

# 2010 Comprehensive Annual Financial Report

Fiscal year ended June 30, 2010



Carl Sandburg  
College

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

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

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**June 30, 2010 and 2009**

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**INTRODUCTORY SECTION**  
(Unaudited)



## **President's Letter**

September 14, 2010

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 2010. This document represents the record of the College's financial operations for the year ending June 30, 2010.

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

Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, retraining, upgrading their skills, maintaining certification, or advancing in their profession. Of our enrollment, 62 percent are women and 52 percent attend part-time. What they all have in common is that they come to Carl Sandburg College to learn.

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

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

Respectfully,

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

Illinois Community College District 518

**MAIN CAMPUS**  
2400 Tom L. Wilson Boulevard  
Galesburg, Illinois 61401  
Phone: 309-344-2518  
Fax: 309-344-1395

**THE BRANCH CAMPUS**  
305 Sandburg Drive  
Carthage, Illinois 62321  
Phone: 217-357-3129  
Fax: 217-357-3512

**THE EXTENSION CENTER**  
380 East Main Street  
Bushnell, Illinois 61422  
Phone: 309-772-2177  
Fax: 309-772-2958





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 14, 2010

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

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2010, 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.

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.

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## 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 2009, the College enrolled 2,661 students, with an average age of 30 years. Women represented 62 percent of the student body and 52 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fall College enrollment	3,575	3,260	2,930	2,693	2,615	2,661
Annual Full-time equivalents	2,443	2,283	1,914	1,509	1,600	1,754
Continuing Education Credit Hours	1,378	1,400	1,029	1,066	1,002	1,556
<u>Total Annual Credit Hours</u>	73,314	68,500	57,434	50,471	49,219	52,620

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

In March of fiscal year 2010, the College issued \$2,000,000 of Working Cash Fund Bonds to enhance the College's ability to meet cash flow demands with the delay in receiving state allocations. The College also issued \$5,895,000 of refunding bonds to generate debt service savings and restructuring of the debt to maintain level tax rates to the district residents.

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

The Thomas A. Schmidt Charger Community Center was completed and dedicated on June 2, 2010. The Board of Trustees believes co-curricular and extra-curricular activities are an integral part of the educational process; that the College must have a commitment to every stakeholder in the district; and that the College is vital in accommodating economic development. This center helps to make this a reality in the southern part of our district. Other initiatives included Protection Health Safety projects throughout the campus. These included the Classroom and Campus Emergency Alert System and additional ADA Automatic Door upgrades.

**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.

<b><u>Fund Group</u></b>	<b><u>Fund</u></b>
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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current:					
Education	0.1953	0.2020	0.2063	0.2015	0.1989
Operations and Maintenance	0.0500	0.0495	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1070	0.1167	0.1157	0.1191	0.1095
Audit	0.0050	0.0050	0.0050	0.0050	0.0050
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security/Medicare	0.0110	0.0128	0.0167	0.0170	0.0083
Bond and Interest	0.2193	0.2106	0.1953	0.1833	0.1813
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0264	0.0239	0.0149	0.0000	0.0000
Total	0.6140	0.6205	0.6039	0.5759	0.5530

Estimated assessed value of taxable property for 2009, representing taxes collectible in 2010, is \$1,427,057,760.

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 2010 included the renovation of the second floor of the Annex building to accommodate our massage therapy program. The Thomas A. Schmidt Charger Community Center was also renovated to provide access to the southern portion of our district to co-curricular and extra-curricular activities related to the educational process. Other plans continue to be designated primarily for investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication equipment, security equipment, and increased district wide wireless high speed internet access. 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 2010, the college issued new debt to expand our Working Cash Fund to provide additional cushion in its reserves and to retain the ability to internally cash flow the operations without interruption.

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

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

In the fiscal year ending June 30, 2010, the College's investments generated \$564,544 in investment income.

The College invests funds in an Operating Checking account at IH Mississippi Valley Credit Union. The College's average rate on these funds was 1.75 percent. As of June 30, 2010, other investments were as follows:

<b>Investments</b>	<b>Amount</b>	<b>Percent</b>
IH Mississippi Valley Credit Union Money Market	\$581,887	2.89
Illinois Funds	919,761	4.57
Illinois School District Liquid Asset Fund	511,813	2.54
Municipal bonds & US Government securities	15,785,945	78.40
Certificates of Deposit	2,334,716	11.60
	<b>\$20,134,422</b>	<b>100.00</b>

*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, 2014.

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

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



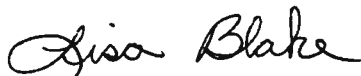
## AWARDS AND ACKNOWLEDGEMENTS

The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the seventh 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 2010**  
**Principal Officials as of June 30, 2010**

**Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>Term Expires</b>
Mr. Michael T. Bavery	Chairperson	2013
Mr. Thomas H. Colclasure	Vice Chairperson	2015
Mr. Bruce Lauerman	Secretary	2015
Mr. John T. Huston	Trustee	2011
Ms. Gayla J. Pacheco	Trustee	2011
Mr. William C. Robinson	Trustee	2011
Reverend Jon A. Sibley, Sr.	Trustee	2013
Mr. Elisha L. French	Student Trustee	
Mr. Michael A. (Tony) Paris	Faculty Representative	
Ms. Joan Smith	Staff Representative	

**Officers of the College**

Mr. Thomas Schmidt	President / Retired 7-1-2010
Dr. Lori Sundberg	Vice President of Academic Services / President 7-1-2010
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 and Organizational Development
Mr. Michael Walters	Dean of the Library
Ms. Lauri Wiechmann	Dean of Allied Health

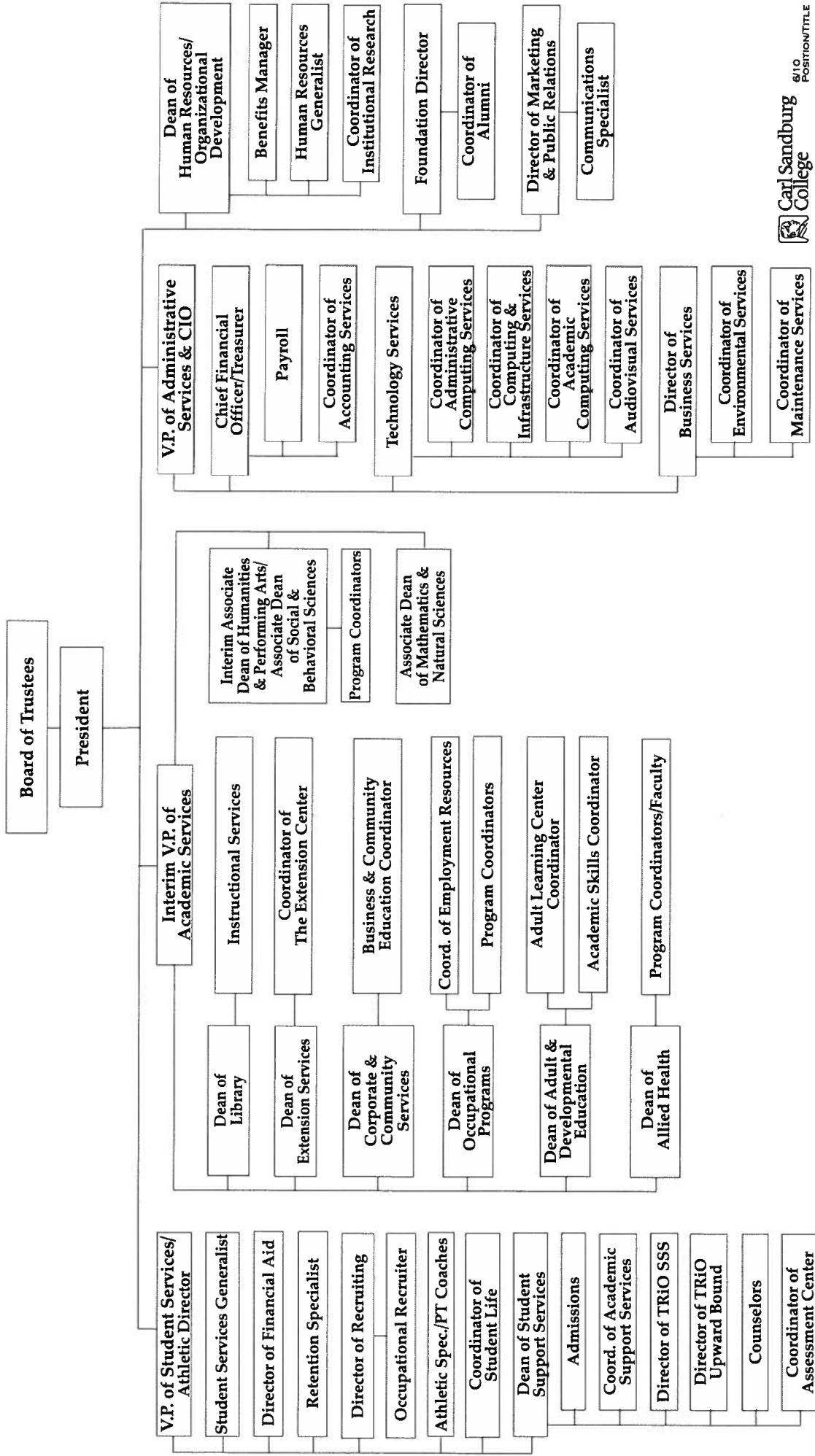
**Official Issuing Report**

Ms. Lisa Blake, Chief Financial Officer/Treasurer

**Department Issuing Report**

Finance Office

# CARL SANDBURG COLLEGE ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carl Sandburg College  
Community College District 518  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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.



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of Carl Sandburg College – Community College District No. 518 (the College) as of and for the years ended June 30, 2010 and 2009, 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, 2010 and 2009, 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, 2010, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 67 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carl Sandburg College – Community College District No. 518's basic financial statements as a whole. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the 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.

*Lindgren, Callahan, Van Osdol & Co., Ltd.*

Sterling, Illinois  
September 14, 2010

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS**  
For the years ended June 30, 2010 and 2009

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**Management’s Discussion and Analysis**

This section of Carl Sandburg College’s Comprehensive Annual Financial Report presents management’s discussion and analysis of the College’s financial activity during the fiscal years ended June 30, 2010 and 2009. 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 20-43). 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 eighth 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.

