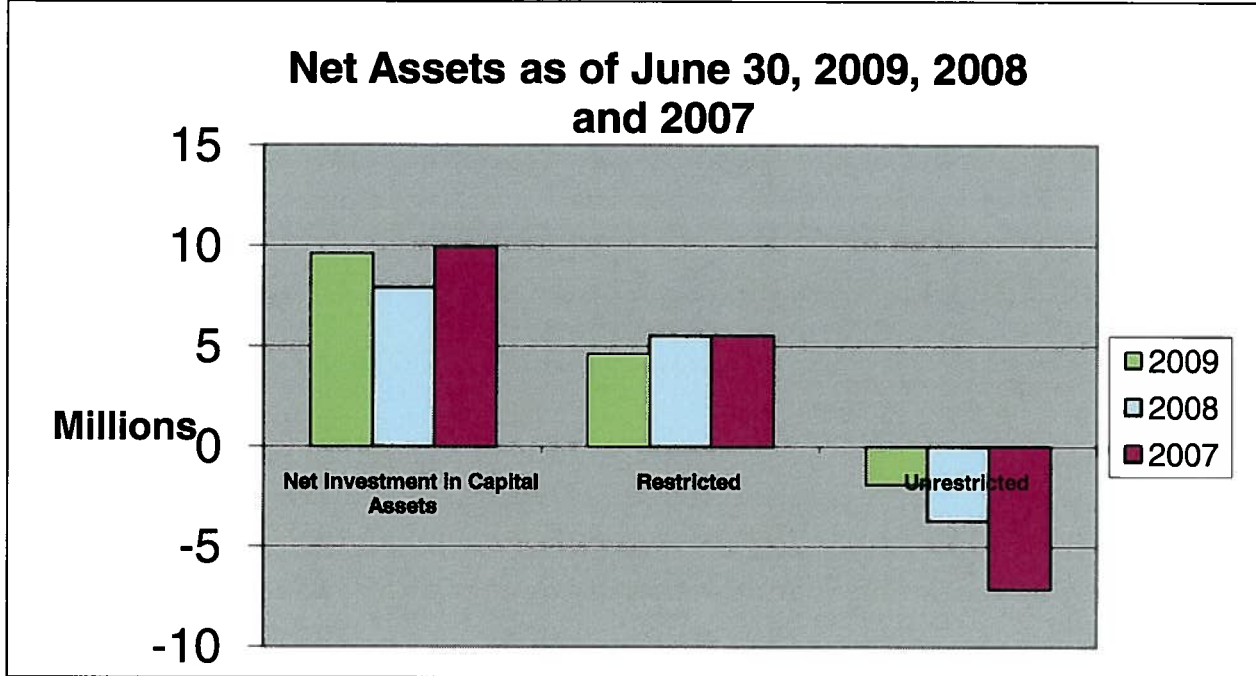
The new financial statement format (implemented in the fiscal year ended June 30, 2003) focuses on the College as a whole. A comparative analysis is presented in this seventh year of reporting under this model. The College financial statements (see pages 13-19) are designed to emulate corporate presentation 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 (I) 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, 2009 and 2008

Financial Highlights



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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease) 2009-2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>
Current assets	\$23.6	\$18.0	\$5.6	\$14.5	\$3.5
Non-current assets					
Capital assets, net of depreciation	19.7	19.7	0.0	18.1	1.6
Other	7.7	8.7	(1.0)	9.4	(0.7)
Total assets	51.0	46.4	4.6	42.0	4.4
Current liabilities	11.7	11.4	0.3	10.2	1.4
Non-current liabilities	27.0	25.3	1.7	23.6	1.5
Total liabilities	38.7	36.7	2.0	33.8	2.9
Net assets					
Investment in capital assets, net	9.6	7.9	1.7	9.9	(2.0)
Restricted for					
Debt service	0.3	0.1	0.2	0.2	(0.1)
Insurance	4.3	5.3	(1.0)	5.3	0.0
Unrestricted	(1.9)	(3.7)	1.8	(7.1)	3.4
Total	\$12.3	\$9.7	\$2.6	\$8.3	\$1.4

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

For the years ended June 30, 2009 and 2008

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 2009 Compared to 2008

Current assets increased \$5.6 million due to the debt certificates issued for the renovation of the building to be the Charger Community Center and the expansion of the STEF Fund. Receivables also increased due to the delay in receiving state funds. The other current assets decreased \$1.0 million due to the early call and payoff of the Insurance Reserve Bonds funded by reducing the principle originally invested.

Current liabilities increased \$0.3 million due to an increase in the current portion of bonds payable. Non-current liabilities increased \$1.7 million due to the issuance of new bonds.

Total net assets at June 30, 2009 increased by \$2.6 million. The restricted net assets are reserved for \$0.3 million of debt service payments and \$4.3 million of insurance reserve fund bonds.

Fiscal Year 2008 Compared to 2007

Current assets increased \$3.5 million due to receipt of unearned revenue, continued expenditure control during fiscal year 2008, and more short-term investments including interest earned on investments being reserved for future requirements. The non-current assets increased \$0.9 million due to work in progress classified as capital assets.

Current liabilities increased \$1.4 million due to unearned property taxes and other unearned revenue received. An increase in EAV and the tax rate created the increase in the unearned property taxes. The College also offered a supplemental retirement plan with employment termination effective June 30, 2008. This voluntary plan increased accrued liabilities at year end. Non-current liabilities increased \$1.5 million due to the issuance of general obligation bonds.

Total net assets at June 30, 2008 increased by \$1.4 million. The restricted net assets are reserved for \$0.1 million of debt service payments and \$5.3 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, 2009 and 2008

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

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease) 2009-2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>
Operating revenue					
Tuition and fees	\$5.2	\$4.7	\$0.5	\$4.9	(\$0.2)
Auxiliary	0.6	0.7	(0.1)	0.6	0.1
Total operating revenue	5.8	5.4	0.4	5.5	(0.1)
Less operating expenses	24.8	24.4	0.4	24.7	(0.3)
Operating loss	(19.0)	(19.0)	0.0	(19.2)	0.2
Non-operating revenue					
State grants and contracts	6.3	6.6	(0.3)	6.8	(0.2)
Federal grants and contracts	5.6	4.9	0.7	4.9	0.0
Property taxes	8.0	7.4	0.6	6.9	0.5
Investment income	0.6	0.9	(0.4)	0.8	0.1
Other	2.3	1.8	0.6	1.7	0.1
Total non-operating revenue	22.8	21.6	1.2	21.1	0.5
Non-operating expense					
Interest expense	1.2	1.2	0.0	1.1	0.1
Increase (decrease) in net assets	2.6	1.4	1.2	0.8	0.6
Net assets, beginning of year	9.7	8.3	1.4	7.5	0.8
Residual equity transfer	0.0	0.0	0.0	0.0	0.0
Net assets, end of year	\$12.3	\$9.7	\$2.6	\$8.3	\$1.4

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2009 were \$28.6 million and \$26.0 million, respectively. Fiscal year 2008 total revenues and expenses (Operating and Non-Operating) were \$27.0 million and \$25.6 million. Fiscal year 2007 total revenues and expenses were \$26.6 million and \$25.8 million.

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

For the years ended June 30, 2009 and 2008

Fiscal Year 2009 Compared to 2008

Operating revenue increased \$0.4 million due to an increase in the tuition rate.

Operating expenses as of June 30, 2009, increased \$0.4 million due to costs incurred for the Enrollment Management Partnership and an increase in contributions to the State Universities Retirement System.

Non-operating revenue increased \$1.2 million. Property tax revenue increased with an increase in EAV and an increase in the tax rate. Federal grants also increased. Investment income decreased with the interest rates falling.

The College incurred additional bond debt in Fiscal Year 2009 to renovate a building to serve as the Charger Community Center in the southern part of the district and to increase our STEF Fund to allow for additional technology in the future.

Fiscal Year 2008 Compared to 2007

Operating revenue decreased \$0.1 million due to a decrease in credit hours produced.

Operating expenses as of June 30, 2008, decreased \$.3 million due to a decrease in scholarships, student grants and waivers resulting from the decreased credit hour production and also a decrease in depreciation expense.

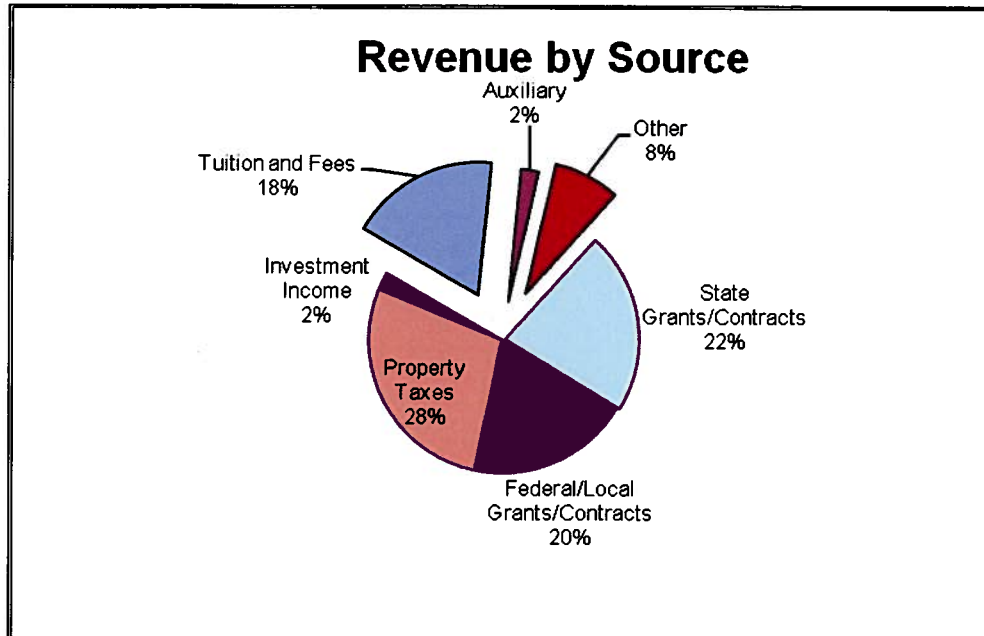
Non-operating revenue increased \$0.5 million in large part due to an increase in property tax revenue due to an increase in EAV and the tax rate. Investment income increased with the fair value of investments holding fairly steady in fiscal year 2008.

The College incurred additional bond debt in Fiscal Year 2008 to implement phase IV of the Guaranteed Energy Savings contract to address energy conservation measures and facility improvement measures.

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

For the years ended June 30, 2009 and 2008

The following is a graphic illustration of revenues by source for the year ended June 30, 2009.



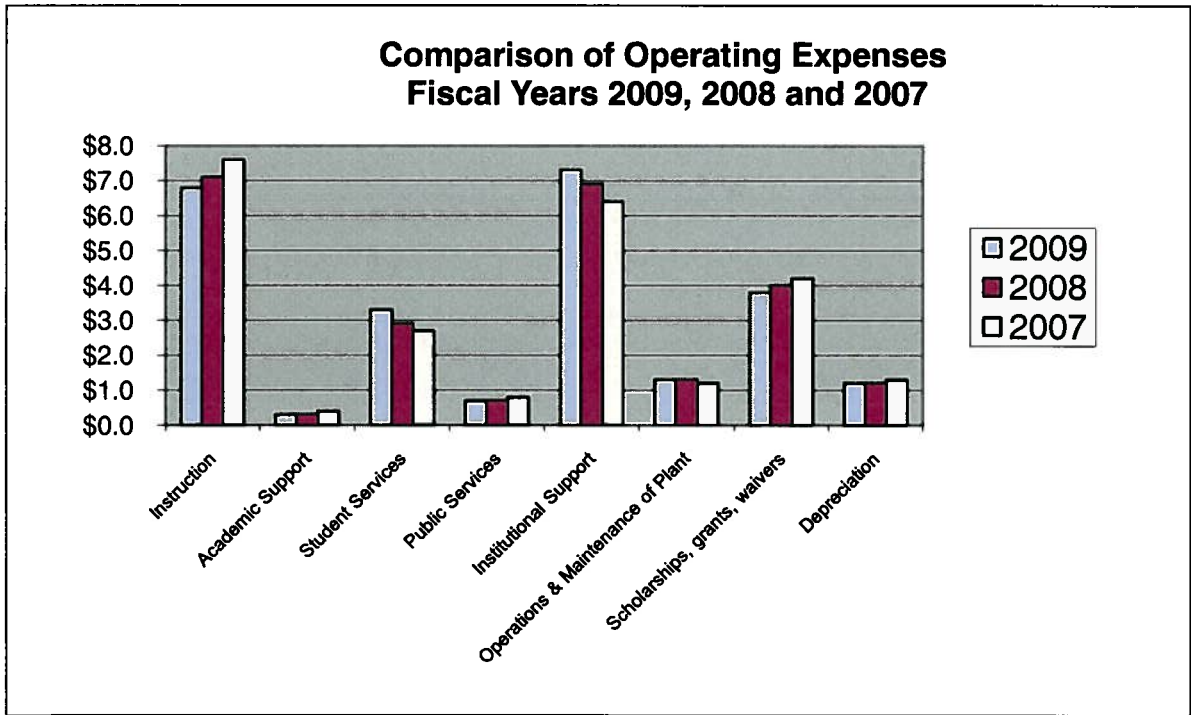
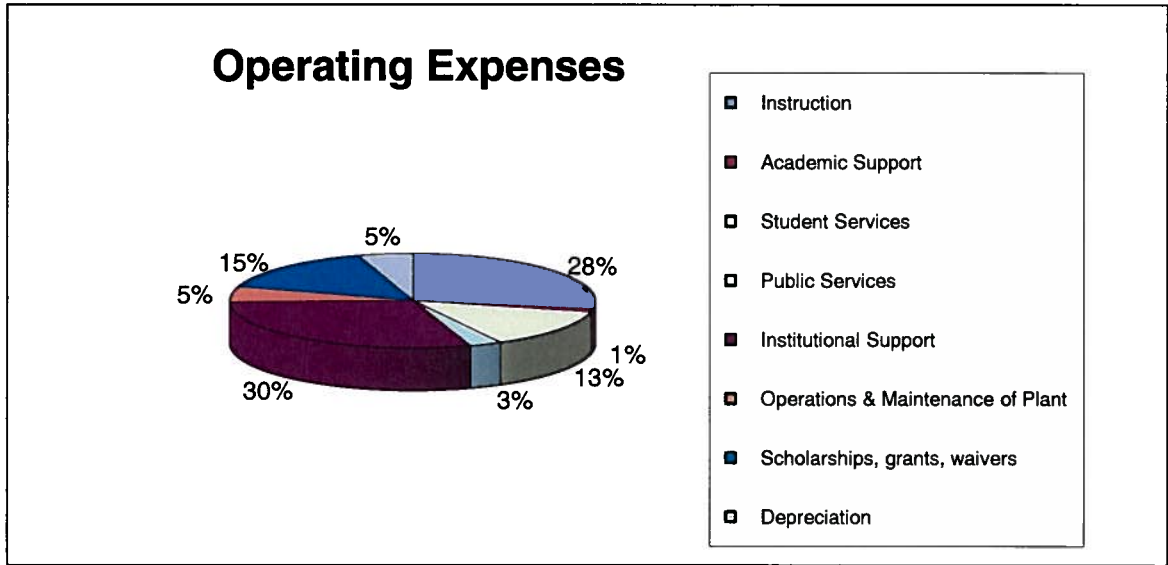
**Operating Expenses
For the Year Ended June 30,
(in millions)**

Operating expense			Increase (Decrease)		
	<u>2009</u>	<u>2008</u>	<u>2009-2008</u>	<u>2007</u>	<u>2008-2007</u>
Instruction	\$6.8	\$7.1	(\$0.3)	\$7.6	(\$0.5)
Academic support	0.3	0.3	0.0	0.4	0.1
Student services	3.3	2.9	0.4	2.7	0.2
Public services	0.7	0.7	0.0	0.8	(0.1)
Institutional support	7.4	6.9	0.5	6.4	0.5
Operations & maintenance of plant	1.4	1.3	0.1	1.2	0.1
Scholarships, grants, waivers	3.8	4.0	(0.2)	4.2	(0.2)
Depreciation	1.1	1.2	(0.1)	1.3	(0.1)
Total	\$24.8	\$24.4	\$0.4	\$24.6	(\$0.2)

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

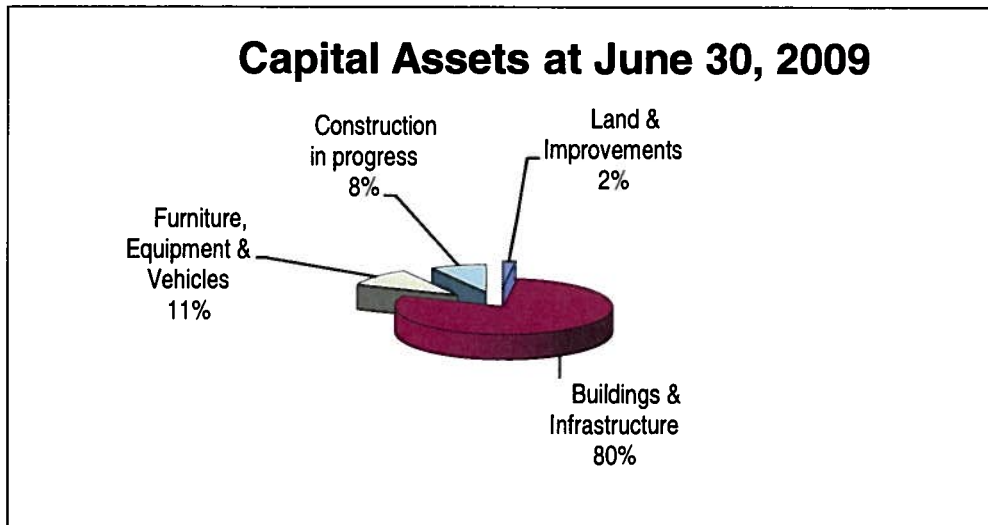
For the years ended June 30, 2009 and 2008

The following is a graphic illustration of operating expenses for the year ended June 30, 2009.



**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)
For the years ended June 30, 2009 and 2008**

Capital Assets, Net					
June 30,					
(in millions)					
	<u>2009</u>	<u>2008</u>	Increase (Decrease)	<u>2007</u>	Increase (Decrease)
			<u>2009-2008</u>		<u>2008-2007</u>
Capital Assets					
Land & improvements	\$0.7	\$0.6	\$0.1	\$0.6	\$0.0
Buildings & infrastructure	28.5	28.3	0.2	28.1	0.2
Furniture, equipment & vehicles	3.8	3.8	0.0	3.8	0.0
Construction in progress	3.1	2.6	0.4	0.0	2.6
Total	36.1	35.3	0.7	32.5	2.8
Less accumulated depreciation	(16.5)	(15.6)	(0.9)	(14.4)	(1.2)
Net capital assets	\$19.6	\$19.7	(\$0.2)	\$18.1	\$1.6



Fiscal Year 2009 Compared to 2008

As of June 30, 2009, the College had recorded \$36.1 million invested in capital assets, \$16.5 million in accumulated depreciation, and \$19.5 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. The College also continues to promote opportunities for K-12 school districts and other educational entities within the college district through enhanced facilities. 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.

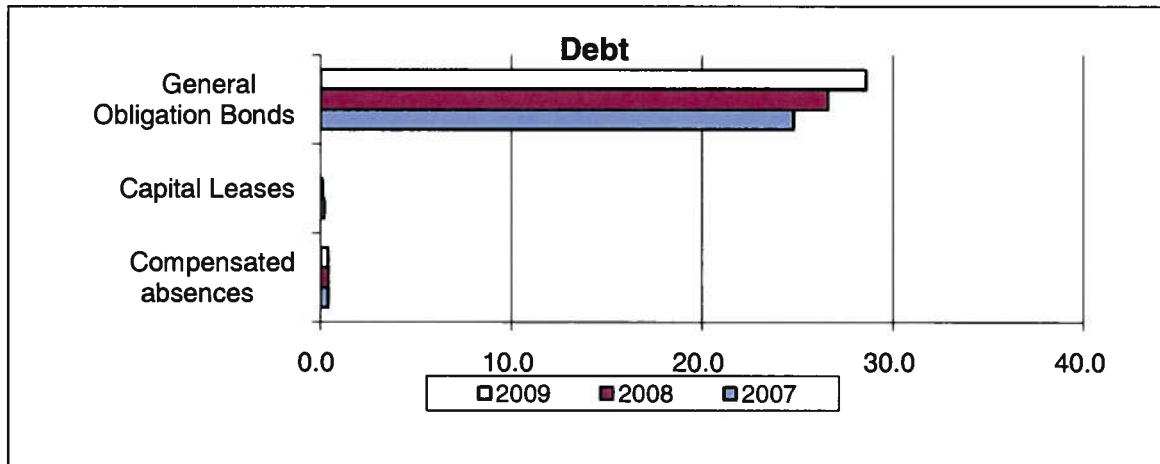
**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)**

For the years ended June 30, 2009 and 2008

Fiscal Year 2008 Compared to 2007

As of June 30, 2008, the College had recorded \$35.3 million invested in capital assets, \$15.6 million in accumulated depreciation, and \$19.7 million in net capital assets. The College issued general obligation bonds to implement phase IV of the Guaranteed Energy Savings contract to address energy conservation measures and facility improvement measures. This is currently reflected as work in progress. Additional work in progress included updating academic facilities. 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.

	Debt June 30, (in millions)		Increase (Decrease)	Increase (Decrease)
	<u>2009</u>	<u>2008</u>	<u>2009-2008</u>	<u>2007</u> <u>2008-2007</u>
General Obligation Bonds	\$28.6	\$26.6	\$2.0	\$24.8 \$1.8
Capital Leases	0.0	0.1	(0.1)	0.2 (0.1)
Compensated absences	0.4	0.4	0.0	0.4 0.0
Total	\$29.0	\$27.1	\$1.9	\$25.4 \$1.7



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

For the years ended June 30, 2009 and 2008

Fiscal Year 2009 Compared to 2008

During fiscal year 2009 the College issued general obligation bonds to renovate a building donated to the College to serve as the Charger Community Center auditorium in the southern part of our district and to expand our existing STEF Fund to allow for additional technology updates in our future. 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 2008 Compared to 2007

During fiscal year 2008 the College issued general obligation bonds to implement phase IV of the Guaranteed Energy Savings contract to address energy conservation measures and facility improvement measures. The bond payments continue to be funded through the tax levy while the capital leases are 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, 2009 and 2008**

A S S E T S	2009	2008
Current assets:		
Cash and cash equivalents	\$3,262,737	\$1,841,691
Deposits	3,301,693	2,893,000
Short-term investments	6,846,441	5,571,258
Property taxes receivable	6,273,966	5,921,327
Other receivables	3,409,466	1,367,787
Prepaid items	214,739	188,739
Inventories	11,550	14,500
Other assets	300,968	244,988
Total current assets	23,621,560	18,043,290
Noncurrent assets:		
Long-term investments	7,746,769	8,667,225
Capital assets	36,133,127	35,284,851
Less accumulated depreciation	(16,482,818)	(15,604,555)
Total noncurrent assets	27,397,078	28,347,521
Total assets	51,018,638	46,390,811
LIABILITIES		
Current liabilities:		
Accounts payable	360,715	273,866
Accrued liabilities	209,332	269,888
Unearned tuition and fees	356,834	199,867
Unearned property taxes	8,406,918	7,990,344
Other unearned revenue	345,543	873,876
Accrued compensated absences, current portion	282,557	274,771
Bonds payable, current portion	1,770,000	1,485,000
Other long-term obligations, current portion	7,288	63,886
Total current liabilities	11,739,187	11,431,498
Noncurrent liabilities:		
Accrued compensated absences, noncurrent	141,279	137,385
Bonds payable, noncurrent	26,840,000	25,125,000
Other long-term obligations, noncurrent	0	41,314
Total noncurrent liabilities	26,981,279	25,303,699
Total liabilities	38,720,466	36,735,197
NET ASSETS		
Invested in capital assets, net of related debt	9,640,599	7,933,120
Restricted - expendable:		
Debt service	235,247	136,228
Insurance	4,316,005	5,324,293
Unrestricted	(1,893,679)	(3,738,027)
Total net assets	\$12,298,172	\$9,655,614

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, 2009 and 2008

	2009	2008
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$1,304,021 and \$602,165, respectively	\$5,215,322	\$4,679,108
Chargeback revenue	0	9,333
Auxiliary enterprises revenue	633,901	669,538
Total operating revenue	5,849,223	5,357,979
Operating expenses:		
Instruction	6,796,180	7,134,419
Academic support	318,302	323,386
Student services	3,324,244	2,871,249
Public services	691,725	649,910
Institutional support	7,357,043	6,873,885
Operation and maintenance of plant	1,342,798	1,338,589
Scholarships, student grants, and waivers	3,825,038	3,985,304
Depreciation	1,145,615	1,231,403
Total operating expenses	24,800,945	24,408,145
Operating loss	(18,951,722)	(19,050,166)
Nonoperating revenues:		
State grants	6,268,325	6,571,821
Property taxes	8,017,097	7,410,500
Personal property replacement tax	271,034	360,986
Federal grants	5,598,661	4,874,101
Local grants	330,915	120,159
Investment income	644,672	951,849
Other nonoperating revenues	1,626,717	1,385,218
Nonoperating revenues	22,757,421	21,674,634
Nonoperating expenses -		
Interest expense	1,163,141	1,234,594
Net nonoperating expenses	21,594,280	20,440,040
Increase in net assets	2,642,558	1,389,874
Net assets:		
Beginning of year	9,655,614	8,265,740
End of year	\$12,298,172	\$9,655,614

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF CASH FLOWS**
For the years ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$6,454,220	\$5,272,613
Payments to suppliers	(5,265,809)	(4,682,971)
Payments to employees	(13,392,557)	(13,330,286)
Payments to students for scholarships	(5,133,835)	(4,587,469)
Auxiliary enterprise charges	723,533	746,649
Net cash used in operating activities	(16,614,448)	(16,581,464)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	8,076,416	9,071,580
Proceeds from grants	10,456,291	12,316,480
Net cash provided by noncapital financing activities	18,532,707	21,388,060
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(1,218,041)	(2,865,547)
Loss on disposal of capital assets	102,413	47,637
Gain on disposal of capital lease	87,659	0
Proceeds from bonds sold	8,875,000	6,550,000
Premium (discount) on bonds sold	(35,489)	12,895
Bond issuance costs	(80,754)	0
Principal paid on bonds payable	(6,875,000)	(4,735,000)
Interest paid on bonds payable and other long-term obligations	(1,153,234)	(1,217,073)
Principal paid on other long-term obligations	(97,912)	(75,661)
Net cash used in capital and related financing activities	(395,358)	(2,282,749)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	764,411	1,008,009
Proceeds from maturities of investment securities	25,052,885	22,858,505
Purchases of investment securities	(25,919,151)	(25,226,717)
Net cash (used in) provided by investing activities	(101,855)	(1,360,203)
Net increase (decrease) in cash and cash equivalents	1,421,046	1,163,644
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,841,691	678,047
End of year	\$3,262,737	\$1,841,691

See Notes to Financial Statements.

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

For the years ended June 30, 2009 and 2008

	2009	2008
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	(\$18,951,722)	(\$19,050,166)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,145,615	1,231,403
State on-behalf payments for fringe benefits	1,210,134	962,082
Changes in assets and liabilities:		
Receivables	(222,090)	(67,158)
Other assets	(21,737)	13,631
Accounts payable	86,849	3,815
Accrued liabilities	(60,556)	178,707
Accrued compensated absences	11,680	19,946
Unearned tuition and fees	156,967	49,165
Other unearned revenue	30,412	77,111
Net cash used in operating activities	(\$16,614,448)	(\$16,581,464)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Increase (decrease) in fair value of investments and amortization/accretion	(\$102,846)	(\$49,364)
 Purchase of equipment under capital leases	 \$0	 \$0
STATE ON-BEHALF PAYMENTS	\$1,210,134	\$962,082

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, 2009 and 2008**

A S S E T S	2009	2008
Cash	\$61,856	\$168,620
Investments:		
Restricted	2,686,993	3,256,544
Unrestricted	300,207	324,161
Total assets	\$3,049,056	\$3,749,325
LIABILITIES AND NET ASSETS		
Liabilities:		
Scholarships payable	\$34,770	\$40,450
Other payables	6,246	5,442
Total liabilities	41,016	45,892
Net assets:		
Unrestricted	321,047	446,889
Temporarily restricted	1,362,929	1,439,990
Permanently restricted	1,324,064	1,816,554
Total net assets	3,008,040	3,703,433
Total liabilities and net assets	\$3,049,056	\$3,749,325

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, 2009 and 2008

	2009	
	Unrestricted	Temporarily Restricted
Revenues, gains, and other support:		
Contributions	\$155,489	\$226,285
Donated goods and facilities	69,658	
Donated services	2,000	
Income on investments	17,509	122,678
Special events, net of direct costs in the amount of \$0 and \$0	45,873	
Net unrealized gain (loss) on investments	(85,805)	(100,070)
	204,724	248,893
Net assets released from restrictions - Satisfaction of program restrictions	325,954	(325,954)
	530,678	(77,061)
Expenses and losses:		
Program	320,014	
Management and general	318,527	
Fund raising	17,979	
	656,520	0
Change in net assets	(125,842)	(77,061)
Net assets at beginning of year	446,889	1,439,990
Net assets at end of year	\$321,047	\$1,362,929

See Notes to Financial Statements.

2008					
Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$54,017	\$435,791	\$57,673	\$213,925	\$73,867	\$345,465
	69,658	67,348			67,348
	2,000	16,565			16,565
20,466	160,653	(19,462)	260,082	45,625	286,245
	45,873	45,916			45,916
(566,973)	(752,848)		(388,089)	(65,252)	(453,341)
(492,490)	(38,873)	168,040	85,918	54,240	308,198
	0	269,182	(269,182)		0
(492,490)	(38,873)	437,222	(183,264)	54,240	308,198
	320,014	285,454			285,454
	318,527	155,663			155,663
	17,979	11,545			11,545
0	656,520	452,662	0	0	452,662
(492,490)	(695,393)	(15,440)	(183,264)	54,240	(144,464)
1,816,554	3,703,433	462,329	1,623,254	1,762,314	3,847,897
\$1,324,064	\$3,008,040	\$446,889	\$1,439,990	\$1,816,554	\$3,703,433

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2009 and 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(\$695,393)	(\$144,464)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized losses on investments	752,848	453,341
Changes in operating assets and liabilities:		
Scholarships payable	(5,679)	(16,051)
Other payables	804	1,042
Net cash provided by operating activities	52,580	293,868
CASH FLOWS FROM INVESTING ACTIVITIES -		
Purchase of investments	(159,344)	(289,784)
Net increase (decrease) in cash	(106,764)	4,084
Cash at beginning of year	168,620	164,536
Cash at end of year	\$61,856	\$168,620

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008**

(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.