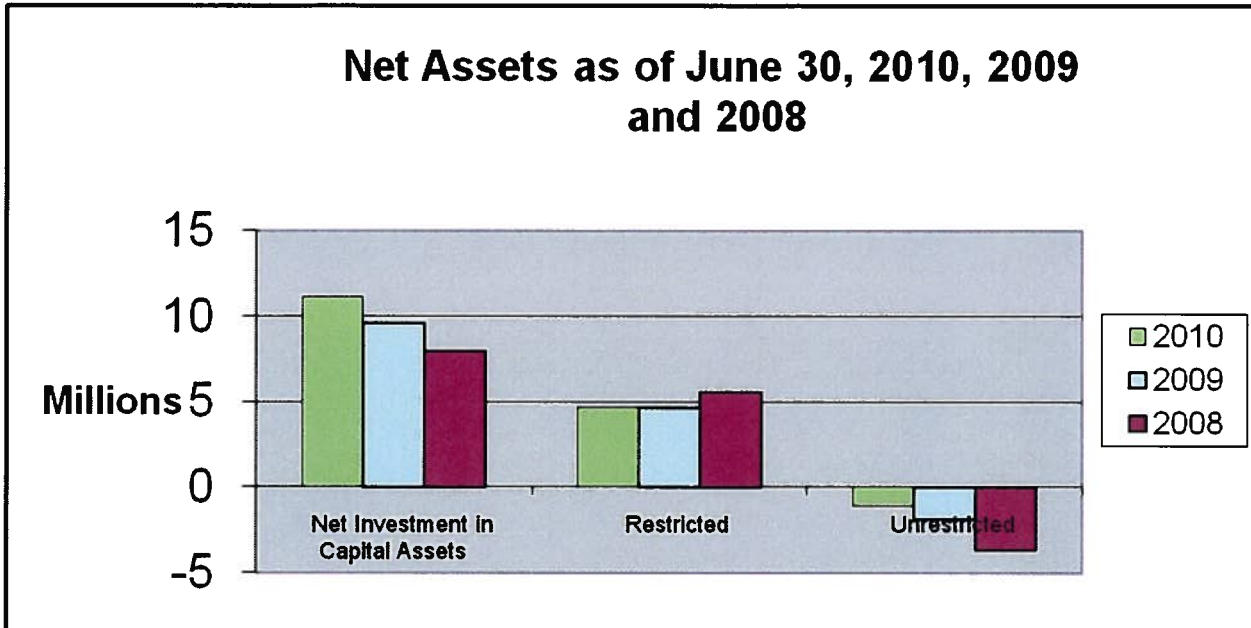
The College’s financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated 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 (H) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.



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

For the years ended June 30, 2010 and 2009

**Financial Highlights**



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

	2010	2009	Increase (Decrease) 2010-2009	2008	Increase (Decrease) 2009-2008
Current assets	\$18.7	\$23.6	(\$4.9)	\$18.0	\$5.6
Non-current assets					
Capital assets, net of depreciation	22.3	19.7	2.6	19.7	0.0
Other	13.1	7.7	5.4	8.7	(1.0)
Total assets	54.1	51.0	3.1	46.4	4.6
Current liabilities	12.4	11.7	0.7	11.4	0.3
Non-current liabilities	27.0	27.0	0.0	25.3	1.7
Total liabilities	39.4	38.7	0.7	36.7	2.0
Net assets					
Investment in capital assets, net	11.1	9.6	1.5	7.9	1.7
Restricted for					
Debt service	0.4	0.3	0.1	0.1	0.2
Insurance	4.3	4.3	0.0	5.3	(1.0)
Unrestricted	(1.1)	(1.9)	0.8	(3.7)	1.8
Total	\$14.7	\$12.3	\$2.4	\$9.7	\$2.6

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

For the years ended June 30, 2010 and 2009

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

**Fiscal Year 2010 Compared to 2009**

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

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

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

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

**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.

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

For the years ended June 30, 2010 and 2009

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

	2010	2009	Increase (Decrease) 2010-2009	2008	Increase (Decrease) 2009-2008
Operating revenue					
Tuition and fees	\$5.0	\$5.2	(\$0.2)	\$4.7	\$0.5
Auxiliary	0.6	0.6	0.0	0.7	(0.1)
Total operating revenue	5.6	5.8	(0.2)	5.4	0.4
Less operating expenses	26.6	24.8	1.8	24.4	0.4
Operating loss	(21.0)	(19.0)	(2.0)	(19.0)	0.0
Non-operating revenue					
State grants and contracts	5.5	6.3	(0.8)	6.6	(0.3)
Federal grants and contracts	7.2	5.6	1.6	4.9	0.7
Property taxes	8.4	8.0	0.4	7.4	0.6
Investment income	0.6	0.6	0.0	0.9	(0.4)
Other	3.1	2.3	0.8	1.8	0.6
Total non-operating revenue	24.8	22.8	2.0	21.6	1.2
Non-operating expense					
Interest expense	1.4	1.2	0.2	1.2	0.0
<b>Increase (decrease) in net assets</b>	2.4	2.6	(0.2)	1.4	1.2
Net assets, beginning of year	12.3	9.7	2.6	8.3	1.4
Net assets, end of year	\$14.7	\$12.3	\$2.4	\$9.7	\$2.6

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2010 were \$30.4 million and \$28.0 million, respectively. Fiscal year 2009 total revenues and expenses (Operating and Non-Operating) were \$28.6 million and \$26.0 million. Fiscal year 2008 total revenues and expenses (Operating and Non-Operating) were \$27.0 million and \$25.6 million.

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

For the years ended June 30, 2010 and 2009

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**Fiscal Year 2010 Compared to 2009**

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

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

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

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

**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.

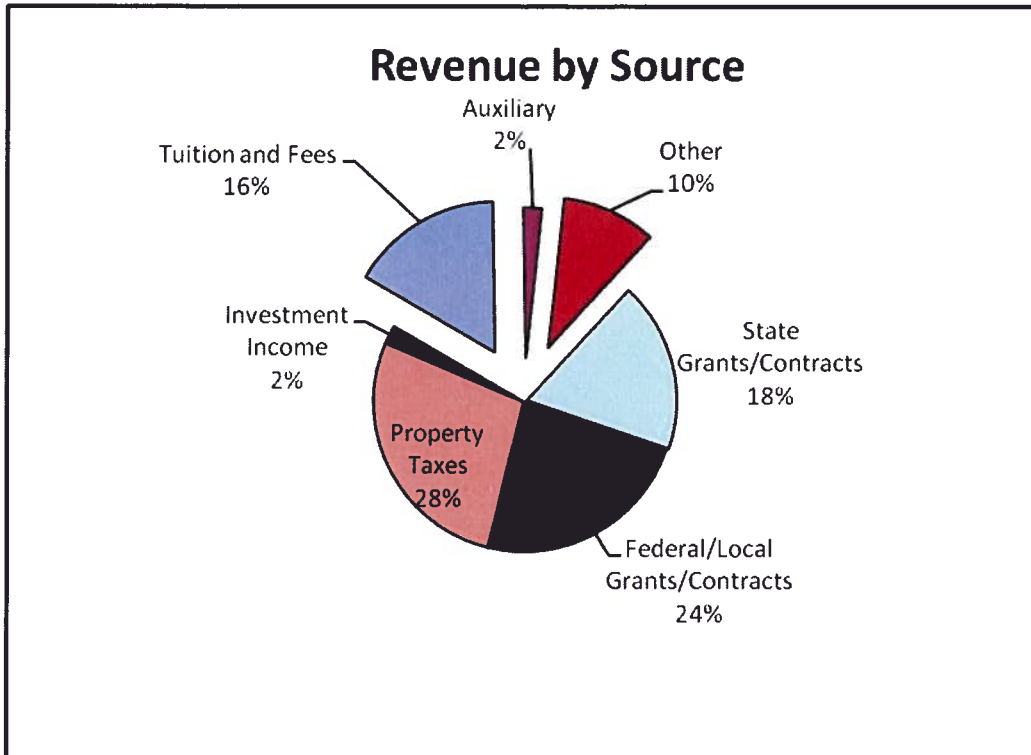
Non-operating revenue increased \$1.2 million. Property tax revenue increased with an increase in EAV and an increase in the tax rate. Federal grants also increased. Investment income decreased with the interest rates falling.

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.

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

For the years ended June 30, 2010 and 2009

The following is a graphic illustration of revenues by source for the year ended June 30, 2010.



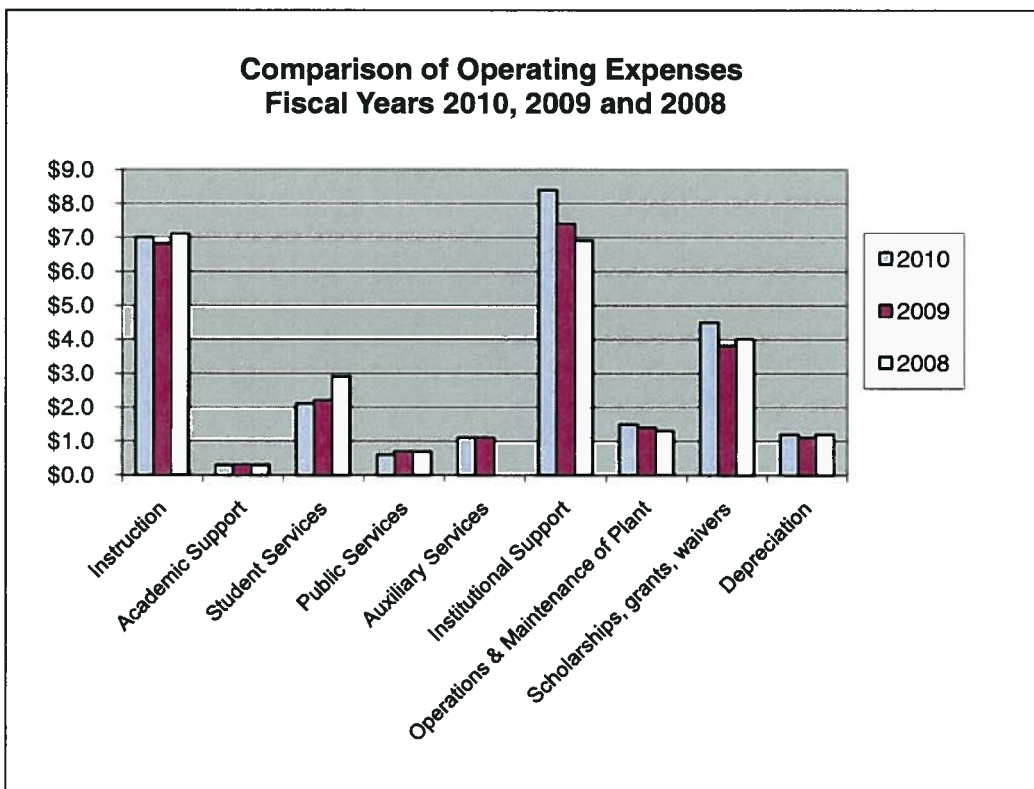
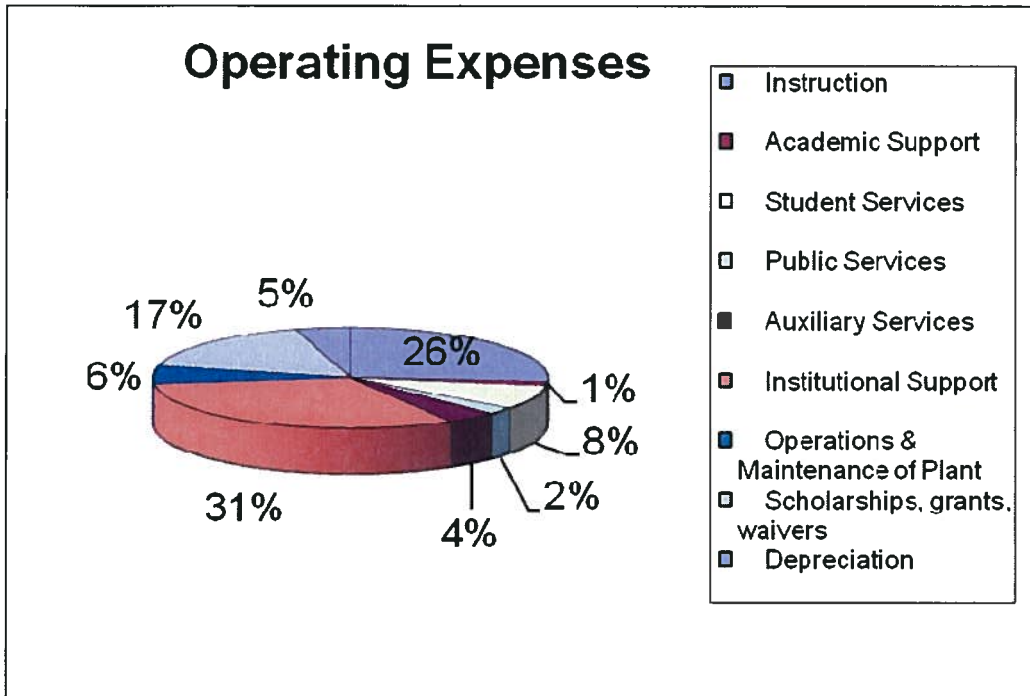
**Operating Expenses  
For the Year Ended June 30,  
(in millions)**