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

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

Reporting Entity (continued)

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

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

The College's partnership with Center for Manufacturing Excellence (CME) ended in June 30, 2008, when the facility closed. The CME provided manufacturing education programs to the students enrolled. Emphasis was placed on machining, welding, electronic maintenance, and design skills for the fabricated metals, machinery manufacturing, primary metals, and durable goods for manufacturing industries located in the 10 counties in the Carl Sandburg College district. CME was the regional service training site for various local manufacturers. CME received revenues through third party contractual training. Carl Sandburg College donated equipment, a portion of the director's salary, a portion of marketing and accounting staff salaries, and rental expense for the building to CME. Audited financial statements for the Center can be obtained from their office at 3000 Log City Trail, Galesburg, Illinois 61401.

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.

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.

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.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

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

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 2007 property tax levies passed on December 18, 2007 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2008 property tax levy which was passed on December 18, 2008. In addition, property taxes receivable represents the remaining 2008 property tax levy to be collected in fiscal year 2010.

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

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

Inventories

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

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

Capital Assets

Capital assets include property, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Unearned Tuition and Fee Revenue

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

Long-term Debt

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

Compensated Absences

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

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.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

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

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 Benefits and Salaries

The College recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement Systems on behalf of the College's employees. In fiscal years 2009 and 2008, the State made contributions of \$1,210,134 and \$962,082 respectively.

Net Assets

The College's net assets are classified as follows:

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

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

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

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.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(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, 2009 consist of the following:

	Carrying Amount
Cash on hand	\$7,169
Deposits with financial institutions	6,557,261
Total	\$6,564,430

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

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

Investments at June 30, 2009 and 2008 comprise the following at fair value:

	2009	2008
Money market	\$3,432,967	\$2,273,855
Municipal bonds	7,327,334	8,299,305
U.S. government agency securities	3,832,909	3,665,323
	\$14,593,210	\$14,238,483

As of June 30, 2009, 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	\$3,432,967	\$3,432,967			
Municipal bonds	7,327,334	2,442,813	\$3,352,242	\$733,356	\$798,923
U.S. Government agency securities	3,832,909	970,661	1,672,268	1,189,980	
Total	\$14,593,210	\$6,846,441	\$5,024,510	\$1,923,336	\$798,923

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(B) Cash and Investments (continued):

As of June 30, 2008, 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	\$2,273,855	\$2,273,855			
Municipal bonds	8,229,305	1,043,006	\$2,481,807	\$1,830,072	\$2,944,421
U.S. Government agency securities	3,665,323	2,254,397	1,060,488	350,437	
Total	\$14,238,483	\$5,571,258	\$3,542,295	\$2,180,509	\$2,944,421

As of June 30, 2009, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAAm	AA	A	Unrated
Money market	\$3,432,967				\$3,432,967
Municipal bonds	7,327,334	\$3,033,206	\$3,877,396	\$416,732	
U.S. Government agency securities	3,832,909	3,832,909			
Total	\$14,593,210	\$6,866,115	\$3,877,396	\$416,732	\$3,432,967

As of June 30, 2008, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAAm	AA	A	Unrated
Money market	\$2,273,855				\$2,273,855
Municipal bonds	8,229,305	\$4,223,119	\$4,076,186		
U.S. Government agency securities	3,665,323	3,665,323			
Total	\$14,238,483	\$7,888,442	\$4,076,186	\$0	\$2,273,855

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, 2009 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 \$6,557,261 and the bank

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

June 30, 2009 and 2008

(B) Cash and Investments (continued):

balance was \$6,812,607. Of the bank balance, \$4,055,189 was covered by federal depository insurance and \$2,392,942 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. Also included in the carrying amount is \$364,476 of unsecured money market cash equivalents held at an investment institution.

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

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

(C) Capital Assets:

Changes in the various capital asset categories during the year ended June 30, 2009 are as follows:

	Balance at July 1, 2008	Additions	Deletions	Transfers	Balance at June 30, 2009
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	2,590,317	\$627,476	\$50,000	(\$45,659)	3,122,134
Depreciable:					
Buildings and additions	25,877,208	275,963		36,212	26,189,383
Infrastructure	2,356,688				2,356,688
Furniture and equipment	3,568,333	229,502	319,765	9,447	3,487,517
Land improvements	220,304	42,875			263,179
Vehicles	266,518	42,225			308,743
Total cost	\$35,284,851	\$1,218,041	\$369,765	\$0	\$36,133,127

Accumulated depreciation for the year ended June 30, 2009 is as follows:

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Buildings and additions	\$10,379,672	\$661,827		\$11,041,499
Infrastructure	2,143,807	50,246		2,194,053
Furniture and equipment	2,677,708	412,738	\$267,352	2,823,094
Land improvements	136,850	19,631		156,481
Vehicles	266,518	1,173		267,691
Total accumulated depreciation	\$15,604,555	\$1,145,615	\$267,352	\$16,482,818

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(C) Capital Assets (continued):

Changes in the various capital asset categories during the year ended June 30, 2008 as follows:

	Balance at July 1, 2007	Additions	Deletions	Transfers	Balance at June 30, 2008
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress		\$2,590,317			2,590,317
Depreciable:					
Buildings and additions	25,875,234	65,407	\$63,433		25,877,208
Infrastructure	2,181,477	175,211			2,356,688
Furniture and equipment	3,551,294	22,909	5,870		3,568,333
Land improvements	208,602	11,702			220,304
Vehicles	266,518				266,518
Total cost	\$32,488,608	\$2,865,546	\$69,303		\$35,284,851

Accumulated depreciation for the year ended June 30, 2008 as follows:

	Balance at July 1, 2007	Additions	Deletions	Balance at June 30, 2008
Buildings and additions	\$9,731,786	\$663,682	\$15,796	\$10,379,672
Infrastructure	2,090,092	53,715		2,143,807
Furniture and equipment	2,188,280	495,298	5,870	2,677,708
Land improvements	120,370	16,480		136,850
Vehicles	264,290	2,228		266,518
Total accumulated depreciation	\$14,394,818	\$1,231,403	\$21,666	\$15,604,555

(D) Debt:

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2009:

	Balance June 30, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$26,610,000	\$8,875,000	\$6,875,000	\$28,610,000	\$1,770,000	\$26,840,000
Capital leases	105,200		97,912	7,288	7,288	
Compensated absences	412,156	355,685	344,005	423,836	282,557	141,279
Totals	\$27,127,356	\$9,230,685	\$7,316,917	\$29,041,124	\$2,059,845	\$26,981,279

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(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, 2008:

	Balance June 30, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$24,795,000	\$6,150,000	\$4,335,000	\$26,610,000	\$1,485,000	\$25,125,000
Capital leases	180,861		75,661	105,200	63,886	41,314
Compensated absences	385,069	372,195	345,108	412,156	274,771	137,385
Short-term debt:						
General obligation bonds	0	400,000	400,000	0	0	0
Totals	\$25,360,930	\$6,922,195	\$5,155,769	\$27,127,356	\$1,823,657	\$25,303,699

Details on the debt as of June 30, 2009 are as follows:

- 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:			
2010	\$105,000	\$9,845	\$114,845
2011	115,000	5,005	120,005
2012	55,000	1,238	56,238
Totals	\$275,000	\$16,088	\$291,088

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

June 30, 2009 and 2008

(D) Debt (continued):

2. The general obligation bonds, Series 1999A, bear interest at 3.90 to 5.45 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2015. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, series 2005. A portion of the bond proceeds (6.79%) were used for the purchase of capital assets. The annual remaining debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2010	\$310,000	\$148,145	\$458,145
2011	365,000	130,750	495,750
2012	800,000	100,260	900,260
2013	950,000	54,085	1,004,085
2014	160,000	24,630	184,630
2015 – 2016	375,000	21,075	396,075
Totals	\$2,960,000	\$478,945	\$3,438,945

3. 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:

	Principal	Interest	Total
During the year ending June 30:			
2010	\$95,000	\$65,550	\$160,550
2011	105,000	60,088	165,088
2012	55,000	54,050	109,050
2013	215,000	50,888	265,888
2014	225,000	38,525	263,525
2015 – 2016	445,000	37,662	482,662
Totals	\$1,140,000	\$306,763	\$1,446,763

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(D) Debt (continued):

4. The general obligation bonds, Series 2001A, bear interest at 4.50 to 4.95 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2017. A portion of the bond proceeds (74.74%) 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:			
2010	\$310,000	\$172,020	\$482,020
2011	360,000	157,760	517,760
2012	365,000	140,840	505,840
2013	440,000	123,320	563,320
2014	480,000	102,200	582,200
2015 - 2017	1,615,000	161,315	1,776,315
Totals	\$3,570,000	\$857,455	\$4,427,455

5. The general obligation bonds, Series 2004A & B, bear interest at 2.60 to 5.00 percent, which is due on June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year, with final maturity on December 15, 2016. 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:			
2010	\$490,000	\$150,122	\$640,122
2011	245,000	131,895	376,895
2012	305,000	118,145	423,145
2013	340,000	102,020	442,020
2014	405,000	83,395	488,395
2015 – 2017	1,740,000	119,045	1,859,045
Totals	\$3,525,000	\$704,622	\$4,229,622

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(D) Debt (continued):

6. 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:			
2010		\$390,025	\$390,025
2011	\$15,000	389,751	404,751
2012	100,000	387,653	487,653
2013	100,000	383,952	483,952
2014	1,000,000	361,578	1,361,578
2015 – 2019	6,650,000	1,081,664	7,731,664
2020	1,675,000	35,175	1,710,175
Totals	\$9,540,000	\$3,029,798	\$12,569,798

7. 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:			
2010		\$130,406	\$130,406
2011		130,406	130,406
2012		130,406	130,406
2013		130,406	130,406
2014		130,406	130,406
2015 – 2019	\$2,025,000	609,957	2,634,957
2020	1,075,000	44,344	1,119,344
Totals	\$3,100,000	\$1,306,331	\$4,406,331

8. The general obligation bonds, Series 2009, bear interest at 2.90 to 4.40 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2024. A portion of the bond proceeds (5.92%) 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, 2009 and 2008**

(D) Debt (continued):

	Principal	Interest	Total
During the year ending June 30:			
2010	\$460,000	\$122,886	\$582,886
2011	865,000	147,747	1,012,747
2012	735,000	118,554	853,554
2013	155,000	93,747	248,747
2014	160,000	89,252	249,252
2015 – 2019	935,000	361,898	1,296,898
2020 – 2024	1,190,000	159,525	1,349,525
Totals	\$4,500,000	\$1,093,609	\$5,593,609

9. 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, 2009, the College has \$1,335,000 of the bonds outstanding which are considered defeased.
10. 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, 2009, the College has \$1,300,000 of the debt certificates outstanding which are considered defeased.
11. 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, 2009, the College has \$8,750,000 of the general obligation bonds which are considered defeased.
12. The College has a capital lease agreement, discounted at a rate of 7.735 percent, for other equipment with a total cost of \$46,531 and accumulated depreciation of \$41,103. These agreements are due in monthly installments, with the final maturity on February 15, 2010, and the annual debt service requirements are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2010	\$7,288	\$213	\$7,501

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(D) Debt (continued):

The annual requirements to amortize all debt outstanding as of June 30, 2009, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Capital Lease Obligations	Compensated Absences	Total Principal	Interest	Total Principal And Interest
2010	\$1,770,000	\$7,288	\$423,836	\$2,201,124	\$1,189,212	\$3,390,336
2011	2,070,000			2,070,000	1,153,402	3,223,402
2012	2,415,000			2,415,000	1,051,146	3,466,146
2013	2,200,000			2,200,000	938,418	3,138,418
2014	2,430,000			2,430,000	829,986	3,259,986
2015 – 2019	13,785,000			13,785,000	2,392,616	16,177,616
2020 – 2024	3,940,000			3,940,000	239,044	4,179,044
Total	\$28,610,000	\$7,288	\$423,836	\$29,041,124	\$7,793,824	\$36,834,948

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt at June 30, 2008, is \$26,715,200. General obligation debt at June 30, 2009 is \$28,617,288, resulting in a legal debt margin of \$10,910,413.

(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, 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 2010) is 18.61% 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, 2009, 2008 and 2007, were \$1,210,134, \$962,082, \$683,730, respectively, equal to the required contributions for each year.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(F) Supplemental Retirement Plan:

During fiscal year 2008, the College approved a one-time early retirement incentive plan, known as the Supplemental Retirement Plan (the Plan), for all employees. To be eligible, employees were required to be a full-time College administrator, faculty, or support staff employee or a permanent part-time employee; at least age 55 on or before June 30, 2008; and submit to the College’s Board of Trustees the signed Plan application.

Under the plan, full-time College administrator, faculty, or support staff employees who took advantage of this incentive received a pay-out which equals one and one-half percent (1.5%) of their earnings times their full years of service with the College up to a maximum supplemental retirement benefit of fifty percent (50%) of their compensation. Permanent part-time employees benefit consist of a pay-out which equals three-fourths of one percent (.75%) of their earnings times their full years of service with the College up to a maximum supplemental retirement benefit of fifty percent (50%) of their compensation.

The supplemental retirement plan will be paid in two installments on July 15, 2008 and July 15, 2009. Expenditures are recognized in the governmental funds as the plan payments are incurred. At June 30, 2009, the present value of future plan payments reported as a liability in the statement of net assets was \$62,891. A discount rate was not used to determine the present value due to the small time period from the end of the fiscal year and the payment due date. During the year ended June 30, 2009, 8 employees were included in the program. During fiscal year 2009, payments to retired employees under this plan totaled \$76,834 for retirement compensation.

(G) 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.

(H) Contingencies and Commitments:

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

<u>Year Ended June 30</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2010	\$23,180	\$125,177	\$148,357
2011	24,107	125,533	149,640
2012	25,072	109,849	134,921
2013		98,810	98,810
2014		49,455	49,455
Total	\$72,359	\$508,824	\$581,183

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(H) Contingencies and Commitments (continued):

Fiscal year 2009 facilities and equipment rent expense was \$23,800 and \$56,882, respectively.

Commitments under contractual agreements for marketing and recruiting consulting services, guaranteed energy saving contract (GESG), and general contractor work for building improvements to the Charger Community Center provide for annual payments as follows:

<u>Year Ended June 30</u>	<u>Consulting</u>	<u>GESG</u>	<u>Charger Community Center</u>	<u>Total</u>
2010	\$120,411	\$95,492	\$2,729,889	\$2,945,792
2011	45,694			45,694
Total	\$166,105	\$95,492	\$2,729,889	\$2,991,486

Fiscal year 2009 consulting, GESG, and Charger Community Center contractual expenses were \$286,349, \$100,000, \$266,357, 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.

(I) Component Unit Disclosures:

Carl Sandburg College Foundation

Organization

The Foundation relies on contributions, from individuals and organizations, and investment income to provide financial assistance to students, primarily attending Carl Sandburg College. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except for taxes on unrelated income.

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(I) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Organization (continued)

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

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

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

Temporarily restricted net assets as of June 30, 2009 and 2008 are available for the following purposes or periods:

	2009	2008
Student scholarships currently available	\$904,872	\$935,815
For periods after June 30, 2015	458,057	504,175
	<u>\$1,362,929</u>	<u>\$1,439,990</u>

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

Contributions and Revenues

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(I) 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.

Investments and Investment Earnings

The Foundation has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices and realized and unrealized gains and losses are reported in the statement of activities.

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

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

A summary of investments carried at estimated fair value at June 30, 2009 and 2008 is as follows:

Description	2009	2008
Mutual funds – equity	\$1,930,457	\$2,538,782
Mutual funds – bond	1,056,743	1,041,923
Total investments	\$2,987,200	\$3,580,705

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(I) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Investments and Investment Earnings (continued)

Investment income for the years ended June 30, 2009 and 2008 is as follows:

	2009	2008
<u>Interest and dividend income</u>	<u>\$160,653</u>	<u>\$286,245</u>

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Cash Equivalents

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There are no cash equivalents at June 30, 2009 or 2008.

Use of Estimates

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

Donated Services

The Foundation received contributed services, goods, and facilities of \$71,658 and \$83,913 from the College during the years ended June 30, 2009 and 2008, respectively. This amount includes the Foundation's director's salary.

U.S. Department of Education Endowment Challenge Grant

Carl Sandburg College Foundation received a \$200,000 Endowment Challenge Grant from the U.S. Department of Education during the year ended June 30, 1995. To receive this award, Carl Sandburg College Foundation had to raise \$100,000 from corporate and individual contributions which would be matched by the Department of Education on a two-for-one basis up to \$200,000. These funds must be placed in a separate endowment trust for a period of twenty years. In addition, half of the annual earnings on this account must be added to the principal of this grant for the next twenty years. The other half of the earnings could be distributed as student scholarships. There are six years remaining in the twenty year period at June 30, 2009. The Endowment Challenge Grant has \$580,670 of investments as of June 30, 2009.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2009 and 2008**

(I) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

U.S. Department of Education Endowment Challenge Grant (continued)

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

(J) New Reporting Standards:

In June 2007, the Governmental Accounting Standards Board (GASB) issued Statement 51 “Accounting and Financial Reporting for Intangible Assets.” The College is required to implement this standard for the fiscal year ending June 30, 2010. The College has not yet determined the full impact that adoption of GASB Statement 51 will have on the financial statements.

In June 2008, the Governmental Accounting Standards Board (GASB) issued Statement 53 “Accounting and Financial Reporting for Derivative Instruments.” The College is required to implement this standard for the fiscal year ending June 30, 2010. The College has not yet determined the full impact that adoption of GASB Statement 53 will have on the financial statements.

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The College is required to implement this standard for the fiscal year ending June 30, 2011. The College has not yet determined the full impact that adoption of GASB Statement 54 will have on the financial statements.

STATISTICAL SECTION
(Unaudited)

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
STATISTICAL SECTION**
June 30, 2009

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the college’s financial performance and well-being have changed over time.	42 - 45
Revenue Capacity These schedules contain information to help the reader assess the College’s most significant local revenue source, the property tax.	46 - 49
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.	50 - 53
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.	54 - 56
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.	57 - 58

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. 34 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 Seven Fiscal Years ended June 30,
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)**

TABLE A

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

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 Seven Fiscal Years ended June 30,
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)**

TABLE B

	2009	2008	2007	2006	2005	2004	2003
Operating expenses:							
Instruction	\$6,796	\$7,135	\$7,640	\$14,856	\$13,538	\$10,230	\$11,108
Academic support	318	323	355	364	382	377	517
Student services	3,324	2,871	2,723	2,771	2,450	2,309	2,035
Public services	692	650	829	1,032	914	938	1,184
General administration	0	0	0	373	649	645	419
Institutional support	7,357	6,874	6,368	6,231	7,095	11,052	6,371
Operation and maintenance of plant	1,343	1,339	1,217	1,148	1,190	1,094	953
Scholarships, student grants, and waivers	3,825	3,985	4,242	2,901	2,886	3,203	3,483
Depreciation	1,146	1,231	1,279	1,116	1,024	1,105	1,057
Total operating expenses	24,801	24,408	24,653	30,792	30,128	30,953	27,127
Operating revenues:							
Charges for services:							
Student tuition and fees	5,215	4,679	4,848	4,812	4,859	5,093	4,557
Chargeback revenue	0	9	8	3	4	26	39
Auxiliary enterprise	634	670	628	601	511	463	387
Other general government	0	0	0	0	0	226	202
Total operating revenue	5,849	5,358	5,484	5,416	5,374	5,808	5,185
Operating loss	(18,952)	(19,050)	(19,169)	(25,376)	(24,754)	(25,145)	(21,942)
Nonoperating revenues (expenses):							
State grants	6,268	6,572	6,805	6,789	6,026	10,180	5,812
Property taxes	8,017	7,411	6,944	6,761	6,612	6,444	6,044
Personal property replacement tax	271	361	285	257	200	170	152
Federal grants	5,599	4,874	4,853	11,666	11,030	7,337	8,495
Local grants	331	120	225	241	222	257	327
Investment income	644	952	805	392	769	100	1,101
Interest expense	(1,163)	(1,235)	(1,161)	(1,193)	(1,111)	(1,159)	(1,556)
Other nonoperating revenues	1,627	1,385	1,145	614	754	633	838
State capital grants	0	0	0	0	0	0	3,735
Net nonoperating revenues	21,594	20,440	19,901	25,527	24,502	23,962	24,948
Residual equity transfer				(106)			
Change in net assets	\$2,642	\$1,390	\$732	\$45	(\$252)	(\$1,183)	\$3,006

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General fund:										
Reserved	\$4	\$10	\$7	\$1	\$1	\$12	\$1	\$2	\$1	\$30
Unreserved	2,974	1,924	1,617	1,316	1,374	792	730	359	540	380
Total general fund	\$2,978	\$1,934	\$1,624	\$1,317	\$1,375	\$804	\$731	\$361	\$541	\$410
All other governmental funds:										
Reserved	\$4,335	\$5,324	\$5,331	\$5,429	\$3,723	\$3,745	\$4,339	\$4,832	\$6,599	\$5,419
Unreserved, reported in:										
Special revenue funds	(399)	(1,525)	(1,509)	(1,317)	(47)	(91)	181	105	94	57
Debt service funds	235	136	205	97	1,762	4,797	598	2,301	2,364	624
Capital projects funds	10,730	6,380	5,642	5,545	5,886	5,112	5,724	6,735	4,925	7,110
Total all other governmental funds	\$14,901	\$10,315	\$9,669	\$9,754	\$11,324	\$13,563	\$10,842	\$13,973	\$13,982	\$13,210

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Property taxes	\$8,066	\$7,471	\$7,159	\$7,006	\$6,838	\$6,727	\$6,410	\$6,259	\$5,720	\$5,381
Government grants	13,315	12,742	12,600	19,499	18,203	18,538	18,793	13,793	11,460	10,586
Student tuition and fees	6,425	5,123	5,152	5,428	5,441	5,133	4,472	3,577	3,138	3,132
Sales and service fees					283	787	549	511		
Interest	521	690	671	615	593	474	587	837	886	589
Net increase (decrease) in fair value of investments	18	106	(50)	(335)	99	(438)	423	109	130	(80)
Other	550	362	349	642	610	497	710	585	1,069	862
Total revenues	28,895	26,494	25,881	32,855	32,067	31,718	31,944	25,671	22,403	20,470
Expenditures:										
Instruction	6,646	6,986	7,452	14,896	13,549	10,231	11,195	10,454	8,331	8,721
Academic support	324	325	355	364	382	377	517	604	591	518
Student services	2,257	1,857	1,772	1,828	1,644	1,524	1,300	1,254	1,189	3,113
Public services	690	657	828	1,032	914	938	1,184	1,542	1,728	911
General administration				374	649	715	471	243	550	406
Institutional support	7,152	6,796	6,540	6,187	7,152	11,818	6,727	6,252	6,067	5,455
Operation and maintenance of plant	1,327	1,345	1,213	1,164	1,190	1,094	953	987	1,020	1,099
Scholarships, student grants, and waivers	5,129	4,588	4,836	4,536	4,543	4,214	4,095	3,056	2,339	
Debt service:										
Principal	6,973	4,735	1,035	975	735	660	605	3,683	583	3,667
Interest and issuance costs	1,269	1,217	1,147	1,285	1,313	1,167	1,187	1,235	633	697
Capital outlay	1,342	3,146	478	1,863	1,607	1,856	6,535	2,441	1,019	883
Total expenditures	33,109	31,652	25,656	34,504	33,678	34,594	34,769	31,751	24,050	25,470
Excess of revenues over (under) expenditures	(4,214)	(5,158)	225	(1,649)	(1,611)	(2,876)	(2,825)	(6,080)	(1,647)	(5,000)
Other financing sources (uses):										
Proceeds from issuance of long-term debt	8,875	6,550		44	9,690	4,335		8,229	2,315	11,855
Premium (discount) on bond issuance	(35)	13			(151)			(89)		
Payment to refunding bond escrow agent					(9,451)			(1,948)		(1,026)
Proceeds from issuance of capital leases					157	1,344		57	166	
Prior period adjustment unamortized bond issue costs								(524)		
Residual equity transfer				(106)						
Transfers in	6,139	3,822	56	2,816	3,859	854	2,750	3,326	1,067	3,796
Transfers out	(5,754)	(3,653)	(58)	(2,733)	(4,161)	(863)	(2,686)	(3,160)	(998)	(3,778)
Total other financing sources (uses)	9,225	6,732	(2)	21	(57)	5,670	64	5,891	2,550	10,847
Net change in fund balances	\$5,011	\$1,574	\$223	(\$1,628)	(\$1,668)	\$2,794	(\$2,761)	(\$189)	\$903	\$5,847
Debt service as a percentage of noncapital expenditures	25.95%	20.88%	8.67%	6.92%	6.39%	5.58%	6.35%	16.78%	5.28%	17.75%

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

TABLE E

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
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	351,332,712	623,560,606	204,998,896	14,601,091	30,830,519	1,225,323,824	3,675,971,472	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	3,774,567,220	0.4810
2000	453,111,279	549,635,662	180,752,668	17,829,345	28,281,030	1,229,609,983	3,688,829,949	0.4750
1999	493,332,658	482,688,669	166,787,421	16,609,837	30,215,426	1,189,634,012	3,568,902,036	0.4550

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

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2007	2009	7,940,586	8,016,081	100.95%		8,016,081	100.95%
2006	2008	7,508,428	7,380,245	98.29%	(\$7,714)	7,372,531	98.19%
2005	2007	7,088,319	6,932,067	97.80%	3,269	6,935,336	97.84%
2004	2006	6,751,906	6,759,972	100.12%	7,266	6,767,238	100.23%
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%
1999	2001	5,342,102	5,345,820	100.07%	574	5,346,394	100.08%
1998	2000	4,985,712	4,990,855	100.10%	568	4,991,423	100.11%

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

Taxing Bodies	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
City of Galesburg	1.4353	1.4638	1.6952	1.7196	1.6099	1.8674	1.8900	1.9750	1.9940	2.0390
Township of the City of Galesburg	0.2075	0.2166	0.2221	0.2147	0.2015	0.1852	0.1829	0.1800	0.1830	0.1890
Galesburg Unit School District 205	4.0630	4.1370	4.2769	4.2761	4.1220	3.9452	3.9287	3.9190	3.8770	3.7070
Knox County	1.1080	1.0826	1.0838	1.0799	1.0392	0.9360	1.0176	0.9610	0.9350	0.8170
Galesburg City Fire	0.9254	0.8782	0.5875	0.5833	0.5464	0.3456	0.3874			
Galesburg Sanitary District	0.3040	0.3075	0.3141	0.3052	0.2906	0.2672	0.2635	0.2620	0.2640	0.2810
Total Overlapping Rate	8.0432	8.0857	8.1796	8.1788	7.8096	7.5466	7.6701	7.2970	7.2530	7.0330
Carl Sandburg College Dist. 518	0.6140	0.6205	0.6039	0.5759	0.5530	0.5139	0.5042	0.4810	0.4750	0.4550
Total rate	8.6572	8.7062	8.7835	8.7547	8.3626	8.0605	8.1743	7.7780	7.7280	7.4880
Carl Sandburg College Percentage of Total	7.09%	7.13%	6.88%	6.58%	6.61%	6.38%	6.17%	6.18%	6.15%	6.08%

See Accompany Independent Auditor's Report.

(1) Tax rates are assessed in dollars per hundred of equalize 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	2009		2000	
		Taxable Assessed Value(approx.)	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV
Burlington Northern Santa Fe	Railroad	\$13,282,604	1 1.01%	\$15,373,006	1 1.42%
Union Electric Co	Utilities	12,492,457	2 0.95%	12,008,685	2 1.11%
Galesburg Hospital Corporation	Hospital	8,672,570	3 0.66%		
Twomey Company	Grain	5,084,676	4 0.39%	2,759,319	5 0.25%
Wal-Mart Stores	Retailer	4,123,880	5 0.31%	2,008,108	10 0.19%
United Facilities, Inc.	Shipping	3,680,720	6 0.28%	2,621,359	6 0.24%
Nauvoo Restoration Inc	Real property holdings	3,671,238	7 0.28%		
Menard Inc.	Retailer	3,130,010	8 0.24%		
Hy Vee Food Stores Inc.	Retailer	2,557,320	9 0.19%		
Horne Development LP	Real property holdings	2,337,770	10 0.18%		
Lowes Home Centers, Inc.	Retailer			2,337,682	8 0.22%
Admiral-Maytag Co.	Manufacturer			11,643,285	3 1.07%
First Property Management Corp	Mall			4,776,212	4 0.44%
RFMS	Healthcare Facility Mgmt			2,404,823	7 0.22%
Pioneer Hi-Bred	Retailer			2,328,722	9 0.21%
		\$59,033,245	4.48%	\$58,261,201	5.38%

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**

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
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	0.676%	121,300	219
2007	24,795,000			180,861		24,975,861	3,675,971,472	0.679%	121,300	204
2006	25,830,000			834,901		26,664,901	3,610,437,843	0.739%	121,986	235
2005	26,805,000			919,899		27,724,899	3,662,878,517	0.757%	123,180	242
2004	26,600,000			1,155,838		27,755,838	3,862,259,937	0.719%	124,778	239
2003	22,960,000			183,136		23,143,136	3,844,345,656	0.602%	125,828	205
2002	23,565,000			264,126		23,829,126	3,777,456,720	0.631%	126,632	209
2001	20,885,000			289,573		21,174,573	3,688,829,949	0.574%	127,399	183
2000	12,505,000	\$6,600,000		171,481		19,276,481	3,568,902,036	0.540%	127,605	109

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**

TABLE J

Fiscal Year	Net General Bonded Debt	Estimated Actual Taxable Value of Property	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2009	\$28,610,000	\$4,124,629,695	120,877	0.694%	237
2008	26,610,000	3,953,705,376	121,300	0.673%	219
2007	24,795,000	3,700,878,384	121,300	0.670%	204
2006	25,830,000	3,610,437,843	109,788	0.715%	235
2005	26,805,000	3,662,878,512	110,862	0.732%	242
2004	26,600,000	3,862,259,937	111,242	0.689%	239
2003	22,960,000	3,844,345,656	112,074	0.597%	205
2002	23,565,000	3,777,456,720	112,668	0.624%	209
2001	20,885,000	3,688,829,949	113,872	0.566%	183
2000	12,505,000	3,568,902,036	114,353	0.350%	109