Operating expense			Increase		Increase	
	2010	2009	(Decrease)	2008	(Decrease)	2009-2008
Instruction	\$7.0	\$6.8	\$0.2	\$7.1	(\$0.3)	
Academic support	0.3	0.3	0.0	0.3	0.0	
Student services	2.1	2.2	(0.1)	1.9	0.3	
Public services	0.6	0.7	(0.1)	0.7	0.0	
Auxiliary services	1.1	1.1	0.0	1.0	0.1	
Operations & maintenance of plant	1.4	1.4	0.0	1.3	0.1	
Institutional support	8.4	7.4	1.0	6.9	0.5	
Scholarships, grants, waivers	4.5	3.8	0.7	4.0	(0.2)	
Depreciation	1.2	1.1	0.1	1.2	(0.1)	
<b>Total</b>	<b>\$26.6</b>	<b>\$24.8</b>	<b>\$1.8</b>	<b>\$24.4</b>	<b>\$0.4</b>	

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

For the years ended June 30, 2010 and 2009

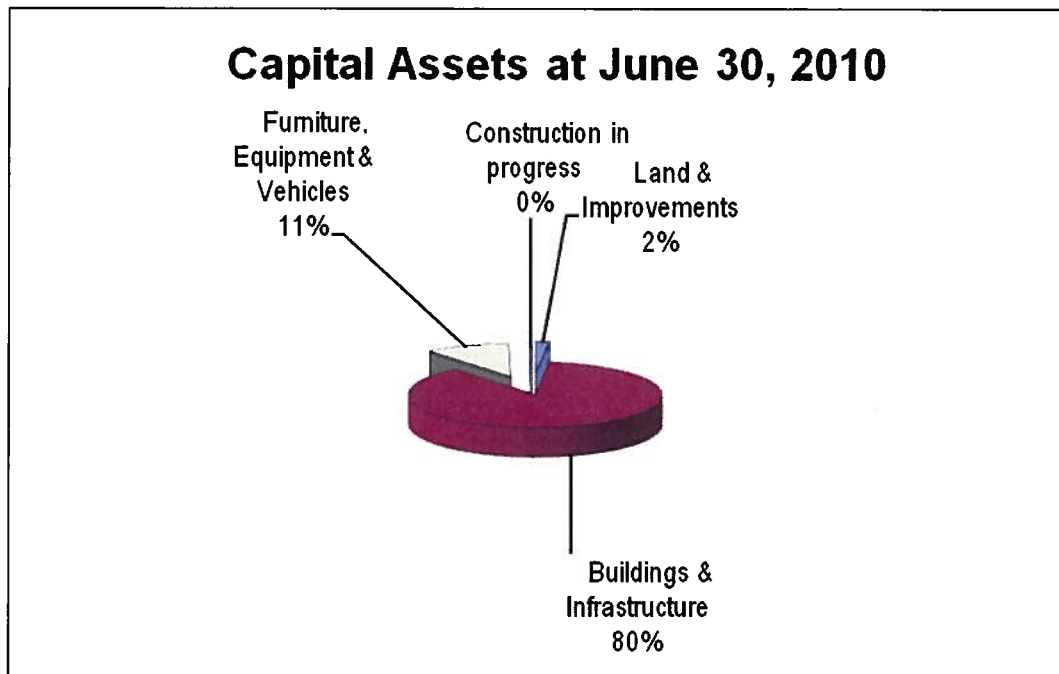
The following is a graphic illustration of operating expenses for the year ended June 30, 2010.



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)  
For the years ended June 30, 2010 and 2009**

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

	2010	2009	Increase (Decrease) 2010-2009	2008	Increase (Decrease) 2009-2008
Capital Assets					
Land & improvements	\$0.7	\$0.7	\$0.0	\$0.6	\$0.1
Buildings & infrastructure	34.8	28.5	6.3	28.3	0.2
Furniture, equipment & vehicles	4.3	3.8	0.5	3.8	0.0
Construction in progress	0.1	3.1	(3.0)	2.6	0.5
<b>Total</b>	<b>39.9</b>	<b>36.1</b>	<b>3.8</b>	<b>35.3</b>	<b>0.8</b>
Less accumulated depreciation	(17.6)	(16.5)	(1.1)	(15.6)	(0.9)
<b>Net capital assets</b>	<b>\$22.3</b>	<b>\$19.6</b>	<b>\$2.7</b>	<b>\$19.7</b>	<b>(\$0.1)</b>



**Fiscal Year 2010 Compared to 2009**

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

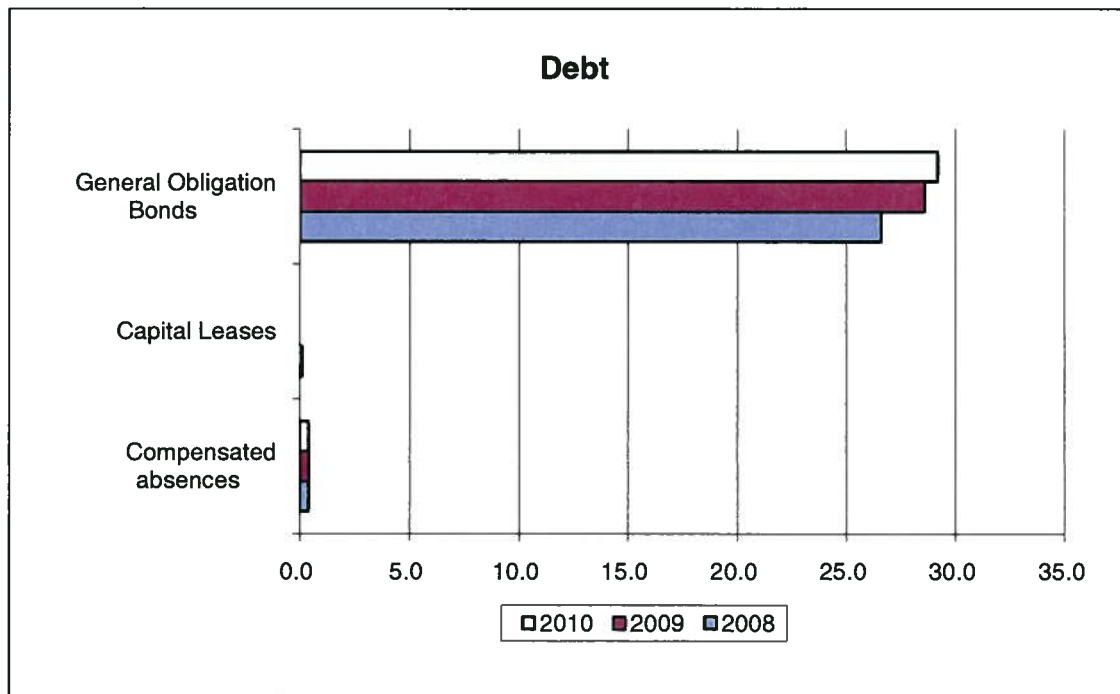
**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
MANAGEMENT DISCUSSION AND ANALYSIS  
(CONTINUED)**

For the years ended June 30, 2010 and 2009

**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 \$19.6 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.

<b>Debt June 30, (in millions)</b>					
			<b>Increase (Decrease)</b>		
	<u>2010</u>	<u>2009</u>	<u>2010-2009</u>	<u>2008</u>	<u>2009-2008</u>
General Obligation Bonds	\$29.2	\$28.6	\$0.6	\$26.6	\$2.0
Capital Leases	0.0	0.0	0.0	0.1	(0.1)
Compensated absences	0.4	0.4	0.0	0.4	0.0
<b>Total</b>	<b>\$29.6</b>	<b>\$29.0</b>	<b>\$0.6</b>	<b>\$27.1</b>	<b>\$1.9</b>





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

For the years ended June 30, 2010 and 2009

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**Fiscal Year 2010 Compared to 2009**

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

**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.

**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, 2010 and 2009**

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$4,074,484	\$3,262,737
Deposits	2,334,716	3,301,693
Short-term investments	4,129,499	6,846,441
Property taxes receivable	5,272,659	6,273,966
Other receivables	2,367,037	3,409,466
Prepaid items	211,210	214,739
Inventories	9,950	11,550
Other assets	339,839	300,968
<b>Total current assets</b>	<b>18,739,394</b>	<b>23,621,560</b>
<b>Noncurrent assets:</b>		
Long-term investments	13,114,488	7,746,769
Capital assets	39,872,487	36,133,127
Less accumulated depreciation	(17,610,027)	(16,482,818)
<b>Total noncurrent assets</b>	<b>35,376,948</b>	<b>27,397,078</b>
<b>Total assets</b>	<b>54,116,342</b>	<b>51,018,638</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	186,716	360,715
Accrued liabilities	154,230	209,332
Unearned tuition and fees	349,540	356,834
Unearned property taxes	8,678,460	8,406,918
Other unearned revenue	373,041	345,543
Accrued compensated absences, current portion	267,517	282,557
Bonds payable, current portion	2,360,000	1,770,000
Other long-term obligations, current portion	0	7,288
<b>Total current liabilities</b>	<b>12,369,504</b>	<b>11,739,187</b>
<b>Noncurrent liabilities:</b>		
Accrued compensated absences, noncurrent	133,759	141,279
Bonds payable, noncurrent	26,895,000	26,840,000
<b>Total noncurrent liabilities</b>	<b>27,028,759</b>	<b>26,981,279</b>
<b>Total liabilities</b>	<b>39,398,263</b>	<b>38,720,466</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	11,085,428	9,640,599
Restricted - expendable:		
Debt service	373,529	235,247
Insurance	4,316,004	4,316,005
Unrestricted	(1,056,882)	(1,893,679)
<b>Total net assets</b>	<b>\$14,718,079</b>	<b>\$12,298,172</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN NET ASSETS**