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, 2009

TABLE K

Overlapping Agencies	Outstanding Debt	Percent	Amount
Fulton County	\$270,000	3.36%	\$9,072
Spoon River Valley Unit #3	1,030,000	2.89%	29,767
Dallas City CUSD #336	825,000	100.00%	825,000
Nauvoo-Colusa CUSD #325	585,000	100.00%	585,000
LaHarpe CUSD #335	185,000	100.00%	185,000
Hamilton CUSD #328	625,000	100.00%	625,000
Hamilton Park District	855,000	100.00%	855,000
Carthage Park District	160,000	100.00%	160,000
Warsaw CUSD #316	2,500,000	100.00%	2,500,000
Village of Prairie City	65,000	100.00%	65,000
West Central CUSD #235	2,005,000	2.66%	53,393
Bushnell-Prairie City CUSD #170	1,000,000	86.54%	865,400
Monmouth Park District	325,000	100.00%	325,000
City of Monmouth	28,542,225	100.00%	28,542,225
City of Galesburg	29,205,000	100.00%	29,205,000
City of Knoxville	335,000	100.00%	335,000
CUSD #4	1,030,000	27.28%	280,984
CUSD #100	8,344,000	2.80%	233,632
CUSD #176	390,000	5.13%	20,007
CUSD #202	4,080,716	100.00%	4,080,716
CUSD #205	4,230,000	97.14%	4,109,022
CUSD #217	3,459,993	89.88%	3,109,842
CUSD #224	445,000	8.39%	37,336
CUSD #225	2,870,000	7.16%	205,492
CUSD #265	8,930,428	18.39%	1,642,306
CUSD #304	2,450,000	0.13%	3,185
CUSD #322	3,220,000	0.20%	6,440
Community College Distric. #534	11,605,000	0.14%	16,247
Community College Dist. #503	12,210,000	0.29%	35,409
			<u>78,945,474</u>
Community College Dist. #518	28,610,000	100.00%	<u>28,610,000</u>
Total Direct & Overlapping General Obligation Bonded Debt			<u><u>\$107,555,474</u></u>

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

**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
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 - 2008 levy \$1,374,876,565

Debt limit (2.875% of total assessed value) \$39,527,701

Debt applicable to limit:

General obligation bonds	28,610,000
Lease certificates	0
Notes payable	0
Capital leases	7,288
Purchase contracts	<u><u>0</u></u>

Total net debt applicable to limit 28,617,288

Legal debt margin \$10,910,413

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***

TABLE M

Fiscal Year	Estimated Population*	Personal Income (Amounts Expressed in Thousands)	Per Capital Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2009	120,877	\$2,063,975	\$17,075	36.6	36,897	6.40%	2,615	12
2008	121,300	2,071,198	17,075	36.6	36,897	7.23%	2,693	12
2007	121,300	2,087,816	17,212	36.6	36,897	4.60%	2,490	10
2006	121,986	2,099,623	17,212	36.6	36,897	5.60%	2,930	10
2005	123,180	2,120,174	17,212	36.6	36,897	5.80%	3,260	10
2004	124,778	2,147,679	17,212	36.6	36,897	6.70%	3,575	12
2003	125,828	2,165,752	17,212	36.6	36,897	7.00%	3,554	12
2002	126,632	2,179,590	17,212	36.6	36,897	6.20%	3,441	12
2001	127,399	2,192,792	17,212	36.6	36,897	5.30%	3,341	11
2000	127,605	2,196,337	17,212	36.6	36,897	4.60%	3,220	NA

* Includes the largest four counties based on EAV of the district
NA - not available

Sources: U.S. Census Bureau
College records

See Accompanying Independent Auditor's Report.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
PRINCIPAL EMPLOYERS**

TABLE N

Employer	2009			2000		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Farmland Foods	1,350	1	2.01%	875	4	1.62%
Burlington Northern Santa Fe Railroad	1,115	2	1.66%	1,250	2	1.18%
OSF (Galesburg, Monmouth)	1,025	3	1.52%	598	8	0.83%
Galesburg Cottage Hospital	730	4	1.08%	700	7	0.97%
Dick Blick Company	550	5	0.82%	450	10	0.63%
School District Number 205	542	6	0.80%	800	5	1.11%
Hy-Vee	525	7	0.78%			
Carl Sandburg College	454	8	0.67%			
Methode Electronics	450	9	1.19%	1,200	3	1.67%
Knox County	420	10	0.62%			
Maytag-Galesburg Refrigeration			0.00%	2,400	1	2.64%
Butler Manufacturing			0.00%	800	5	1.11%
Gates Rubber Company			0.00%	580	9	0.69%
Total	7,161		11.15%	9,653		12.45%

Source: 2009 Principal Employers

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

Source: 2000 Principal Employers

Illinois Department of Commerce and Economic Opportunity Community Profiles

http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support

College records

Source: Labor Force Population

Illinois Workforce Information Center – June 2008, June 1999 <http://wic.ilworkinfo.com/>

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

TABLE O

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Instruction-Faculty	110	112	143	134	135	135	136	136	116	121
Full-time	62	64	68	64	65	65	66	66	63	65
Part-time	48	48	75	70	70	70	70	70	53	56
Administrative Staff	20	21	21	22	28	25	26	23	24	24
Full-time	20	21	21	22	28	25	26	23	24	24
Part-time	0	0	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	73	73	71	74	86	94	69	64	74	62
Full-time	69	69	70	74	86	94	69	63	71	56
Part-time	4	4	1	0	0	0	0	1	3	6
Classified Staff	54	58	63	56	53	56	78	76	53	69
Full-time	51	55	60	56	53	56	78	76	50	64
Part-time	3	3	3	0	0	0	0	0	3	5
Total	257	264	298	286	302	310	309	299	267	276

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

TABLE P

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Instruction:										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,844	2,731	2,972	2,349	2,289	2,240	2,230	2,389	2,564	2,364
Vocational	26	85	101	1,281	1,209	1,541	1,411	1,071	1,424	1,849
Occupational	1,206	1,311	1,536	1,880	2,572	2,645	2,444	2,008	1,840	1,698
ABE	201	153	146	43	50	43	62	58	42	46
ASE	209	206	226	226	382	493	439	468	376	442
ESL	71	39	46	14	61	45	35	27	25	44
General Studies	0	2	3	1	1	1	0	0	4	1
General Associates	71	88	170	241	55	33	19	15	14	13
Total	4,628	4,615	5,200	6,035	6,619	7,041	6,640	6,036	6,289	6,457
Annual FTE Students	1,641	1,682	1,914	2,283	2,443	2,392	2,251	2,015	1,984	1,883
Total Reimbursable Credit Hours	49,219	50,471	57,435	68,499	73,314	71,756	67,530	59,970	53,430	49,830
Degrees awarded:										
Associate (transfer)	108	102	98	109	130	105	147	161	161	160
Associate in applied science	118	123	181	295	190	175	181	130	107	132
Career & technical certificates	141	139	187	157	123	170	205	175	202	138
Average annual faculty salary	\$47,889	\$48,158	\$47,731	\$45,867	\$44,921	\$44,922	\$44,263	\$43,989	\$44,636	\$42,371
Students per faculty	16	11	13	17	18	18	17	15	17	16
Institutional support:										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.71	1.69	1.30	1.50	1.34	1.30	1.16	1.30	1.57	1.30

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

TABLE Q

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Instruction:										
Building - acres	9.1	6.6	6.6	6.4	6.4	6.4	6.4	6.4	6.1	6.1
Classroom - sq. ft.	45,938	46,327	42,489	38,455	38,538	37,288	40,761	28,368	24,779	28,126
Lab - sq. ft.	71,505	71,505	64,704	65,743	67,128	64,341	66,114	68,436	65,171	67,836
Academic support:										
Support - sq. ft.	3,385	3,385	3,736	3,980	2,678	1,967	1,967	1,680	1,680	1,680
Study - sq. ft.	19,349	19,349	19,056	17,945	15,483	15,483	13,162	11,661	11,752	11,752
Student services:										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	18,133	18,133	18,133	18,133	18,133	12,214	9,420	9,420
General administration										
Office - sq. ft.	39,963	39,574	30,666	29,464	31,306	33,367	31,867	6,270	23,294	23,293
Institutional support:										
Landscaped grounds - acres	36.5	36.5	36.5	36.7	36.7	36.7	36.7	38.7	38.7	38.7
Parking lots - acres	9.0	9.0	9.0	9.0	9.0	9.0	9.0	7.0	7.0	7.0
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.8	4.8	4.8

Source: Acres - ICCB Table C1.3
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, 2009 with comparative totals at June 30, 2008**

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2009	Total June 30, 2008
				Unrestricted	Restricted		
	Restricted	Endowment Fund					
Cash and cash equivalents	\$2,898,261	\$324,246			\$40,230	\$3,262,737	\$1,841,691
Deposits		3,301,693				3,301,693	2,893,000
Investments	2,922,490	4,761,113		\$385,309	6,524,298	14,593,210	14,238,483
Receivables:							
Property taxes	2,526,260	3,479,359		268,347		6,273,966	5,921,327
Government claims and grants	2,174,952	311,168				2,486,120	191,582
Other	808,750	38,933		24	75,639	923,346	1,209,789
Due from other funds	377,995	2,159,990	\$53,426	1,498,657	2,296,861	6,386,929	5,286,229
Prepaid items	214,739					214,739	188,739
Inventories	11,550					11,550	14,500
Property and equipment, net	48,302					48,302	3,144
Other assets		13,825				13,825	15,138
Total assets	\$11,983,299	\$14,390,327	\$53,426	\$2,152,337	\$8,937,028	\$37,516,417	\$31,803,622
LIABILITIES AND FUND EQUITY (DEFICIT)							
Liabilities:							
Accounts payable	\$300,988	\$6,301	\$53,426			\$360,715	\$273,866
Accrued liabilities	146,141					146,141	233,909
Unearned revenue:							
Property taxes	3,385,109	4,662,233		\$359,576		8,406,918	7,990,344
Other	280,160	65,383				345,543	873,876
Due to other funds	4,839,922	1,547,007				6,386,929	5,286,229
Total liabilities	8,952,320	6,280,924	53,426	359,576	\$0	15,646,246	14,658,224
FUND EQUITY (DEFICIT)							
Retained earnings (deficit):							
Unreserved	52,660					52,660	26,773
Fund balance (deficit):							
Reserved for encumbrances	3,737	18,467				22,204	28,216
Reserved for insurance		4,316,005				4,316,005	5,324,293
Unreserved	2,974,582	3,774,931		1,792,761	8,937,028	17,479,302	11,766,116
Total fund equity (deficit)	3,030,979	8,109,403	0	1,792,761	8,937,028	21,870,171	17,145,398
Total liabilities and fund equity (deficit)	\$11,983,299	\$14,390,327	\$53,426	\$2,152,337	\$8,937,028	\$37,516,417	\$31,803,622

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, 2009 with comparative totals for fiscal year ended June 30, 2008

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2009	Total June 30, 2008
				Unrestricted	Restricted		
	Restricted	Endowment Fund					
Revenues:							
Local government	\$3,250,188	\$4,506,245		\$309,433		\$8,065,866	\$7,471,096
State government	6,285,942	1,463,551				7,749,493	7,899,788
Federal government	32,966	5,565,695				5,598,661	4,869,202
Student tuition and fees	6,676,310					6,676,310	5,330,438
Sales and service fees	633,901					633,901	669,538
Interest	20,049	312,070		12,225	\$283,164	627,508	835,159
Net increase in fair value of investments		6,884			10,280	17,164	116,690
Other	311,600	196,737		190,394		698,731	492,032
Total revenues	17,210,956	12,051,182	\$0	512,052	293,444	30,067,634	27,683,943
Expenditures/expenses:							
Current:							
Instruction	5,938,555	707,529				6,646,084	6,985,713
Academic support	319,059	4,595				323,654	324,867
Student services	2,799,830	525,829				3,325,659	2,883,847
Public services	189,306	500,268				689,574	657,399
Institutional support	4,984,473	2,085,608		85,246	1,250	7,156,577	6,795,737
Operation and maintenance of plant	1,327,281					1,327,281	1,345,246
Scholarships, student, grants, and waivers		5,129,059				5,129,059	4,587,469
Debt service:							
Principal retirement	97,912	6,875,000				6,972,912	4,735,000
Interest	2,892	1,185,388				1,188,280	1,217,073
Bond issuance costs		80,754				80,754	0
Capital outlay:							
Building construction, building improvement and equipment	113,733	135,058		1,093,747		1,342,538	3,146,264
Total expenditures/expenses	15,773,041	17,229,088	0	1,178,993	1,250	34,182,372	32,678,615
Excess (deficiency) of revenues over expenditures/expenses	1,437,915	(5,177,906)	0	(666,941)	292,194	(4,114,738)	(4,994,672)
Other financing sources (uses):							
Par on bonds sold		8,875,000				8,875,000	6,550,000
Net (discount) premium on bonds sold		(35,489)				(35,489)	12,895
Transfers in	67,372	1,415,000		2,724,236	2,000,000	6,206,608	3,860,670
Transfers out	(434,757)	(5,771,851)				(6,206,608)	(3,860,670)
Total other financing sources (uses)	(367,385)	4,482,660	0	2,724,236	2,000,000	8,839,511	6,562,895
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,070,530	(695,246)		2,057,295	2,292,194	4,724,773	1,568,223
Fund equity (deficit) at beginning of year	1,960,449	8,804,649		(264,534)	6,644,834	17,145,398	15,577,175
Fund equity (deficit) at end of year	\$3,030,979	\$8,109,403	\$0	\$1,792,761	\$8,937,028	\$21,870,171	\$17,145,398

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, 2009 with comparative totals for year ended June 30, 2008

	Unrestricted	Restricted	Total June 30, 2009	Total June 30, 2008
Revenues:				
Local government	\$3,250,188	\$4,506,245	\$7,756,433	\$7,288,257
State government	6,285,942	1,463,551	7,749,493	7,899,788
Federal government	32,966	5,565,695	5,598,661	4,869,202
Student tuition and fees	6,676,310		6,676,310	5,330,438
Sales and service fees	633,901		633,901	669,538
Interest	20,049	312,070	332,119	514,954
Net increase (decrease) in fair value of investments		6,884	6,884	82,771
Other	311,600	196,737	508,337	423,136
Total revenues	17,210,956	12,051,182	29,262,138	27,078,084
Expenditures/expenses:				
Current:				
Instruction	5,938,555	707,529	6,646,084	6,985,713
Academic support	319,059	4,595	323,654	324,867
Student services	2,799,830	525,829	3,325,659	2,883,847
Public services	189,306	500,268	689,574	657,399
Institutional support	4,984,473	2,085,608	7,070,081	6,745,695
Operation and maintenance of plant	1,327,281		1,327,281	1,345,246
Scholarships, student, grants, and waivers		5,129,059	5,129,059	4,587,469
Debt service:				
Principal retirement	97,912	6,875,000	6,972,912	4,735,000
Interest	2,892	1,185,388	1,188,280	1,217,073
Bond issuance costs		80,754	80,754	0
Capital outlay:				
Building construction, building improvements, and equipment	113,733	135,058	248,791	173,644
Total expenditures/expenses	15,773,041	17,229,088	33,002,129	29,655,953
Excess (deficiency) of revenues over expenditures/expenses	1,437,915	(5,177,906)	(3,739,991)	(2,577,869)
Other financing sources (uses):				
Par on bonds sold		8,875,000	8,875,000	6,550,000
Net (discount) premium on bonds sold		(35,489)	(35,489)	12,895
Transfers in	67,372	1,415,000	1,482,372	652,765
Transfers out	(434,757)	(5,771,851)	(6,206,608)	(3,807,905)
Total other financing sources (uses)	(367,385)	4,482,660	4,115,275	3,407,755
Net increase (decrease) in fund balance	\$1,070,530	(\$695,246)	\$375,284	\$829,886

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
BALANCE SHEET - CURRENT FUNDS
June 30, 2009**

A S S E T S	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education Fund	Operations and Maintenance Fund	Auxiliary Enterprise Fund	
Cash and cash equivalents	\$2,897,811		\$450	\$2,898,261
Deposits				0
Investments	2,922,490			2,922,490
Receivables:				
Property taxes	2,018,028	\$508,232		2,526,260
Government claims and grants	2,174,952			2,174,952
Other	616,535	180,453	11,762	808,750
Due from other funds		245,378	132,617	377,995
Prepaid items	193,955	20,784		214,739
Inventories			11,550	11,550
Property and equipment, net			48,302	48,302
Other assets				0
Total assets	\$10,823,771	\$954,847	\$204,681	\$11,983,299
LIABILITIES AND FUND EQUITY (DEFICIT)				
Liabilities:				
Accounts payable	\$300,988			\$300,988
Accrued liabilities	110,163		\$35,978	146,141
Unearned revenue:				
Property taxes	2,704,094	\$681,015		3,385,109
Other		164,117	116,043	280,160
Due to other funds	4,839,922			4,839,922
Total liabilities	7,955,167	845,132	152,021	8,952,320
FUND EQUITY (DEFICIT)				
Retained earnings (deficit):				
Unreserved			52,660	52,660
Fund balance (deficit):				
Reserved for encumbrances	3,737			3,737
Reserved for insurance				0
Unreserved	2,864,867	109,715		2,974,582
Total fund equity (deficit)	2,868,604	109,715	52,660	3,030,979
Total liabilities and fund equity (deficit)	\$10,823,771	\$954,847	\$204,681	\$11,983,299

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

Current Restricted Funds

Restricted Purpose	Nonexpendable Trust	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Bond and Interest	Total Current Restricted Funds
	\$260,056		\$64,190			\$324,246
\$21,000	2,157,693		123,000	\$1,000,000		3,301,693
	738,620		4,015,780		\$6,713	4,761,113
		\$50,823	1,199,429		2,229,107	3,479,359
311,168						311,168
			34,500	4,433		38,933
158,323	768,329		201,535	45,442	986,361	2,159,990
						0
						0
						0
	13,825					13,825
\$490,491	\$3,938,523	\$50,823	\$5,638,434	\$1,049,875	\$3,222,181	\$14,390,327
\$6,301						\$6,301
						0
		\$68,102	\$1,607,197		\$2,986,934	4,662,233
65,321			62			65,383
		117,284	1,429,723			1,547,007
71,622	\$0	185,386	3,036,982	\$0	2,986,934	6,280,924
						0
18,467						18,467
			4,316,005			4,316,005
400,402	3,938,523	(134,563)	(1,714,553)	1,049,875	235,247	3,774,931
418,869	3,938,523	(134,563)	2,601,452	1,049,875	235,247	8,109,403
\$490,491	\$3,938,523	\$50,823	\$5,638,434	\$1,049,875	\$3,222,181	\$14,390,327

**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, 2009

	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education	Operations and Maintenance	Auxiliary Enterprise	
Revenues:				
Local government	\$2,609,313	\$640,875		\$3,250,188
State government	5,890,984	394,958		6,285,942
Federal government	4,776		\$28,190	32,966
Student tuition and fees	5,964,374	461,056	250,880	6,676,310
Sales and service fees			633,901	633,901
Interest	18,006	2,043		20,049
Net increase (decrease) in fair value of investments				0
Other	116,611	46,326	148,663	311,600
Total revenues	14,604,064	1,545,258	1,061,634	17,210,956
Expenditures/expenses:				
Current:				
Instruction	5,938,555			5,938,555
Academic support	319,059			319,059
Student services	1,731,468		1,068,362	2,799,830
Public services	189,306			189,306
Institutional support	4,892,414	92,059		4,984,473
Operation and maintenance of plant		1,327,281		1,327,281
Scholarships, student, grants, and waivers				0
Debt service:				
Principal retirement	97,912			97,912
Interest	2,892			2,892
Bond issuance costs				0
Capital outlay:				
Building construction, building improvements, and equipment	83,556	30,177		113,733
Total expenditures/expenses	13,255,162	1,449,517	1,068,362	15,773,041
Excess (deficiency) of revenues over expenditures/expenses	1,348,902	95,741	(6,728)	1,437,915
Other financing sources (uses):				
Par on bonds sold				
Net premium (discount) on bonds sold				
Transfers in			67,372	67,372
Transfers out	(400,000)		(34,757)	(434,757)
Total other financing sources (uses)	(400,000)	0	32,615	(367,385)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	948,902	95,741	25,887	1,070,530
Fund equity (deficit) at beginning of year	1,919,702	13,974	26,773	1,960,449
Fund equity (deficit) at end of year	\$2,868,604	\$109,715	\$52,660	\$3,030,979

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

Current Restricted Funds						
Restricted Purpose	Nonexpendable Trust	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Bond and Interests	Total Current Restricted Funds
\$38,247		\$64,735	\$1,676,632		\$2,726,631	\$4,506,245
1,463,551						1,463,551
5,565,695						5,565,695
						0
						0
682	\$106,539	108	169,607	\$31,291	3,843	312,070
	(595)		7,479			6,884
187,067			9,670			196,737
7,255,242	105,944	64,843	1,863,388	31,291	2,730,474	12,051,182
707,529						707,529
4,595						4,595
525,829						525,829
500,268						500,268
23,243		65,154	1,990,837		6,374	2,085,608
						0
5,129,059						5,129,059
					6,875,000	6,875,000
					1,185,388	1,185,388
					80,754	80,754
135,058						135,058
7,025,581	0	65,154	1,990,837	0	8,147,516	17,229,088
229,661	105,944	(311)	(127,449)	31,291	(5,417,042)	(5,177,906)
					8,875,000	8,875,000
					(35,489)	(35,489)
				400,000	1,015,000	1,415,000
	(418,401)		(1,015,000)		(4,338,450)	(5,771,851)
0	(418,401)	0	(1,015,000)	400,000	5,516,061	4,482,660
229,661	(312,457)	(311)	(1,142,449)	431,291	99,019	(695,246)
189,208	4,250,980	(134,252)	3,743,901	618,584	136,228	8,804,649
\$418,869	\$3,938,523	(\$134,563)	\$2,601,452	\$1,049,875	\$235,247	\$8,109,403

**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, 2009**

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$2,571,594	\$2,598,791	\$27,197
Chargeback revenue	6,500	0	(6,500)
Other	15,294	10,522	(4,772)
Total local government	2,593,388	2,609,313	15,925
State government:			
ICCB base operating grant	1,838,906	1,973,364	134,458
ICCB equalization grant	2,185,309	2,336,101	150,792
Corporate personal property replacement tax	219,717	250,373	30,656
Board of Vocational Education and Rehabilitation	80,000	121,012	41,012
State of Illinois SURS on-behalf payments	800,000	1,210,134	410,134
Total state government	5,123,932	5,890,984	767,052
Federal government - AmeriCorps	0	4,776	4,776
Student tuition and fees	5,544,513	5,964,374	419,861
Interest	77,110	18,006	(59,104)
Miscellaneous - other	69,314	116,611	47,297
Total revenues	13,408,257	14,604,064	1,195,807
Expenditures:			
Instruction:			
Salaries	5,115,417	4,860,638	254,779
Employee benefits	9,805	6,485	3,320
Contractual services	996,809	738,641	258,168
General materials and supplies	350,715	234,873	115,842
Conference and meeting expense	124,601	91,041	33,560
Fixed charges	1,523	384	1,139
Other	13,663	6,493	7,170
Total instruction	6,612,533	5,938,555	673,978

**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, 2009

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Academic support:			
Salaries	198,197	195,060	3,137
Contractual services	39,520	19,627	19,893
General materials and supplies	108,165	100,640	7,525
Conference and meeting expense	4,479	3,732	747
Total academic support	350,361	319,059	31,302
Student services:			
Salaries	994,640	954,911	39,729
Contractual services	296,636	303,183	(6,547)
General materials and supplies	67,642	43,719	23,923
Conference and meeting expense	32,003	19,284	12,719
Fixed charges	517	515	2
Other	362,985	409,856	(46,871)
Total student services	1,754,423	1,731,468	22,955
Public services:			
Salaries	133,682	84,016	49,666
Contractual services	67,118	54,288	12,830
General materials and supplies	32,982	26,006	6,976
Conference and meeting expense	27,491	22,949	4,542
Fixed charges	300	0	300
Utilities	5,550	422	5,128
Other	2,200	1,625	575
Total public services	269,323	189,306	80,017
Institutional support:			
Salaries	1,271,602	1,180,723	90,879
Employee benefits	2,395,001	2,473,534	(78,533)
Contractual services	176,277	135,173	41,104
General materials and supplies	835,699	839,225	(3,526)
Conference and meeting expense	85,118	57,092	28,026
Fixed charges	133,640	27,923	105,717
Other	101,856	178,744	(76,888)
Total institutional support	4,999,193	4,892,414	106,779

**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, 2009

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Debt service:			
Principal retirement	0	97,912	(97,912)
Interest	0	2,892	(2,892)
Capital outlay	121,705	83,556	38,149
Total expenditures	14,107,538	13,255,162	852,376
Excess (deficiency) of revenues over expenditures	(699,281)	1,348,902	2,048,183
Other financing sources:			
Transfers in	617,250	0	(617,250)
Transfers out	0	(400,000)	(400,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(\$82,031)</u>	948,902	<u>\$1,030,933</u>
Fund balance at beginning of year		<u>1,919,702</u>	
Fund balance at end of year		<u><u>\$2,868,604</u></u>	

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

For the year ended June 30, 2009

	Budget	Actual	Variance With Budget
Revenues:			
Local government -			
Property taxes	\$637,164	\$640,875	\$3,711
State government:			
ICCB base operating grant	149,100	184,883	35,783
ICCB equalization grant	177,187	189,414	12,227
Corporate personal property replacement tax	17,815	20,661	2,846
Total state government	344,102	394,958	50,856
Student tuition and fees	423,909	461,056	37,147
Interest	8,750	2,043	(6,707)
Other:			
Rent	41,148	45,599	4,451
Miscellaneous	1,578	727	(851)
Total other revenue	42,726	46,326	3,600
Total revenues	1,456,651	1,545,258	88,607
Expenditures:			
Institutional support:			
Contractual services	15,951	15,674	277
General materials and supplies	607	0	607
Conference and meeting expense	506	0	506
Utilities	81,790	76,385	5,405
Total institutional support	98,854	92,059	6,795

**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, 2009

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Operation and maintenance of plant:			
Salaries	525,700	491,839	33,861
Contractual services	101,479	79,262	22,217
General materials and supplies	87,596	77,232	10,364
Conference and meeting expense	4,006	2,123	1,883
Fixed charges	1,966	511	1,455
Utilities	597,222	603,234	(6,012)
Other	74,458	73,080	1,378
Total operation and maintenance of plant	1,392,427	1,327,281	65,146
Capital outlay	22,985	30,177	(7,192)
Total expenditures	1,514,266	1,449,517	64,749
Excess (deficiency) of revenues over expenditures	(57,615)	95,741	153,356
Other financing sources (uses) -			
Transfers in	40,000	0	(40,000)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$17,615)</u>	95,741	<u>\$113,356</u>
Fund balance at beginning of year		13,974	
Fund balance at end of year		<u>\$109,715</u>	

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

AUDIT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL**

For the year ended June 30, 2009

	Budget	Actual	Variance With Budget
Revenues:			
Local government -			
Property taxes	\$63,716	\$64,735	\$1,019
Interest	460	108	(352)
Total revenues	64,176	64,843	667
Expenditures -			
Institutional support:			
Salaries	22,090	5,688	16,402
Contractual services	54,788	59,466	(4,678)
General materials and supplies	690	0	690
Conference and meeting expense	293	0	293
Total expenditures	77,861	65,154	12,707
Deficiency of revenues over expenditures	<u>(\$13,685)</u>	<u>(311)</u>	<u>\$13,374</u>
Fund balance (deficit) at beginning of year		<u>(134,252)</u>	
Fund balance (deficit) at end of year		<u><u>(\$134,563)</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, 2009**

	Budget	Actual	Variance With Budget
Revenues -			
Interest	\$23,475	\$31,291	\$7,816
Other financing sources -			
Transfers in	0	400,000	400,000
Excess of revenues and other financing sources	<u>\$23,475</u>	431,291	<u>\$407,816</u>
Fund balance at beginning of year		<u>618,584</u>	
Fund balance at end of year		<u>\$1,049,875</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, 2009

	Budget	Actual	Variance With Budget
Revenues:			
Local government - Property taxes	\$2,696,167	\$2,726,631	\$30,464
Interest	16,355	3,843	(12,512)
Total revenues	2,712,522	2,730,474	17,952
Expenditures -			
Institutional support - Other	7,668	6,374	1,294
Debt service:			
Principal retirement	1,485,000	6,875,000	(5,390,000)
Interest	1,203,499	1,185,388	18,111
Bond issuance costs	0	80,754	(80,754)
Total debt service	2,688,499	8,141,142	(5,452,643)
Total expenditures	2,696,167	8,147,516	(5,451,349)
Excess (deficiency) of revenues over expenditures	16,355	(5,417,042)	(5,433,397)
Other financing sources (uses):			
Par on bonds sold	0	8,875,000	8,875,000
Net premium (discount) on bonds sold	0	(35,489)	(35,489)
Transfers in	0	1,015,000	1,015,000
Transfers out	0	(4,338,450)	(4,338,450)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$16,355</u>	99,019	<u>\$82,664</u>
Fund balance at beginning of year		136,228	
Fund balance at end of year		<u>\$235,247</u>	

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

For the year ended June 30, 2009

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$306,400	\$309,433	\$3,033
Interest	14,495	12,225	(2,270)
Other	77,800	190,394	112,594
Total revenues	398,695	512,052	113,357
Expenditures -			
Institutional support -			
Contractual services	33,860	85,246	(51,386)
Capital outlay - building construction and building improvements	934,190	1,093,747	(159,557)
Total expenditures	968,050	1,178,993	(210,943)
Deficiency of revenues over expenditures	(569,355)	(666,941)	(97,586)
Other financing sources -			
Transfers in	712,875	2,724,236	2,011,361
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$143,520</u>	2,057,295	<u>\$2,200,815</u>
Fund balance (deficit) at beginning of year		(264,534)	
Fund balance at end of year		<u>\$1,792,761</u>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
CAPITAL ENDOWMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2009**

	Budget	Actual	Variance With Budget
Revenues:			
Interest	\$230,805	\$283,164	\$52,359
Net increase in fair value of investments	0	10,280	10,280
Total revenues	230,805	293,444	62,639
Expenditures -			
Institutional support -			
Fixed charges	1,250	1,250	0
Total expenditures	1,250	1,250	0
Excess of revenues over expenditures	229,555	292,194	62,639
Other financing sources -			
Transfers in	0	2,000,000	2,000,000
Transfers out	(903,800)	0	(903,800)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$674,245)</u>	2,292,194	<u>\$1,617,949</u>
Fund balance at beginning of year		<u>6,644,834</u>	
Fund balance at end of year		<u><u>\$8,937,028</u></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, 2009**

	Budget	Actual	Variance With Budget
Operating revenues:			
Federal government grant	\$27,000	\$28,190	\$1,190
Student tuition and fees	235,505	250,880	15,375
Sales and service fees	656,807	633,901	(22,906)
Other	188,674	148,663	(40,011)
Total operating revenues	1,107,986	1,061,634	(46,352)
Operating expenses:			
Salaries	563,847	510,603	53,244
Employee benefits	12,115	12,056	59
Contractual services	200,638	183,891	16,747
General materials and supplies	219,939	181,857	38,082
Conference and meeting expense	53,395	50,534	2,861
Depreciation	40,000	2,762	37,238
Other	191,539	126,659	64,880
Total operating expenses	1,281,473	1,068,362	213,111
Operating income before transfers in (out)	(173,487)	(6,728)	166,759
Transfers in	103,975	67,372	(36,603)
Transfers out	(50,000)	(34,757)	15,243
Net income	<u>(\$119,512)</u>	25,887	<u>(\$93,625)</u>
Retained earnings at beginning of year		<u>26,773</u>	
Retained earnings at end of year		<u>\$52,660</u>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES, BY PROGRAM
For the year ended June 30, 2009**