For the years ended June 30, 2010 and 2009

	2010	2009
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$2,366,815 and \$1,304,021, respectively	\$4,979,691	\$5,215,322
Auxiliary enterprises revenue	657,750	633,901
<b>Total operating revenue</b>	<b>5,637,441</b>	<b>5,849,223</b>
Operating expenses:		
Instruction	6,907,398	6,796,180
Academic support	349,791	318,302
Student services	2,111,962	2,255,882
Public services	619,085	691,725
Auxiliary services	1,132,156	1,068,362
Operation and maintenance of plant	1,452,909	1,342,798
Institutional support	8,380,754	7,357,043
Scholarships, student grants, and waivers	4,491,230	3,825,038
Depreciation	1,185,316	1,145,615
<b>Total operating expenses</b>	<b>26,630,601</b>	<b>24,800,945</b>
<b>Operating loss</b>	<b>(20,993,160)</b>	<b>(18,951,722)</b>
Nonoperating revenues:		
State grants	5,551,411	6,268,325
Property taxes	8,410,522	8,017,097
Personal property replacement tax	219,264	271,034
Federal grants	7,211,059	5,598,661
Local grants	34,375	330,915
Investment income	564,544	644,672
Other nonoperating revenues	2,858,099	1,626,717
<b>Nonoperating revenues</b>	<b>24,849,274</b>	<b>22,757,421</b>
Nonoperating expenses -		
Interest expense	1,436,207	1,163,141
<b>Net nonoperating expenses</b>	<b>23,413,067</b>	<b>21,594,280</b>
Increase in net assets	2,419,907	2,642,558
Net assets:		
<b>Beginning of year</b>	<b>12,298,172</b>	<b>9,655,614</b>
<b>End of year</b>	<b>\$14,718,079</b>	<b>\$12,298,172</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2010 and 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$7,082,616	\$6,454,220
Payments to suppliers	(7,882,216)	(5,265,809)
Payments to employees	(11,376,265)	(13,392,557)
Payments to students for scholarships	(6,857,985)	(5,133,835)
Auxiliary enterprise charges	666,536	723,533
<b>Net cash used in operating activities</b>	<b>(18,367,314)</b>	<b>(16,614,448)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from property taxes	9,679,259	8,076,416
Proceeds from grants	15,270,449	10,456,291
<b>Net cash provided by noncapital financing activities</b>	<b>24,949,708</b>	<b>18,532,707</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(3,797,467)	(1,218,041)
Loss on disposal of capital assets	0	102,413
Gain on disposal of capital lease	0	87,659
Proceeds from bonds sold	7,895,000	8,875,000
Principal deposit in escrow	(5,480,000)	0
Interest from escrow	(398,386)	0
Premium (discount) on bonds sold	(21,362)	(35,489)
Bond issuance costs	(61,243)	(80,754)
Principal paid on bonds payable	(1,770,000)	(6,875,000)
Interest paid on bonds payable and other long-term obligations	(988,998)	(1,153,234)
Principal paid on other long-term obligations	(7,288)	(97,912)
<b>Net cash used in capital and related financing activities</b>	<b>(4,629,744)</b>	<b>(395,358)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	695,067	764,411
Proceeds from maturities of investment securities	27,098,846	25,052,885
Purchases of investment securities	(28,934,816)	(25,919,151)
<b>Net cash (used in) provided by investing activities</b>	<b>(1,140,903)</b>	<b>(101,855)</b>
Net increase (decrease) in cash and cash equivalents	811,747	1,421,046
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	3,262,737	1,841,691
End of year	\$4,074,484	\$3,262,737

See Notes to Financial Statements.

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

For the years ended June 30, 2010 and 2009

	2010	2009
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	(\$20,993,160)	(\$18,951,722)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,185,316	1,145,615
State on-behalf payments for fringe benefits	1,928,341	1,210,134
Changes in assets and liabilities:		
Receivables	(264,931)	(222,090)
Other assets	18,954	(21,737)
Accounts payable	(173,999)	86,849
Accrued liabilities	(55,102)	(60,556)
Accrued compensated absences	(22,560)	11,680
Unearned tuition and fees	(7,294)	156,967
Other unearned revenue	17,121	30,412
<b>Net cash used in operating activities</b>	<b>(\$18,367,314)</b>	<b>(\$16,614,448)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCIAL:</b>		
Increase (decrease) in fair value of investments and amortization/accretion	(\$152,168)	(\$102,846)
<b>Purchase of equipment under capital leases</b>	<b>\$0</b>	<b>\$0</b>
<b>STATE ON-BEHALF PAYMENTS</b>	<b>\$1,928,341</b>	<b>\$1,210,134</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2010 and 2009**

<b>A S S E T S</b>	<b>2010</b>	<b>2009</b>
Cash	\$115,030	\$61,856
Investments	2,986,907	2,987,200
Pledged receivable	16,000	0
Due from Ed Fund	200	0
<b>Total assets</b>	<b>\$3,118,137</b>	<b>\$3,049,056</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Scholarships payable	\$117,750	\$34,770
Other payables	17,868	6,246
<b>Total liabilities</b>	<b>135,618</b>	<b>41,016</b>
Net assets:		
Unrestricted	(94,793)	321,047
Temporarily restricted	1,402,544	1,362,929
Permanently restricted	1,674,768	1,324,064
<b>Total net assets</b>	<b>2,982,519</b>	<b>3,008,040</b>
<b>Total liabilities and net assets</b>	<b>\$3,118,137</b>	<b>\$3,049,056</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION  
STATEMENTS OF ACTIVITIES  
For the years ended June 30, 2010 and 2009**

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$17,399	\$227,515	\$51,037	\$295,951
Interest and dividends	3,969	131,366	13,535	148,870
Net unrealized gain (loss) on investments	13,051	1,765	286,132	300,948
Donated goods & facilities	69,709			69,709
Donated services	8,164			8,164
Special events	60,288			60,288
Other	40,946			40,946
	213,526	360,646	350,704	924,876
Net assets released from restrictions - Satisfaction of program restrictions	321,031	(321,031)		0
<b>Total revenues, gains, and other support</b>	<b>534,557</b>	<b>39,615</b>	<b>350,704</b>	<b>924,876</b>
Expenses and losses:				
Program	734,809			734,809
Management and general	190,921			190,921
Fund raising	24,667			24,667
<b>Total expenses and losses</b>	<b>950,397</b>	<b>0</b>	<b>0</b>	<b>950,397</b>
Change in net assets	(415,840)	39,615	350,704	(25,521)
Net assets at beginning of year	321,047	1,362,929	1,324,064	3,008,040
Net assets at end of year	(\$94,793)	\$1,402,544	\$1,674,768	\$2,982,519

See Notes to Financial Statements.



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**2009**

<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
\$155,489	\$226,285	\$54,017	\$435,791
17,509	122,678	20,466	160,653
(85,805)	(100,070)	(566,973)	(752,848)
69,658			69,658
2,000			2,000
45,873			45,873
			0
204,724	248,893	(492,490)	(38,873)
325,954	(325,954)		0
530,678	(77,061)	(492,490)	(38,873)
320,014			320,014
318,527			318,527
17,979			17,979
656,520	0	0	656,520
(125,842)	(77,061)	(492,490)	(695,393)
446,889	1,439,990	1,816,554	3,703,433
\$321,047	\$1,362,929	\$1,324,064	\$3,008,040

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION  
STATEMENTS OF CASH FLOWS  
For the years ended June 30, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	(\$25,521)	(\$695,393)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized (gains)/losses of investments	(340,436)	752,848
(Increase) decrease in pledge receivable	(16,000)	
(Increase) decrease in accounts receivable	(200)	
Increase (decrease) in operating liabilities:		
Scholarships payable	82,980	(5,679)
Accounts payable	11,622	804
<b>Net cash provided by operating activities</b>	<b>(287,555)</b>	<b>52,580</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES -</b>		
Investments Sold	450,000	
Purchase of investments	(109,271)	(159,344)
<b>Net cash provided by operating activities</b>	<b>340,729</b>	<b>(159,344)</b>
Net increase (decrease) in cash	53,174	(106,764)
Cash at beginning of year	61,856	168,620
<b>Cash at end of year</b>	<b>\$115,030</b>	<b>\$61,856</b>

See Notes to Financial Statements.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010 and 2009**

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

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

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

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

**Reporting Entity**

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

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

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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**(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 is in a partnership with Educational Technology Center (ETC). The ETC is a partnership of educational institutions, the community, and businesses. The ETC is designed to offer residents of Galesburg, Illinois and west central Illinois state-of-the-art facilities and services for computer training, teaching, and teleconferencing. Carl Sandburg College, Galesburg School District #205, and Knox College began the ETC 1995 to provide a variety of educational opportunities for students and staff of each institution, as well as for the general public. ETC receives revenues through donations and third party contractual rental agreements including with Carl Sandburg College. Carl Sandburg College donates a portion of the leased rental and utilities expense. The College's share of CTE's operating expenses for the fiscal year ended June 30, 2010 was \$25,200. The member districts are jointly and severably liable as members of CTE.

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

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

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

**Cash and Cash Equivalents**

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**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 2008 property tax levies passed on December 18, 2008 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2009 property tax levy which was passed on December 17, 2009. In addition, property taxes receivable represents the remaining 2009 property tax levy to be collected in fiscal year 2011.

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.

**Capital Assets**

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Capital Assets (continued)**

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

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

**Unearned Tuition and Fee Revenue**

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

**Long-term Debt**

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

**Compensated Absences**

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

**Other Post-Employment and Related Benefits**

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

**Classification of Revenues and Expenses**

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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**(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 Fringe Benefits and Salaries**

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2010 and 2009, the state made contributions of \$1,928,341 and \$1,210,134 respectively (Note (E)).

**Net Assets**

The College's net assets are classified as follows:

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

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, 2010 and 2009**

**(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, 2010 consist of the following:

	<b>Carrying Amount</b>
Cash on hand	\$6,547
Deposits with financial institutions	6,402,653
<b>Total</b>	<b>\$6,409,200</b>

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

*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, 2010 and 2009 comprise the following at fair value:

	<b>2010</b>	<b>2009</b>
Money market	\$1,806,072	\$3,432,967
Municipal bonds	5,334,200	7,327,334
U.S. government agency securities	10,103,715	3,832,909
	<b>\$17,243,987</b>	<b>\$14,593,210</b>

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

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



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

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	
<b>Total</b>	<b>\$14,593,210</b>	<b>\$6,846,441</b>	<b>\$5,024,510</b>	<b>\$1,923,336</b>	<b>\$798,923</b>

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

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

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			
<b>Total</b>	<b>\$14,593,210</b>	<b>\$6,866,115</b>	<b>\$3,877,396</b>	<b>\$416,732</b>	<b>\$3,432,967</b>

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

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2010 there are no investments with custodial credit risk.

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

June 30, 2010 and 2009

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

*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 \$6,402,653 and the bank balance was \$6,870,487. Of the bank balance, \$1,047,032 was covered by federal depository insurance and \$5,823,455 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. All deposits are covered by federal depository insurance, or by collateral held by the College's agent, in the College's name.

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

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

**(C) Capital Assets:**

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

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

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

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

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

June 30, 2010 and 2009

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

Changes in the various capital asset categories during the year ended June 30, 2009 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
<b>Total cost</b>	<b>\$35,284,851</b>	<b>\$1,218,041</b>	<b>\$369,765</b>	<b>\$0</b>	<b>\$36,133,127</b>

Accumulated depreciation for the year ended June 30, 2009 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
<b>Total accumulated depreciation</b>	<b>\$15,604,555</b>	<b>\$1,145,615</b>	<b>\$267,352</b>	<b>\$16,482,818</b>

**(D) Debt:**

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

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

**(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, 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
<b>Totals</b>	<b>\$27,127,356</b>	<b>\$9,230,685</b>	<b>\$7,316,917</b>	<b>\$29,041,124</b>	<b>\$2,059,845</b>	<b>\$26,981,279</b>

Details on the debt as of June 30, 2010 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:			
2011	\$115,000	\$5,005	\$120,005
2012	55,000	1,238	56,238
<b>Totals</b>	<b>\$170,000</b>	<b>\$6,243</b>	<b>\$176,243</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

2. The general obligation bonds, Series 2000, bear interest at 5.45 to 5.75 percent, which is due January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2016. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2005. A portion of the bond proceeds (16.32%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2011	\$105,000	\$57,069	\$162,069
2012	55,000	52,469	107,469
2013	215,000	44,706	259,706
2014	225,000	32,056	257,056
2015	235,000	18,831	253,831
2016	210,000	6,038	216,038
<b>Totals</b>	<b>\$1,045,000</b>	<b>\$211,169</b>	<b>\$1,256,169</b>

3. 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 these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2010B. 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:			
2011	\$360,000	\$65,765	\$425,765
2012	150,000	53,705	203,705
2013	180,000	45,785	225,785
2014	195,000	36,785	231,785
2015	210,000	27,013	237,013
2016 - 2017	445,000	22,345	467,345
<b>Totals</b>	<b>\$1,540,000</b>	<b>\$251,398</b>	<b>\$1,791,398</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

4. The general obligation bonds, Series 2004B, bear interest at 2.60 to 5.00 percent, which is due on June 15 and December 15 of each year, while principal amounts mature serially on December 15 of each year, with final maturity on December 15, 2016. A portion of these bonds was defeased with the issuance of the general obligation refunding bonds, Series 2010B. A portion of the bond proceeds (71.89%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
During the year ending June 30:			
2011		\$62,885	\$62,885
2012	\$305,000	118,145	423,145
2013	340,000	102,020	442,020
2014	405,000	83,395	488,395
2015	485,000	63,327	548,327
2016 – 2017	1,255,000	55,718	1,310,718
<b>Totals</b>	<b>\$2,790,000</b>	<b>\$485,490</b>	<b>\$3,275,490</b>

5. 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:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
During the year ending June 30:			
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	1,065,000	318,713	1,383,713
2016 – 2020	7,260,000	798,126	8,058,126
<b>Totals</b>	<b>\$9,540,000</b>	<b>\$2,639,773</b>	<b>\$12,179,773</b>

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

June 30, 2010 and 2009

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

6. 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:			
2011		\$130,406	\$130,406
2012		130,406	130,406
2013		130,406	130,406
2014		130,406	130,406
2015		130,406	130,406
2016 – 2020	\$3,100,000	458,692	3,558,692
<b>Totals</b>	<b>\$3,100,000</b>	<b>\$1,110,722</b>	<b>\$4,210,722</b>

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

	Principal	Interest	Total
During the year ending June 30:			
2011		\$59,277	\$59,277
2012	\$735,000	106,151	841,151
2013	155,000	91,500	246,500
2014	160,000	86,933	246,933
2015	170,000	81,807	251,807
2016 – 2020	980,000	309,687	1,289,687
2021 – 2024	975,000	87,621	1,062,621
<b>Totals</b>	<b>\$3,175,000</b>	<b>\$822,976</b>	<b>\$3,997,976</b>

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

June 30, 2010 and 2009

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

8. The general obligation bonds, Series 2010A, bear interest at 1.10 to 1.20 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2012. A portion of the bond proceeds (0.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2011	\$1,765,000	\$35,683	\$1,800,683
2012	235,000	2,350	237,350
<b>Totals</b>	<b>\$2,000,000</b>	<b>\$38,033</b>	<b>\$2,038,033</b>

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

	Principal	Interest	Total
During the year ending June 30:			
2011		\$222,585	\$222,585
2012	\$760,000	159,337	919,337
2013	1,175,000	139,987	1,314,987
2014	400,000	124,238	524,238
2015	415,000	115,050	530,050
2016-2020	1,960,000	389,054	2,349,054
2021	1,185,000	21,479	1,206,479
<b>Totals</b>	<b>\$5,895,000</b>	<b>\$1,171,730</b>	<b>\$7,066,730</b>

10. 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, 2010, the College has \$825,000 of the bonds outstanding which are considered defeased.



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

June 30, 2010 and 2009

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

11. 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, 2010, the College has \$1,220,000 of the debt certificates outstanding which are considered defeased.
12. 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, 2010, the College has \$8,750,000 of the general obligation bonds which are considered defeased.
13. In March 2010, the College defeased portions of Series 1999A, 2001A, 2004B, and 2009 general obligation debt bonds by placing a portion of the proceeds of the Series 2010B 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, 2010, the College has \$2,830,000 of the general obligation bonds which are considered defeased. The decrease in cash flow requirements as a result of the economic gain or loss is the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid. The District had an economic gain on this refunding of \$97,699.

The annual requirements to amortize all debt outstanding as of June 30, 2010, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Total Principal	Interest	Total Principal And Interest
2011	\$2,360,000	\$401,276	\$2,761,276	\$1,028,426	\$3,789,702
2012	2,395,000		2,395,000	1,011,454	3,406,454
2013	2,165,000		2,165,000	938,356	3,103,356
2014	2,385,000		2,385,000	855,391	3,240,391
2015	2,580,000		2,580,000	755,147	3,335,147
2016 – 2020	15,210,000		15,210,000	2,039,660	17,249,660
2021 – 2024	2,160,000		2,160,000	109,100	2,269,100
<b>Total</b>	<b>\$29,255,000</b>	<b>\$401,276</b>	<b>\$29,656,276</b>	<b>\$6,737,534</b>	<b>\$36,393,810</b>

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2010, is \$41,027,911. General obligation debt at June 30, 2010 is \$29,255,000, resulting in a legal debt margin of \$11,772,911.

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

June 30, 2010 and 2009

**(E) Retirement Commitments – State University Retirement System:**

*Plan Description.* The College contributes to the State Universities Retirement system of Illinois (SURS), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org), or calling 1-800-275-7877.

*Funding Policy.* Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 2011) is 21.27% 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, 2010, 2009 and 2008, were \$1,928,341, \$1,210,134, and \$962,082, respectively, equal to the required contributions for each year.

**(F) Risk Management:**

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

**(G) Contingencies and Commitments:**

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

Year Ended June 30	Facilities	Equipment	Total
2011	\$24,107	\$132,829	\$156,936
2012	25,072	117,145	142,217
2013		103,166	103,166
2014		49,455	49,455
Total	\$49,179	\$402,595	\$451,774

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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**(G) Contingencies and Commitments (continued):**

Fiscal year 2010 facilities and equipment rent expense was \$25,200 and \$131,653, 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.

**(H) Component Unit Disclosures**

**Carl Sandburg College Foundation**

Organization

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

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

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

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

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

**CARL SANDBURG COLLEGE –  
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NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Carl Sandburg College Foundation (continued)**

Contributions and Revenues

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

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

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

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

Promises to Give

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

Income Taxes

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

Cash and Cash Equivalents

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Carl Sandburg College Foundation (continued)**

Concentrations of credit risk

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

Investments and Investment Earnings

Investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. All investments are in mutual funds with readily determinable fair values. Investments are carried at fair value as determined by quoted market prices and realized and unrealized gains and losses are reported in the statement of activities. Investment earnings on permanently restricted endowments are permanently restricted by the donor or unrestricted according to the solicitation literature provided to the donor. Following is a summary of the allocation percentages used in allocating endowment investment earnings:

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

Donated Services

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Carl Sandburg College Foundation (continued)**

Pledged Receivable:

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

Estimates

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

Investments

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2010 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Mutual Funds - equity	\$2,251,371	\$2,431,577	\$(180,206)
Mutual Funds - bonds	735,536	729,282	6,254
	<u>\$2,986,907</u>	<u>\$3,160,859</u>	<u>\$(173,952)</u>

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

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

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

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

June 30, 2010 and 2009

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

**Carl Sandburg College Foundation (continued)**

Investments (continued)

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

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

The following table presents the Foundation's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2010:

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Total</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Assets measured at fair value on a recurring basis:</b>				
Mutual Funds - equity	\$2,251,371	\$2,251,371		
Mutual Funds - bonds	735,536	735,536	\$0	\$0
<b>Total investments</b>	<b>\$2,986,907</b>	<b>\$2,986,907</b>	<b>\$0</b>	<b>\$0</b>

Endowment Funds

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

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

The endowment net asset composition by type of fund as of June 30, 2010 is as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total Endowment Assets</b>
Donor-restricted endowment funds		\$1,402,544	\$1,674,768	\$3,077,312
Board-designated endowment funds	\$(94,793)			(94,793)
	<b>\$(94,793)</b>	<b>\$1,402,544</b>	<b>\$1,674,768</b>	<b>\$2,982,519</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Carl Sandburg College Foundation (continued)**

**Endowment Funds (continued)**

Changes in endowment net assets as of June 30, 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	\$321,047	\$1,362,929	\$1,324,064	\$3,008,040
Contributions	17,399	227,515	51,037	295,951
Interest and dividend income	3,969	131,366	13,535	148,870
Net unrealized gain(loss) on investments	13,051	1,765	286,132	300,948
Donated goods, services, facilities	77,873			77,873
Special events	60,288			60,288
Other Income	40,946			40,946
Amounts appropriated for expenditure	(950,397)			(950,397)
Amounts released from restriction	321,031	(321,031)		0
	\$(94,793)	\$1,402,544	\$1,674,768	\$2,982,519

**Temporarily Restricted Net Assets**

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

Student scholarships currently available	\$903,457
For periods after June 30, 2015	499,087
	\$1,402,544

**Permanently Restricted Net Assets**

Permanently restricted net assets are restricted to be held as investments, with a portion of earnings to be added to permanently restricted net assets and a portion of earnings to be used for scholarships to students. Earnings which are used for scholarships to students are temporarily restricted until such earnings are used for scholarships to students as specified by the donor, at which time they are reclassified as unrestricted. As of June 30, 2010 permanently restricted net assets totaled \$1,674,768.