	Student Activities - Other Services	Auto Mechanics
Operating revenues:		
Federal government grants	\$0	\$0
Student tuition and fees	250,880	0
Sales and service fees	156,728	37,910
Other	48,225	0
Total operating revenues	455,833	37,910
Operating expenses:		
Salaries	89,030	0
Employee benefits	0	0
Contractual services	60,337	0
General materials and supplies	68,623	40,618
Conference and meetings	0	0
Depreciation	2,762	0
Other	100,403	0
Total operating expenses	321,155	40,618
Operating income (loss)	\$134,678	(\$2,708)

Food Service	Bookstore	Athletics	Cosmetology	Child Care Center	Dental Hygiene	Totals
\$0	\$0	\$0	\$0	\$28,190	\$0	\$28,190
0	0	0	0	0	0	250,880
0	0	0	28,481	381,585	29,197	633,901
12,273	86,240	0	0	1,925	0	148,663
12,273	86,240	0	28,481	411,700	29,197	1,061,634
0	0	108,507	0	313,066	0	510,603
0	0	0	0	12,056	0	12,056
50,401	0	31,821	1,700	37,952	1,680	183,891
574	0	38,790	3,936	4,764	24,552	181,857
0	0	50,332	0	202	0	50,534
0	0	0	0	0	0	2,762
2,569	0	21,967	0	1,607	113	126,659
53,544	0	251,417	5,636	369,647	26,345	1,068,362
(\$41,271)	\$86,240	(\$251,417)	\$22,845	\$42,053	\$2,852	(\$6,728)

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
COMBINING BALANCE SHEET - LIABILITY PROTECTION FUNDS
June 30, 2009**

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Cash and cash equivalents			\$64,190	\$64,190
Deposits		\$123,000		123,000
Investments			4,015,780	4,015,780
Receivables:				
Property taxes		1,199,429		1,199,429
Other			34,500	34,500
Due from other funds			201,535	201,535
Total assets	\$0	\$1,322,429	\$4,316,005	\$5,638,434
LIABILITIES AND FUND BALANCE (DEFICIT)				
Liabilities:				
Unearned revenue -				
Property taxes		\$1,607,197		\$1,607,197
Due to other funds	\$683,415	746,308		1,429,723
Other liabilities	62			62
Total liabilities	683,477	2,353,505	\$0	3,036,982
Fund balance (deficit):				
Reserved for insurance			4,316,005	4,316,005
Unreserved	(683,477)	(1,031,076)		(1,714,553)
Total fund balance (deficit)	(683,477)	(1,031,076)	4,316,005	2,601,452
Total liabilities and fund balance	\$0	\$1,322,429	\$4,316,005	\$5,638,434

**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, 2009**

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government		\$1,676,632		\$1,676,632
Interest		6,444	\$163,163	169,607
Net increase in fair value of investments			7,479	7,479
Other	\$9,670			9,670
Total revenues	9,670	1,683,076	170,642	1,863,388
Expenditures -				
Current -				
Institutional support	10,519	1,980,206	112	1,990,837
Excess (deficiency) of revenues over expenditures	(849)	(297,130)	170,530	(127,449)
Other financing sources -				
Transfers in (out)		163,818	(1,178,818)	(1,015,000)
Excess (deficiency) of revenues and other financing sources over expenditures	(849)	(133,312)	(1,008,288)	(1,142,449)
Fund balance (deficit) at end of year	(682,628)	(897,764)	5,324,293	3,743,901
Fund balance (deficit) at end of year	(\$683,477)	(\$1,031,076)	\$4,316,005	\$2,601,452

**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, 2009**

	Budget	Actual	Variance With Budget
Revenues -			
Other	\$10,000	\$9,670	(\$330)
Expenditures -			
Employee benefits	16,380	10,519	5,861
Excess (deficiency) of revenues over expenditures	<u>(\$6,380)</u>	<u>(849)</u>	<u>\$5,531</u>
Fund balance (deficit) at beginning of year		<u>(682,628)</u>	
Fund balance (deficit) at end of year		<u><u>(\$683,477)</u></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, 2009

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	\$1,665,546	\$1,676,632	\$11,086
Interest income	8,930	6,444	(2,486)
Total revenues	1,674,476	1,683,076	8,600
Expenditures:			
Salaries	1,444,785	1,416,508	28,277
Employee benefits	194,800	136,887	57,913
Contractual services	216,854	142,899	73,955
General materials and supplies	19,776	12,346	7,430
Conference and meetings	4,400	3,013	1,387
Fixed charges	226,773	263,087	(36,314)
Other	3,731	5,466	(1,735)
Total expenditures	2,111,119	1,980,206	130,913
Excess (deficiency) of revenues over expenditures	(436,643)	(297,130)	139,513
Other financing sources (uses) -			
Transfer in	0	163,818	163,818
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(\$436,643)</u>	<u>(133,312)</u>	<u>\$303,331</u>
Fund balance (deficit) at beginning of year		<u>(897,764)</u>	
Fund balance (deficit) at end of year		<u>(\$1,031,076)</u>	

**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, 2009**

	Budget	Actual	Variance With Budget
Revenues:			
Interest income	\$208,451	\$163,163	(\$45,288)
Net increase in fair value of investments	0	7,479	7,479
Total revenues	208,451	170,642	(37,809)
Expenditures -			
Other	0	112	(112)
Excess (deficiency) of revenues over expenditures	208,451	170,530	(37,921)
Other financing sources (uses) -			
Transfers out	0	(1,178,818)	(1,178,818)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$208,451</u>	<u>(1,008,288)</u>	<u>(\$1,216,739)</u>
Fund balance at beginning of year		<u>5,324,293</u>	
Fund balance at end of year		<u>\$4,316,005</u>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE BALANCE SHEET - ALL FUND TYPES
TO THE STATEMENT OF NET ASSETS**
For the year ended June 30, 2009

Fund equity - all fund types (page 59)	\$21,870,171
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	19,602,007
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	287,143
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(92,654)
Long-term liabilities not reported in the governmental funds	(29,011,661)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(356,834)</u>
Net assets (Page 13)	<u><u>\$12,298,172</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, 2009

Net increase in fund equity - all fund types (page 60)	\$4,724,773
<p>Governmental funds report capital outlays as expenditures. However, in the Statements of Net Assets, the cost of those assets is allocated over their useful life and reported as depreciation expense:</p>	
Capital outlay	1,170,122
Depreciation expense	(1,142,853)
Loss on disposal	(190,072)
<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	6,875,000
Capital leases	97,912
Compensated absences	(6,738)
<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	(8,875,000)
Bond issuance costs	80,754
Discount on bonds sold	35,489
<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>	
	57,293
<p>Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.</p>	
	(32,154)
<p>Revenue for student tuition is recognized in the governmental funds when substantially received.</p>	
	<u>(151,968)</u>
Increase in net assets (page 14)	<u><u>\$2,642,558</u></u>

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, 2009

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, 2009

	Education Fund **	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2008	\$1,919,702	\$13,974	(\$264,534)	\$6,644,834
Revenue:				
Local taxes	2,598,791	640,875	309,433	
All other local government	10,522			
ICCB grants	4,430,477	374,297		
All other state revenue	250,373	20,661		
Federal revenue				
Student tuition and fees	5,964,374	461,056		
All other revenue	134,617	48,369	202,619	293,444
Total revenue	13,389,154	1,545,258	512,052	293,444
Expenditures:				
Instruction	5,938,555			
Academic support	319,059			
Student services	1,731,468			
Public services	189,306			
Institutional support	3,682,280	92,059	85,246	1,250
Scholarships, student grants, and waivers				
Operation and maintenance		1,327,281		
Principal retirement	97,912			
Interest, service charges, and issuance costs	2,892			
Building construction, building improvements, and equipment	83,556	30,177	1,093,747	
Total expenditures	12,045,028	1,449,517	1,178,993	1,250
Par on bonds sold				
Net premium (discount) on bonds sold				
Transfers in			2,724,236	2,000,000
Transfers out	(400,000)			
	(400,000)	0	2,724,236	2,000,000
Fund balance (deficit) at June 30, 2009	\$2,863,828	\$109,715	\$1,792,761	\$8,937,028

** 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
\$136,228	\$26,773	\$189,208	(\$134,252)	\$3,743,901	\$618,584	\$4,250,980	\$17,145,398
2,726,631			64,735	1,676,632			8,017,097
		38,247					48,769
		236,107					5,040,881
		1,227,444					1,498,478
	28,190	5,565,695					5,593,885
	250,880						6,676,310
3,843	782,564	187,749	108	186,756	31,291	105,944	1,977,304
2,730,474	1,061,634	7,255,242	64,843	1,863,388	31,291	105,944	28,852,724
		707,529					6,646,084
		4,595					323,654
	1,068,362	525,829					3,325,659
		500,268					689,574
6,374		23,243	65,154	1,990,837			5,946,443
		5,129,059					5,129,059
							1,327,281
6,875,000							6,972,912
1,266,142							1,269,034
		135,058					1,342,538
8,147,516	1,068,362	7,025,581	65,154	1,990,837	0	0	32,972,238
8,875,000							8,875,000
(35,489)							(35,489)
1,015,000	67,372				400,000		6,206,608
(4,338,450)	(34,757)			(1,015,000)		(418,401)	(6,206,608)
5,516,061	32,615	0	0	(1,015,000)	400,000	(418,401)	8,839,511
\$235,247	\$52,660	\$418,869	(\$134,563)	\$2,601,452	\$1,049,875	\$3,938,523	\$21,865,395

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT***

For the year ended June 30, 2009

	Fixed Assets/ Debt Account Groups July 1, 2008	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2009
Fixed assets:					
Land	\$405,483				\$405,483
Work in progress	2,590,317	\$627,476	\$50,000	(\$45,659)	3,122,134
Furniture and equipment	3,568,333	229,502	319,765	9,447	3,487,517
Land improvements	220,304	42,875			263,179
Buildings and additions	25,877,208	275,963		36,212	26,189,383
Vehicles	266,518	42,225			308,743
Infrastructure	2,356,688				2,356,688
Total fixed assets	35,284,851	1,218,041	369,765	0	36,133,127
Accumulated depreciation	15,604,555	1,145,615	267,352		16,482,818
Total net fixed assets	\$19,680,296	\$72,426	\$102,413	\$0	\$19,650,309
Fixed debts:					
Bonds payable	\$26,610,000	\$8,875,000	\$6,875,000		\$28,610,000
Other fixed liabilities	517,356	355,685	441,917		431,124
Total fixed debts	\$27,127,356	\$9,230,685	\$7,316,917	\$0	\$29,041,124

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2009.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES**
For the year ended June 30, 2009

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Current taxes	\$2,598,791	\$640,875	\$3,239,666
Tuition chargeback revenue	0	0	0
Other	10,522	0	10,522
Total local government	2,609,313	640,875	3,250,188
State government:			
ICCB base operating grant	1,973,364	184,883	2,158,247
ICCB equalization grant	2,336,101	189,414	2,525,515
Corporate personal property replacement tax	250,373	20,661	271,034
Board of Vocation Education and Rehabilitation	121,012	0	121,012
Total state government	4,680,850	394,958	5,075,808
Federal government -			
AmeriCorps	4,776	0	4,776
Student tuition and fees:			
Tuition	5,844,234	461,056	6,305,290
Fees	120,140	0	120,140
Total tuition and fees	5,964,374	461,056	6,425,430
Other sources:			
Facilities revenue	0	0	0
Interest	18,006	2,043	20,049
Other	116,611	46,326	162,937
Total other sources	134,617	48,369	182,986
Total revenue	13,393,930	1,545,258	14,939,188
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
Adjusted revenue	\$13,393,930	\$1,545,258	\$14,939,188

* 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, 2009

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$6,033,362	\$30,177	\$6,063,539
Academic support	319,059	0	319,059
Student services	1,731,468	0	1,731,468
Public services	189,306	0	189,306
Institutional support **	3,771,833	92,059	3,863,892
Operation and maintenance of plant	0	1,327,281	1,327,281
Total expenditures	12,045,028	1,449,517	13,494,545
Less nonoperating items -*			
Tuition chargeback	2,995	0	2,995
Adjusted expenditures	\$12,042,033	\$1,449,517	\$13,491,550
By object:			
Salaries	\$7,275,348	\$491,839	\$7,767,187
Employee benefits **	1,269,885	0	1,269,885
Contractual services	1,250,912	94,936	1,345,848
General materials and supplies	1,244,463	77,232	1,321,695
Conference and meeting expense	194,098	2,123	196,221
Fixed charges	118,375	511	118,886
Utilities	1,625	679,619	681,244
Capital outlay	94,807	30,177	124,984
Other	595,515	73,080	668,595
Total expenditures	12,045,028	1,449,517	13,494,545
Less nonoperating items -*			
Tuition chargeback	2,995	0	2,995
Adjusted expenditures	\$12,042,033	\$1,449,517	\$13,491,550

* 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, 2009

Revenue by source:

Local government:

United Way	\$7,006
Development of Special Educators	3,833
Pre-K	22,467
Quality Counts Child Care	4,941
Other	0

Total local government	38,247
------------------------	--------

State government:

ICCB:

Workforce Development Business/Industry Grant	62,126
State Adult Education Restricted Funds Grants	154,374
Program Improvement Grant	16,536
Penny Severns Summer Family Literacy	6,148
Illinois Incentive for Access	86,000
S.O.S. Family Literacy	126,000
RSVP	34,156
Illinois Assistance Grant	974,965
Other	3,246

Total state government	1,463,551
------------------------	-----------

Federal government:

College Work Study Grants	63,129
Pell Grants	3,312,466
Supplemental Educational Opportunity Grant	67,455
Federal Adult Basic	86,297
Federal Adult EL/Civics	20,682
Tech Prep Support	4,000
Trio-Student Support services	178,610
Direct Loans	836,289
Carl Perkins	243,442
RSVP	98,814
Upward Bound	249,270
Innovation Grant	5,704
Academic Competitive Grant	8,950
Title III	390,587

Total federal government	5,565,695
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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, 2009

Revenue by source (continued):	
Other sources	187,749
<hr/>	
Total restricted purposes fund revenues	\$7,255,242
<hr/>	
Expenditures by program:	
Instruction	\$842,587
Academic support	4,595
Student services	525,829
Public services	500,268
Institutional support	23,243
Scholarships, student grants, and waivers	5,129,059
<hr/>	
Total restricted purposes fund expenditures by program	\$7,025,581
<hr/>	
Expenditures by object:	
Salaries	\$904,173
Employee benefits	160,597
Contractual services	72,978
General materials and supplies	246,150
Travel, conference and meeting expense	65,164
Student financial aid	5,129,059
Fixed charges	32,200
Utilities	3,053
Capital outlay	135,058
Other	277,149
<hr/>	
Total restricted purposes fund expenditures by object	\$7,025,581
<hr/>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
For the year ended June 30, 2009**

Instructional:	
Programs	\$5,873,228
Support	1,001,213
<hr/>	
Total instructional	6,874,441
<hr/>	
Public services	691,081
<hr/>	
Academic support:	
Learning Resource Center	193,180
Administration	130,474
<hr/>	
Total academic support	323,654
<hr/>	
Student services support:	
Admissions and records	191,472
Counseling and career guidance	418,300
Financial Aid Administration	153,527
Other student services support	1,493,998
<hr/>	
Total student services support	2,257,297
<hr/>	
Auxiliary services	1,068,362
<hr/>	
Operations and maintenance of plant:	
Maintenance	379,780
Custodial	223,554
Grounds	129,192
Plant utilities	603,234
Other operations and maintenance	21,699
<hr/>	
Total operations and maintenance of plant	1,357,459
<hr/>	
Institutional support:	
Executive management	340,038
Fiscal operations **	350,265
Community relations	453,179
Administrative support services	1,773,915
Board of Trustees	51,986
General institutional support	1,714,030
Administrative data processing	794,556
Other institutional support	460,381
<hr/>	
Total institutional support	5,938,350
<hr/>	
Scholarships, student grants, and waivers	5,129,059
<hr/>	
Total current funds expenditures	\$23,639,703
<hr/>	