**Net Assets Released**

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



**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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

**Carl Sandburg College Foundation (continued)**

Net Assets Released (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2010 for scholarships totaled \$321,031.

Related Parties

The Foundations is a component unit of Carl Sandburg College – Community College District 518 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated \$ 77,873 of services, goods, and facilities to the Foundation during the year ended June 30, 2010.

Income Taxes

As stated in footnote (A), the Foundation is organized as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation pays no income tax on its related function income as long as it stays within the guidelines of Section 501(c)(3). The Foundation is subject to income tax on its "non-related" function income. For the year ending June 30, 2010, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

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

U.S. Department of Education – Endowment Challenge Grant

Endowment Challenge Grant - Carl Sandburg College Foundation received a \$200,000 Endowment Challenge Grant from the U.S. Department of Education during the year ended June 30, 1995. To receive this award, Carl Sandburg College Foundation had to raise \$100,000 from corporate and individual contributions which would be matched by the Department of Education on a two-for-one basis up to \$200,000. These funds must be placed in a separate endowment trust for a period of twenty years. In addition, half of the annual earnings on this account must be added to the principal of this grant for the next twenty years. The other half of the earnings could be distributed as student scholarships. There are five years remaining in the twenty-year period at June 30, 2010. The Endowment Challenge Grant has \$ 673,419 of investments as of June 30, 2010.

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
June 30, 2010 and 2009**

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**(I) New Reporting Standards:**

In March 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.

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

In June 2010, the Governmental Accounting Standards Board (GASB) issued Statement 59 “Financial Instruments Ominbus.” 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 59 will have on the financial statements.

**(J) Related Party Transactions:**

The following presents significant transactions between the Carl Sandburg Community College and its component units during the year ended June 30, 2010:

Component Unit:

Carl Sandburg College Foundation

Significant Transactions:

Donation of \$400,000 for expenses incurred for the Charger Community Center construction.

**(K) Subsequent Events:**

The College has evaluated subsequent events through September 14, 2010 which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2010 have been incorporated herein. There are no subsequent events that require disclosure.

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

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO 518  
STATISTICAL SECTION  
June 30, 2010**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the college's financial performance and well-being have changed over time.	45 - 48
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	49 - 52
<b>Debt Capacity</b> 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.	53 - 56
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	57 - 59
<b>Operating Information</b> 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.	60 - 61

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

TABLE A

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

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

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

**TABLE B**

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

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

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

TABLE C

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General fund:</b>										
Reserved	\$11	\$4	\$10	\$7	\$1	\$1	\$12	\$1	\$2	\$1
Unreserved	3,394	2,974	1,924	1,617	1,316	1,374	792	730	359	540
<b>Total general fund</b>	<b>\$3,405</b>	<b>\$2,978</b>	<b>\$1,934</b>	<b>\$1,624</b>	<b>\$1,317</b>	<b>\$1,375</b>	<b>\$804</b>	<b>\$731</b>	<b>\$361</b>	<b>\$541</b>
<b>All other governmental funds:</b>										
Reserved	\$4,340	\$4,335	\$5,324	\$5,331	\$5,429	\$3,723	\$3,745	\$4,339	\$4,832	\$6,599
Unreserved, reported in:										
Special revenue funds	(292)	(399)	(1,525)	(1,509)	(1,317)	(47)	(91)	181	105	94
Debt service funds	374	235	136	205	97	1,762	4,797	598	2,301	2,364
Capital projects funds	8,659	10,730	6,380	5,642	5,545	5,886	5,112	5,724	6,735	4,925
<b>Total all other governmental funds</b>	<b>\$13,081</b>	<b>\$14,901</b>	<b>\$10,315</b>	<b>\$9,669</b>	<b>\$9,754</b>	<b>\$11,324</b>	<b>\$13,563</b>	<b>\$10,842</b>	<b>\$13,973</b>	<b>\$13,982</b>

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

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

**TABLE D**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
Property taxes	\$8,664	\$8,066	\$7,471	\$7,159	\$7,006	\$6,838	\$6,727	\$6,410	\$6,259	\$5,720
Government grants	14,671	13,315	12,742	12,600	19,499	18,203	18,538	18,793	13,793	11,460
Student tuition and fees	7,059	6,425	5,123	5,152	5,428	5,441	5,133	4,472	3,577	3,138
Sales and service fees						283	787	549	511	
Interest	474	521	690	671	615	593	474	587	837	886
Net increase (decrease) in fair value of investments	22	18	106	(50)	(335)	99	(438)	423	109	130
Other	732	550	362	349	642	610	497	710	585	1,069
<b>Total revenues</b>	<b>31,622</b>	<b>28,895</b>	<b>26,494</b>	<b>25,881</b>	<b>32,855</b>	<b>32,067</b>	<b>31,718</b>	<b>31,944</b>	<b>25,671</b>	<b>22,403</b>
<b>Expenditures:</b>										
Instruction	6,824	6,646	6,986	7,452	14,896	13,549	10,231	11,195	10,454	8,331
Academic support	348	324	325	355	364	382	377	517	604	591
Student services	2,126	2,257	1,857	1,772	1,828	1,644	1,524	1,300	1,254	1,189
Public services	618	690	657	828	1,032	914	938	1,184	1,542	1,728
General administration					374	649	715	471	243	550
Operation and maintenance of plant	1,472	1,327	1,345	1,213	1,164	1,190	1,094	953	987	1,020
Institutional support	8,753	7,152	6,796	6,540	6,187	7,152	11,818	6,727	6,252	6,067
Scholarships, student grants, and waivers	6,858	5,129	4,588	4,836	4,536	4,543	4,214	4,095	3,056	2,339
<b>Debt service:</b>										
Principal	1,777	6,973	4,735	1,035	975	735	660	605	3,683	583
Interest and issuance costs	1,060	1,269	1,217	1,147	1,285	1,313	1,167	1,187	1,235	633
Capital outlay	3,507	1,342	3,146	478	1,863	1,607	1,856	6,535	2,441	1,019
<b>Total expenditures</b>	<b>33,343</b>	<b>33,109</b>	<b>31,652</b>	<b>25,656</b>	<b>34,504</b>	<b>33,678</b>	<b>34,594</b>	<b>34,769</b>	<b>31,751</b>	<b>24,050</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,721)</b>	<b>(4,214)</b>	<b>(5,158)</b>	<b>225</b>	<b>(1,649)</b>	<b>(1,611)</b>	<b>(2,876)</b>	<b>(2,825)</b>	<b>(6,080)</b>	<b>(1,647)</b>
<b>Other financing sources (uses):</b>										
Proceeds from issuance of long-term debt	7,895	8,875	6,550		44	9,690	4,335		8,229	2,315
Premium (discount) on bond issuance	(21)	(35)	13			(151)			(89)	
Payment to refunding bond escrow agent	(5,878)					(9,451)			(1,948)	
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	663	6,139	3,822	56	2,816	3,859	854	2,750	3,326	1,067
Transfers out	(2,331)	(5,754)	(3,653)	(58)	(2,733)	(4,161)	(863)	(2,686)	(3,160)	(998)
<b>Total other financing sources (uses)</b>	<b>328</b>	<b>9,225</b>	<b>6,732</b>	<b>(2)</b>	<b>21</b>	<b>(57)</b>	<b>5,670</b>	<b>64</b>	<b>5,891</b>	<b>2,550</b>
<b>Net change in fund balances</b>	<b>(\$1,393)</b>	<b>\$5,011</b>	<b>\$1,574</b>	<b>\$223</b>	<b>(\$1,628)</b>	<b>(\$1,668)</b>	<b>\$2,794</b>	<b>(\$2,761)</b>	<b>(\$189)</b>	<b>\$903</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>9.51%</b>	<b>25.95%</b>	<b>20.88%</b>	<b>8.67%</b>	<b>6.92%</b>	<b>6.39%</b>	<b>5.58%</b>	<b>6.35%</b>	<b>16.78%</b>	<b>5.28%</b>



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

TABLE E

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

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

Source: Knox County Clerk's Office

See Accompanying Independent Auditor's Report.

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

TABLE F

<b>Year of Levy</b>	<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Year Taxes Collected</b>	<b>Percent of Levy Collected</b>	<b>Collected in Subsequent Years</b>	<b>Total Collections to Date</b>	<b>Total Percent of Levy Collected to Date</b>
2008	2010	\$8,452,772	\$8,425,007	99.67%		\$8,425,007	99.67%
2007	2009	7,940,586	8,016,081	100.95%	\$572	8,016,653	100.96%
2006	2008	7,508,428	7,380,245	98.29%	(13,593)	7,366,652	98.11%
2005	2007	7,088,319	6,932,067	97.80%	(2,217)	6,929,850	97.76%
2004	2006	6,751,906	6,759,972	100.12%	2,882	6,762,854	100.16%
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%

Source: Knox County Treasurer's Office

See Accompanying Independent Auditor's Report.

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

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

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

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

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

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

**TABLE G**

<b>Taxing Bodies</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
City of Galesburg	1.4055	1.4353	1.4638	1.6952	1.7196	1.6099	1.8674	1.8900	1.9750	1.9940
Township of the City of Galesburg	0.1932	0.2075	0.2166	0.2221	0.2147	0.2015	0.1852	0.1829	0.1800	0.1830
Galesburg Unit School District 205	4.2039	4.0630	4.1370	4.2769	4.2761	4.1220	3.9452	3.9287	3.9190	3.8770
Knox County	1.1282	1.1080	1.0826	1.0838	1.0799	1.0392	0.9360	1.0176	0.9610	0.9350
Galesburg City Fire	0.9927	0.9254	0.8782	0.5875	0.5833	0.5464	0.3456	0.3874		
Galesburg Sanitary District	0.3063	0.3040	0.3075	0.3141	0.3052	0.2906	0.2672	0.2635	0.2620	0.2640
<b>Total Overlapping Rate</b>	<b>8.2298</b>	<b>8.0432</b>	<b>8.0857</b>	<b>8.1796</b>	<b>8.1788</b>	<b>7.8096</b>	<b>7.5466</b>	<b>7.6701</b>	<b>7.2970</b>	<b>7.2530</b>
<b>Carl Sandburg College Dist. 518</b>	<b>0.6115</b>	<b>0.6140</b>	<b>0.6205</b>	<b>0.6039</b>	<b>0.5759</b>	<b>0.5530</b>	<b>0.5139</b>	<b>0.5042</b>	<b>0.4810</b>	<b>0.4750</b>
<b>Total rate</b>	<b>8.8413</b>	<b>8.6572</b>	<b>8.7062</b>	<b>8.7835</b>	<b>8.7547</b>	<b>8.3626</b>	<b>8.0605</b>	<b>8.1743</b>	<b>7.7780</b>	<b>7.7280</b>
<b>Carl Sandburg College Percentage of Total</b>	<b>6.92%</b>	<b>7.09%</b>	<b>7.13%</b>	<b>6.88%</b>	<b>6.58%</b>	<b>6.61%</b>	<b>6.38%</b>	<b>6.17%</b>	<b>6.18%</b>	<b>6.15%</b>

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	2010		2001	
		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 0.97%	\$17,791,254	1 1.52%
Union Electric Co	Utilities	12,700,377	2 0.92%	12,208,029	2 1.04%
Galesburg Hospital Corporation	Hospital	8,672,570	3 0.63%		
Twomey Company	Grain	5,084,676	4 0.37%	2,782,359	5 0.24%
Wal-Mart Stores	Retailer	4,123,880	5 0.30%	2,015,940	9 0.17%
Nauvoo Restoration Inc	Real property holdings	3,833,464	6 0.28%		
United Facilities, Inc.	Shipping	3,680,720	7 0.27%	2,412,140	6 0.21%
Menard Inc.	Retailer	3,130,010	8 0.23%		
Hy Vee Food Stores Inc.	Retailer	2,557,320	9 0.19%		
Horne Development LP	Real property holdings	2,337,770	10 0.17%		
Admiral-Maytag Co.	Manufacturer			11,116,840	3 0.95%
First Property Management Corp	Mall			4,731,530	4 0.40%
Pioneer Hi-Bred	Retailer			2,328,722	7 0.20%
Lowes Home Centers, Inc.	Retailer			2,168,040	8 0.18%
Kmart Corporation	Retailer			1,891,150	10 0.16%
		\$59,403,391	4.32%	\$59,446,004	5.06%

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

<b>Fiscal Year</b>	<b>General Bonded Debt</b>	<b>Leases Certificates</b>	<b>Notes Payable</b>	<b>Capital Leases</b>	<b>Purchase Contracts</b>	<b>Total Primary Government</b>	<b>Estimated Actual Value Taxable Property</b>	<b>Ratio Total Debt to Est. Actual Taxable Prop. Value</b>	<b>Estimated Population</b>	<b>Net Bonded Debt Per Capita</b>
2010	\$29,255,000					\$29,255,000	\$4,281,173,280	0.683%	120,186	243
2009	28,610,000			\$7,288		28,617,288	4,124,629,695	0.694%	120,877	237
2008	26,610,000			105,200		26,715,200	3,953,705,376	0.676%	121,300	219
2007	24,795,000			180,861		24,975,861	3,700,878,384	0.675%	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

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

<b>Fiscal Year</b>	<b>Net General Bonded Debt</b>	<b>Estimated Actual Taxable Value of Property</b>	<b>Estimated Population</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2010	\$29,255,000	\$4,281,173,280	120,186	0.683%	243
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

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, 2010**

**TABLE K**

<b>Overlapping Agencies</b>	<b>Outstanding Debt</b>	<b>Percent</b>	<b>Amount</b>
Fulton County	\$220,000	3.36%	\$ 7,392
Knox County	1,350,000	94.97%	1,282,095
Hamilton Park District	780,000	100.00%	780,000
Carthage Park District	95,000	100.00%	95,000
Monmouth Park District	280,000	100.00%	280,000
City of Monmouth	21,450,000	100.00%	21,450,000
City of Galesburg	24,415,000	100.00%	24,415,000
CUSD #4	930,000	27.28%	253,704
CUSD #100	805,500	2.80%	22,554
CUSD #115	510,000	100.00%	510,000
CUSD #170	880,000	86.54%	761,552
CUSD #176	315,000	5.13%	16,160
CUSD #202	3,905,000	100.00%	3,905,000
CUSD #205	3,745,000	97.14%	3,637,893
CUSD #217	3,134,993	89.88%	2,817,732
CUSD #224	325,000	8.39%	27,268
CUSD #225	2,405,000	7.16%	172,198
CUSD #235	1,340,000	2.66%	35,644
CUSD #238	2,175,000	100.00%	2,175,000
CUSD #304	2,210,000	0.13%	2,873
CUSD #316	1,995,000	100.00%	1,995,000
CUSD #322	3,025,000	0.20%	6,050
CUSD #325	540,000	100.00%	540,000
CUSD #328	625,000	100.00%	625,000
CUSD #335	75,000	100.00%	75,000
CUSD #336	740,000	100.00%	740,000
CUSD #365	7,980,938	18.39%	1,467,694
			<u>\$ 68,095,808</u>
 Community College Dist. #518	 29,255,000	 100.00%	 <u>29,255,000</u>
 Total Direct & Overlapping General Obligation Bonded Debt			  <u><u>\$97,350,808</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
2010	\$41,027,911	\$29,255,000	\$11,772,911	71.305%
2009	39,527,701	28,617,288	10,910,413	72.398%
2008	37,889,677	26,715,200	11,174,477	70.508%
2007	35,467,875	24,975,861	10,492,014	70.418%
2006	34,600,029	26,664,901	7,935,128	77.066%
2005	35,102,586	27,724,899	7,377,687	78.982%
2004	37,013,324	27,755,838	9,257,486	74.989%
2003	36,841,646	23,143,136	13,698,510	62.818%
2002	36,200,627	23,829,126	12,371,501	65.825%
2001	35,351,287	21,174,573	14,176,714	59.898%
2000	34,201,978	19,276,481	14,925,497	56.361%

Assessed valuation - 2009 levy \$1,427,057,760

Debt limit (2.875% of total assessed value) \$41,027,911

Debt applicable to limit:

General obligation bonds	29,255,000
Lease certificates	0
Notes payable	0
Capital leases	0
Purchase contracts	0

Total net debt applicable to limit 29,255,000

Legal debt margin \$11,772,911

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**

<b>Fiscal Year</b>	<b>Estimated Population*</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>	<b>District Student Enrollment</b>	<b>Average Class Size</b>
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17
2009	120,877	2,063,975	17,075	36.6	36,897	6.4%	2,615	12
2008	121,300	2,071,198	17,075	36.6	36,897	7.2%	2,693	12
2007	121,300	2,087,816	17,212	36.6	36,897	4.6%	2,490	10
2006	121,986	2,099,623	17,212	36.6	36,897	5.6%	2,930	10
2005	123,180	2,120,174	17,212	36.6	36,897	5.8%	3,260	10
2004	124,778	2,147,679	17,212	36.6	36,897	6.7%	3,575	12
2003	125,828	2,165,752	17,212	36.6	36,897	7.0%	3,554	12
2002	126,632	2,179,590	17,212	36.6	36,897	6.2%	3,441	12
2001	127,399	2,192,792	17,212	36.6	36,897	5.3%	3,341	11

\*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	2010			2001		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Farmland Foods	1,400	1	2.27%	1,200	2	1.86%
Burlington Northern Santa Fe Railroad	1,115	2	1.80%	850	4	1.32%
OSF (Galesburg, Monmouth)	973	3	1.57%	598	8	0.93%
School District Number 205	594	4	0.96%	800	6	1.24%
Hy-Vee	574	5	0.93%			
Dick Blick Company	530	6	0.86%			
Galesburg Cottage Hospital	500	7	0.81%	700	7	1.09%
Bridgeway/Bridgeway Training	450	8	0.73%			
Carl Sandburg College	435	9	0.70%			
Knox County	420	10	0.68%	447	10	0.69%
Maytag-Galesburg Refrigeration				2,500	1	3.88%
Methode Electronics				1,200	3	1.86%
Butler Manufacturing				850	5	1.32%
Gates Rubber Company				477	9	0.74%
<b>Total</b>	<b>6,991</b>		<b>11.31%</b>	<b>9,622</b>		<b>14.94%</b>

Source: 2010 Principal Employers

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

Source: 2001 Principal Employers

Illinois Department of Commerce and Economic Opportunity Community Profiles

[http://www.ildceo.net/dceo/Bureaus/Business\\_Development/Resources+and+Support](http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support)

College records

Source: Labor Force Population

[Illinois Workforce Information Center – June 2008, June 1999 http://wic.ilworkinfo.com/](http://wic.ilworkinfo.com/)

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

**TABLE O**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction-Faculty	119	110	112	143	134	135	135	136	136	116
Full-time	64	62	64	68	64	65	65	66	66	63
Part-time	55	48	48	75	70	70	70	70	70	53
Administrative Staff	20	20	21	21	22	28	25	26	23	24
Full-time	20	20	21	21	22	28	25	26	23	24
Part-time	0	0	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	75	73	73	71	74	86	94	69	64	74
Full-time	70	69	69	70	74	86	94	69	63	71
Part-time	5	4	4	1	0	0	0	0	1	3
Classified Staff	52	54	58	63	56	53	56	78	76	53
Full-time	49	51	55	60	56	53	56	78	76	50
Part-time	3	3	3	3	0	0	0	0	0	3
<b>Total</b>	<b>266</b>	<b>257</b>	<b>264</b>	<b>298</b>	<b>286</b>	<b>302</b>	<b>310</b>	<b>309</b>	<b>299</b>	<b>267</b>

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

TABLE P

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction: <sup>1</sup>										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,965	2,844	2,731	2,972	2,349	2,289	2,240	2,230	2,389	2,564
Vocational	23	26	85	101	1,281	1,209	1,541	1,411	1,071	1,424
Occupational	1,220	1,206	1,311	1,536	1,880	2,572	2,645	2,444	2,008	1,840
ABE	266	201	153	146	43	50	43	62	58	42
ASE	182	209	206	226	226	382	493	439	468	376
ESL	67	71	39	46	14	61	45	35	27	25
General Studies	1	0	2	3	1	1	1	0	0	4
General Associates	80	71	88	170	241	55	33	19	15	14
<b>Total</b>	<b>4,804</b>	<b>4,628</b>	<b>4,615</b>	<b>5,200</b>	<b>6,035</b>	<b>6,619</b>	<b>7,041</b>	<b>6,640</b>	<b>6,036</b>	<b>6,289</b>
Annual FTE Students <sup>2</sup>	1,772	1,641	1,682	1,914	2,283	2,443	2,392	2,251	2,015	1,984
Total Reimbursable Credit Hours <sup>3</sup>	53,174	49,219	50,471	57,435	68,499	73,314	71,756	67,530	59,970	53,430
Degrees awarded: <sup>4</sup>										
Associate (transfer)	106	108	102	98	109	130	105	147	161	161
Associate in applied science	122	118	123	181	295	190	175	181	130	107
Career & technical certificates	137	141	139	187	157	123	170	205	175	202
Average annual faculty salary <sup>5</sup>	\$49,074	\$47,889	\$48,158	\$47,731	\$45,867	\$44,921	\$44,922	\$44,263	\$43,989	\$44,636
Students per faculty <sup>6</sup>	17	16	11	13	17	18	18	17	15	17
Institutional support: <sup>7</sup>										
Operation and maintenance of plant:										
Utility cost per gross square fees	1.85	1.71	1.69	1.30	1.50	1.34	1.30	1.16	1.30	1.57