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

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

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)**

For the year ended June 30, 2009

Noncapital operating expenditures from the following funds:

1	Education Fund	\$11,961,472
2	Operations and Maintenance Fund	1,419,340
3	Bond and Interest Fund	8,147,516
4	Restricted Purposes Fund	6,890,523
5	Audit Fund	65,154
6	Liability, Protection, and Settlement Fund	<u>1,990,837</u>
7	Total noncapital expenditures (sum of lines 1-6)	<u><u>\$30,474,842</u></u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$739,314</u></u>
9	Total costs included (line 7 plus line 8)	<u><u>\$31,214,156</u></u>
10	Total certified semester credit hours for FY 2009	<u><u>49,218.5</u></u>
11	Per capita cost (line 9 divided by line 10)	\$634.20
12	All FY 2009 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>7,908,073</u></u>
13	FY 2009 state and federal grants per semester credit hour (line 12 divided by line 10)	160.67
14	District's average ICCB grant rate (excluding equalization grants) for FY 2010	58.34
15	District's student tuition and fee rate per semester credit hour for FY 2010	<u>127.00</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)	<u><u>\$288.18</u></u>

Approved: Lisa Blake
Chief Financial Officer

 9/14/2009
Date

 Thomas A. Schmitt
President

 9/14/2009
Date



**AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS
FOR WORKFORCE DEVELOPMENT, CAREER AND
TECHNICAL EDUCATION-PROGRAM IMPROVEMENT, ADULT EDUCATION &
FAMILY LITERACY, AND TECH PREP SUPPORT GRANTS**

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

We have audited the accompanying balance sheets of the Workforce Development, Career and Technical Education-Program Improvement, Adult Education & Family Literacy, and Tech Prep Support Grants of Carl Sandburg College – Community College District No. 518 (the College) as of June 30, 2009, and the related statements of revenues, expenditures, and changes in fund balance – actual for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Workforce Development, Career and Technical Education-Program Improvement, Adult Education & Family Literacy, and Tech Prep Support Grants of Carl Sandburg College – Community College District No. 518 (the College) at June 30, 2009, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lindgren, Callihan, Van Osdol & Co., Ltd.

Sterling, Illinois
September 14, 2009

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM
BALANCE SHEET
June 30, 2009**

ASSETS

Cash	\$0
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LIABILITIES AND FUND BALANCE

Liabilities	\$0
-------------	-----

Fund balance	0
--------------	---

Total liabilities and fund balance	\$0
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**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, 2009

	Business/ Industry
<hr/>	
Revenues*	
State Sources	\$62,126
<hr/>	
Expenditures:*	
Salaries	27,823
Benefits	4,897
Rent	23,800
Other	5,606
<hr/>	
Total expenditures	62,126
<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.

**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, 2009

	General	Operation of Workforce Dev. Office	Total
Expenditures:			
1. Personnel (salaries and benefits) **		\$32,720	\$32,720
2. Contractual services		5,606	5,606
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			0
a. Office equipment *			0
b. Utilities and telephone			0
c. Consumable supplies			0
d. Duplicating			0
e. Facility rental		23,800	23,800
10. <u>Totals</u>	<u>\$0</u>	<u>\$62,126</u>	<u>\$62,126</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, 2009

ASSETS	State Basic	State Public Assistance	State Performance	Total
Due from other funds	\$0	\$0	\$0	\$0
LIABILITIES AND FUND BALANCE				
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, 2009

	State Basic	State Public Assistance	State Performance	Total
Revenues -				
Grant revenue	\$84,814	\$21,545	\$48,015	\$154,374
Expenditures:				
Instruction	44,414	12,543	11,332	68,289
Social work services				0
Guidance services	12,369		25,031	37,400
Assistive and adaptive equipment				0
Assessment and testing		9,002	10,228	19,230
Student transportatoin services			2,075	2,075
Literacy services	21,074			21,074
Child care services				0
Subtotal instructional and student services	77,857	21,545	48,666	148,068
Improvement of instructional services				0
General administration	7,082		181	7,263
Operation and maintenance of plant services				0
Worforce coordination				0
Data and information services				0
Indirect costs				0
Subtotal program support	7,082	0	181	7,263
Total expenditures	84,939	21,545	48,847	155,331
Excess of revenues over expenditures	(125)	0	(832)	(957)
Fund balance at beginning of year	125	0	832	957
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, 2009

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$44,414	52.29%
General Administration (9% maximum allowed)	\$7,082	8.34%
<hr/>		
State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$12,543	58.22%
General Administration (9% maximum allowed)	\$0	0.00%

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
TECH PREP SUPPORT GRANT PROGRAM
BALANCE SHEET**

June 30, 2009

A S S E T S

Due from other funds	\$0
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LIABILITIES AND FUND BALANCE

Liabilities	\$0
-------------	-----

Fund balance - reserved for encumbrances	0
--	---

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

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
TECH PREP SUPPORT GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE**

For the year ended June 30, 2009

Revenues -*	
State Sources	\$0
<hr/>	
Expenditures -*	
Payment of prior year's encumbrances (Note B) - General materials and supplies	311
<hr/>	
Excess of revenues over expenditures	(311)
<hr/>	
Fund balance at beginning of year	311
<hr/>	
Fund balance at end of year	\$0

*Report ICCB grant funds only.

See Note to Financial Statements.

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

June 30, 2009

ASSETS

Cash	\$0
------	-----

LIABILITIES AND FUND BALANCE

Liabilities	\$0
-------------	-----

Fund balance	0
--------------	---

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, 2009

Revenues -*	
State sources	\$16,536
<hr/>	
Expenditures -*	
General materials and supplies	16,536
<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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS**
June 30, 2009

(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, Career and Technical Education-Program Improvement, Adult Education & Family Literacy, and Tech Prep Support 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, 2009. 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.

Fixed Assets

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

(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, 2009, and have issued our report thereon dated September 14, 2009. 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, 2009. 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, 2009, 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.

Lindgren, Callihan, Van Osdel & Co., Ltd.

Sterling, Illinois
September 14, 2009

**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, 2009**

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	3,025.0		12,209.0		11,886.0		27,120.0	0.0
Business Occupational	419.0		1,443.0		1,406.0		3,268.0	0.0
Technical Occupation	292.0		1,831.5		1,716.0		3,839.5	0.0
Health Occupational	1,052.0		3,908.5		3,605.5		8,566.0	0.0
Remedial Development	397.0		1,562.0		982.0		2,941.0	0.0
Adult Basis Education/ Adult Secondary Education	61.5	298.5	102.0	1,475.0	325.0	1,222.0	488.5	2,995.5
Total credit hours certified	5,246.5	298.5	21,056.0	1,475.0	19,920.5	1,222.0	46,223.0	2,995.5

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	44,932.8	0.0	44,932.8
	Dual Credit	Dual Enrollment	
Reimbursable semester credit hours (all terms)	3,264.0	25.0	
District equalized assessed valuation			\$1,374,876,565

	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
Total credit hours certified	0.0	0.0	0.0	0.0

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

Signatures 
President


Chief Financial Officer (CFO)

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

For the year ended June 30, 2009

Reconciliation of Total Semester Credit Hours For the year ended June 30, 2009						
	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	27,120.0	27,120.0	-	-	-	-
Business Occupational	3,268.0	3,268.0	-	-	-	-
Technical Occupation	3,839.5	3,839.5	-	-	-	-
Health Occupational	8,566.0	8,566.0	-	-	-	-
Remedial Development	2,941.0	2,941.0	-	-	-	-
Adult Basis Education/Adult Secondary Education	488.5	488.5	-	2,995.5	2,995.5	-
Total	46,223.0	46,223.0	-	2,995.5	2,995.5	-

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	44,932.8	44,932.8	-
Out-of-districts on chargeback or contractual agreement	0.0	0.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	3,264.0	3,264.0	-
Dual enrollment	25	25	-

Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2009			
	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupation	-	-	-
Remedial Development	-	-	-
Total	-	-	-

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

June 30, 2009

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 2008, 2007, and 2006**

	2008	2007	2006
Assessed Valuations:			
Knox County	\$662,869,159	\$627,413,484	\$588,749,264
Warren County	227,252,463	213,899,595	203,870,198
Fulton County	11,738,827	10,829,414	10,437,028
Henderson County	101,640,442	96,159,059	88,991,812
Mercer County	15,627,204	14,283,444	13,524,172
Stark County	81,214	81,430	82,222
Henry County	536,286	503,319	467,926
McDonough County	115,126,492	123,397,410	100,691,105
Schuyler County	2,007,984	1,830,105	1,836,393
Hancock County	237,996,494	229,504,532	216,673,704
Total assessed valuations	\$1,374,876,565	\$1,317,901,792	\$1,225,323,824
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.1953	0.2020	0.2063
Operations and Maintenance Accounts	0.0764	0.0734	0.0649
Bond and Interest Fund	0.2193	0.2106	0.1953
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1180	0.1295	0.1324
Total tax rate	\$0.6140	\$0.6205	\$0.6039
Tax Extensions:			
Educational Accounts	\$2,704,094	\$2,601,208	\$2,529,139
Operations and Maintenance Accounts	1,040,591	945,192	799,908
Bond and Interest Fund	2,986,934	2,711,952	2,407,119
Audit Fund	68,102	64,386	61,626
Liability, Protection, Settlement, Social Security, and Medicare Accounts	1,607,197	1,667,606	1,645,419
Total tax extensions	\$8,406,918	\$7,990,344	\$7,443,211

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

Levy Years 2008, 2007, and 2006

	2008	2007	2006
Tax Collections to June 30:			
Education Fund	\$679,543	\$2,609,586	\$2,513,472
Operations and Maintenance Fund	173,974	639,478	611,049
Bond and Interest Fund	763,051	2,720,688	2,386,756
Audit Fund	17,397	64,594	61,105
Protection, Health, Safety	91,858	308,758	182,092
Liability, Protection, and Settlement Fund	410,579	1,672,977	1,618,057
Total tax collections	\$2,136,402	\$8,016,081	\$7,372,531
Percent of extensions collected	25.41%	100.32%	99.05%

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 basic financial statements of Carl Sandburg College – Community College District No. 518 (the College) as of and for the years ended June 30, 2009 and 2008, and of its discretely presented component unit, Carl Sandburg College Foundation, as of and for the year then ended, and have issued our report thereon dated September 14, 2009. 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Carl Sandburg College – Community College District No. 518's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 the internal control that might be deficiencies, significant deficiencies or material weaknesses, and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting. Item 09-01, 09-02.

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 matters that we reported to management of Carl Sandburg College – Community College District No. 518 in a separate letter dated September 14, 2009.

Carl Sandburg College – Community College District No. 518’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Carl Sandburg College – Community College District No. 518’s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, 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.

Jindgren, Callihan, Van Osdol & Co., Ltd.

Sterling, Illinois
September 14, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Carl Sandburg College – Community College District No. 518 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Carl Sandburg College – Community College District No. 518's financial statements 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 would not necessarily identify all deficiencies in internal control that might be 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 the Board of Trustees, management, 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.

Jindgen, Callahan, Van Osdol & Co., LLC

Sterling, Illinois
September 14, 2009

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2009**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture -			
Direct awards -			
Child & Adult Care Food Program	10.558	N/A	\$29,964
U.S. Department of Education:			
Direct awards:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	55,802
Federal Work Study Program	84.033	N/A	63,129
Federal Pell Grant Program	84.063	N/A	3,103,924
Federal Direct Loan Program	84.268	N/A	836,289
Academic Competitive Grant	84.375	N/A	8,950
TRIO - Upward Bound -			
Crossing the Bridge to Success	84.047	P047A070128	245,852
Higher Education Institutional Aid -			
Title III Strengthening Institutions	84.031	P031A050036	390,598
Pass-through the Illinois Community College Board:			
Adult Education:			
Federal Adult EL/Civics	84.002	51801	20,682
Federal Adult Basic	84.002	51801	86,297
Total CFDA 84.002			106,979
Career and Technical Education Programs:			
Innovation Grant	84.048		5,704
Perkins Postsecondary Grants	84.048	CTE51809	239,457
Total CFDA 84.048			245,161
Pass-through Southeastern Community College -			
TRIO - Student Support Services	84.042	P042A050016	180,250
Pass-through Western Area Career Center -			
Tech-Prep Education	84.243	N/A	4,000
Total U.S. Department of Education			5,240,934
Corporation for National and Community Service -			
Direct awards:			
Retired and Senior Volunteer Program	94.002	N/A	98,814
Americorps	94.006	N/A	4,776
Total Corporation for National and Community Service			103,590
Total federal awards expended			\$5,374,488

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518**
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2009

- **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 programs are as follows:

Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268, 84.375)	\$4,068,094
TRIO Cluster (84.047, 84.042)	<u>426,102</u>
Total	<u>\$4,494,196</u>

- **Subrecipient Payments** - Carl Sandburg College – Community College District No. 518 did not provide any federal payments to subrecipients during the year ended June 30, 2009.

- **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, 2009.

- **Loans Outstanding** - Carl Sandburg College – Community College District No. 518 has no loans or loan guarantees outstanding at June 30, 2009.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
June 30, 2009**

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?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

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

Type of auditor’s report issued on compliance for major programs:		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?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268, 84.375	Student Financial Aid
84.047, 84.042	TRIO

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?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009**

Section II – Financial Statement Findings

Item 09-01

Condition:

The College lacks proper segregation of duties at the Children's School.

Effect:

The effect of this significant deficiency is potential fraud opportunities.

Cause:

Three employees can collect cash, prepare the cash receipt listing, record cash receipts, prepare customer billings, make billing adjustment, and handle customer complaints.

Recommendation:

Separate individuals should be responsible custody, authorization, and recording of cash receipts and billing customers.

Management Response:

Separate individuals will be assigned to payment collection and posting; billing, billing adjustments, and handling of customer complaints; approval of billing adjustments; and deposit functions. The business office personnel will continue to reconcile accounting records between the Children's School and the business office. These will be reviewed monthly by the Coordinator of Accounting Services or the Chief Financial Officer of the College.

Item 09-02

Condition:

The College lacks proper segregation of duties over the cash disbursements cycle.

Effect:

The effect of this significant deficiency is potential fraud opportunities.

Cause:

The Accounts Payable Clerk has the ability to add new vendors to the system.

Recommendation:

The College should restricted access to the vendor master file to authorized employees only.

Management Response:

Vendor maintenance will be restricted to authorized employees of the College. This will no longer be permitted by Accounts Payable.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
CORRECTIVE ACTION PLAN**
June 30, 2009

Finding No: 09-01

Condition:

The College lacks proper segregation of duties at the Children's School.

Plan:

Segregation of the collection, billing, authorization, and deposit functions will be designated. Continued reconciliation to the college system will be performed.

Anticipated Date of Completion:

September 1, 2009

Name of Contact Person:

Lisa Blake, Chief Financial Officer

Finding No: 09-02

Condition:

The College lacks proper segregation of duties over the cash disbursements cycle.

Plan:

Accounts payable will no longer be able to perform vendor maintenance.

Anticipated Date of Completion:

September 1, 2009

Name of Contact Person:

Lisa Blake, Chief Financial Officer

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, 2009

Prior Year Findings:

June 30, 2008:

None

June 30, 2007:

None