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

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

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

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

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

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

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

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

**TABLE Q**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Instruction:</b>										
Building - acres	6.9	6.9	6.6	6.6	6.4	6.4	6.4	6.4	6.4	6.1
Classroom - sq. ft.	46,167	45,938	46,327	42,489	38,455	38,538	37,288	40,761	28,368	24,779
Lab - sq. ft.	70,124	71,505	71,505	64,704	65,743	67,128	64,341	66,114	68,436	65,171
<b>Academic support:</b>										
Support - sq. ft.	3,385	3,385	3,385	3,736	3,980	2,678	1,967	1,967	1,680	1,680
Study - sq. ft.	18,784	19,349	19,349	19,056	17,945	15,483	15,483	13,162	11,661	11,752
<b>Student services:</b>										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	18,133	18,133	18,133	18,133	18,133	12,214	9,420
<b>General administration</b>										
Office - sq. ft.	37,025	39,963	39,574	30,666	29,464	31,306	33,367	31,867	6,270	23,294
<b>Institutional support:</b>										
Landscaped grounds - acres	37.9	37.9	36.5	36.5	36.7	36.7	36.7	36.7	38.7	38.7
Parking lots - acres	9.9	9.9	9.0	9.0	9.0	9.0	9.0	9.0	7.0	7.0
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.8	4.8

Source: Acres - ICCB Table C1.3

Source: Sq.ft. - ICCB R3

**SPECIAL REPORTS SECTION**

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION  
BALANCE SHEET - ALL FUND TYPES  
June 30, 2010 with comparative totals at June 30, 2009**

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2010	Total June 30, 2009
				Unrestricted	Restricted		
Cash and cash equivalents	\$3,211,895	\$862,589				\$4,074,484	\$3,262,737
Deposits	123,000	2,211,716				2,334,716	3,301,693
Investments	919,761	7,016,868		\$386,344	\$8,921,014	17,243,987	14,593,210
Receivables:							
Property taxes	2,166,834	3,052,365		53,460		5,272,659	6,273,966
Government claims and grants	831,436	445,709				1,277,145	2,486,120
Other	971,309	39,552			79,031	1,089,892	923,346
Due from other funds	766,918	2,573,380	\$62,929		168,305	3,571,532	6,386,929
Prepaid items	198,465	6,175		6,570		211,210	214,739
Inventories	9,950					9,950	11,550
Property and equipment, net	48,105					48,105	48,302
Other assets						0	13,825
<b>Total assets</b>	<b>\$9,247,673</b>	<b>\$16,208,354</b>	<b>\$62,929</b>	<b>\$446,374</b>	<b>\$9,168,350</b>	<b>\$35,133,680</b>	<b>\$37,516,417</b>
<b>LIABILITIES AND FUND EQUITY (DEFICIT)</b>							
Liabilities:							
Accounts payable	\$119,897	\$3,890	\$62,929			\$186,716	\$360,715
Accrued liabilities	86,941					86,941	146,141
Unearned revenue:							
Property taxes	3,566,471	5,023,998		\$87,991		8,678,460	8,406,918
Other	314,688	58,353				373,041	345,543
Due to other funds	1,658,055	1,046,612		866,865		3,571,532	6,386,929
<b>Total liabilities</b>	<b>5,746,052</b>	<b>6,132,853</b>	<b>62,929</b>	<b>954,856</b>	<b>\$0</b>	<b>12,896,690</b>	<b>15,646,246</b>
<b>FUND EQUITY (DEFICIT)</b>							
Retained earnings (deficit):							
Unreserved	96,810					96,810	52,660
Fund balance (deficit):							
Reserved for encumbrances	10,605	24,258				34,863	22,204
Reserved for insurance		4,316,004				4,316,004	4,316,005
Unreserved	3,394,206	5,735,239		(508,482)	9,168,350	17,789,313	17,479,302
<b>Total fund equity (deficit)</b>	<b>3,501,621</b>	<b>10,075,501</b>	<b>0</b>	<b>(508,482)</b>	<b>9,168,350</b>	<b>22,236,990</b>	<b>21,870,171</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$9,247,673</b>	<b>\$16,208,354</b>	<b>\$62,929</b>	<b>\$446,374</b>	<b>\$9,168,350</b>	<b>\$35,133,680</b>	<b>\$37,516,417</b>

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION**

**SCHEDULE OF CHANGES IN FUND BALANCES - ALL FUND TYPES**

For the year ended June 30, 2010 with comparative totals for fiscal year ended June 30, 2009

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2010	Total June 30, 2009
	Unrestricted	Restricted		Operations and Maintenance Restricted	Capital Endowment Fund		
<b>Revenues:</b>							
Local government	\$3,630,658	\$4,675,551		\$357,952		\$8,664,161	\$8,065,866
State government	6,157,144	1,322,608				7,479,752	7,749,493
Federal government	99,551	7,111,508				7,211,059	5,598,661
Student tuition and fees	7,339,212					7,339,212	6,676,310
Sales and service fees	657,750					657,750	633,901
Interest	22,142	201,915		8,559	\$321,121	553,737	627,508
Net increase in fair value of investments		(46,591)			57,399	10,808	17,164
Other	336,667	163,181		429,909		929,757	698,731
<b>Total revenues</b>	<b>18,243,124</b>	<b>13,428,172</b>	<b>\$0</b>	<b>796,420</b>	<b>378,520</b>	<b>32,846,236</b>	<b>30,067,634</b>
<b>Expenditures/expenses:</b>							
<b>Current:</b>							
Instruction	6,156,873	666,819				6,823,692	6,646,084
Academic support	342,586	5,054				347,640	323,654
Student services	1,588,634	537,038				2,125,672	2,257,297
Public services	167,535	450,021				617,556	689,574
Auxiliary services	1,132,156					1,132,156	1,068,362
Operation and maintenance of plant	1,472,365					1,472,365	1,327,281
Institutional support	6,319,315	2,171,543		260,202	2,567	8,753,627	7,156,577
Scholarships, student, grants, and waivers	10,006	6,848,039				6,858,045	5,129,059
<b>Debt service:</b>							
Principal retirement	7,288	1,770,000				1,777,288	6,972,912
Interest	214	998,241				998,455	1,188,280
Bond issuance costs		61,243				61,243	80,754
<b>Capital outlay:</b>							
Building construction, building improvement and equipment	134,769	93,769		3,278,392		3,506,930	1,342,538
<b>Total expenditures/expenses</b>	<b>17,331,741</b>	<b>13,601,767</b>	<b>0</b>	<b>3,538,594</b>	<b>2,567</b>	<b>34,474,669</b>	<b>34,182,372</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>911,383</b>	<b>(173,595)</b>	<b>0</b>	<b>(2,742,174)</b>	<b>375,953</b>	<b>(1,628,433)</b>	<b>(4,114,738)</b>
<b>Other financing sources (uses):</b>							
Par on bonds sold		7,895,000				7,895,000	8,875,000
Net (discount) premium on bonds sold		(21,362)				(21,362)	(35,489)
Deposit in Escrow		(5,878,386)				(5,878,386)	
Transfers in	270,563	2,000,000		440,931		2,711,494	6,206,608
Transfers out	(711,304)	(1,855,559)			(144,631)	(2,711,494)	(6,206,608)
<b>Total other financing sources (uses)</b>	<b>(440,741)</b>	<b>2,139,693</b>	<b>0</b>	<b>440,931</b>	<b>(144,631)</b>	<b>1,995,252</b>	<b>8,839,511</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>470,642</b>	<b>1,966,098</b>		<b>(2,301,243)</b>	<b>231,322</b>	<b>366,819</b>	<b>4,724,773</b>
<b>Fund equity (deficit) at beginning of year</b>	<b>3,030,979</b>	<b>8,109,403</b>		<b>1,792,761</b>	<b>8,937,028</b>	<b>21,870,171</b>	<b>17,145,398</b>
<b>Fund equity (deficit) at end of year</b>	<b>\$3,501,621</b>	<b>\$10,075,501</b>	<b>\$0</b>	<b>(\$508,482)</b>	<b>\$9,168,350</b>	<b>\$22,236,990</b>	<b>\$21,870,171</b>

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



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

For the year ended June 30, 2010 with comparative totals for year ended June 30, 2009

	Unrestricted	Restricted	Total June 30, 2010	Total June 30, 2009
<b>Revenues:</b>				
Local government	\$3,630,658	\$4,675,551	\$8,306,209	\$7,756,433
State government	6,157,144	1,322,608	7,479,752	7,749,493
Federal government	99,551	7,111,508	7,211,059	5,598,661
Student tuition and fees	7,339,212		7,339,212	6,676,310
Sales and service fees	657,750		657,750	633,901
Interest	22,142	201,915	224,057	332,119
Net increase (decrease) in fair value of investments		(46,591)	(46,591)	6,884
Other	336,667	163,181	499,848	508,337
<b>Total revenues</b>	<b>18,243,124</b>	<b>13,428,172</b>	<b>31,671,296</b>	<b>29,262,138</b>
<b>Expenditures/expenses:</b>				
<b>Current:</b>				
Instruction	6,156,873	666,819	6,823,692	6,646,084
Academic support	342,586	5,054	347,640	323,654
Student services	1,588,634	537,038	2,125,672	2,257,297
Public services	167,535	450,021	617,556	689,574
Auxiliary services	1,132,156		1,132,156	1,068,362
Operation and maintenance of plant	1,472,365		1,472,365	1,327,281
Institutional support	6,319,315	2,171,543	8,490,858	7,070,081
Scholarships, student, grants, and waivers	10,006	6,848,039	6,858,045	5,129,059
<b>Debt service:</b>				
Principal retirement	7,288	1,770,000	1,777,288	6,972,912
Interest	214	998,241	998,455	1,188,280
Bond issuance costs		61,243	61,243	80,754
<b>Capital outlay:</b>				
Building construction, building improvements, and equipment	134,769	93,769	228,538	248,791
<b>Total expenditures/expenses</b>	<b>17,331,741</b>	<b>13,601,767</b>	<b>30,933,508</b>	<b>33,002,129</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>911,383</b>	<b>(173,595)</b>	<b>737,788</b>	<b>(3,739,991)</b>
<b>Other financing sources (uses):</b>				
Par on bonds sold		7,895,000	7,895,000	8,875,000
Net (discount) premium on bonds sold		(21,362)	(21,362)	(35,489)
Deposit in escrow		(5,878,386)	(5,878,386)	
Transfers in	270,563	2,000,000	2,270,563	1,482,372
Transfers out	(711,304)	(1,855,559)	(2,566,863)	(6,206,608)
<b>Total other financing sources (uses)</b>	<b>(440,741)</b>	<b>2,139,693</b>	<b>1,698,952</b>	<b>4,115,275</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$470,642</b>	<b>\$1,966,098</b>	<b>\$2,436,740</b>	<b>\$375,284</b>

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

June 30, 2010

ASSETS	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education Fund	Operations and Maintenance Fund	Auxiliary Enterprise Fund	
Cash and cash equivalents	\$3,211,445		\$450	\$3,211,895
Deposits	123,000			123,000
Investments	919,761			919,761
Receivables:				
Property taxes	1,735,709	\$431,125		2,166,834
Government claims and grants	831,436			831,436
Other	872,137	79,076	20,096	971,309
Due from other funds		575,062	191,856	766,918
Prepaid items	198,465			198,465
Inventories			9,950	9,950
Property and equipment, net			48,105	48,105
<b>Total assets</b>	<b>\$7,891,953</b>	<b>\$1,085,263</b>	<b>\$270,457</b>	<b>\$9,247,673</b>
<b>LIABILITIES AND FUND EQUITY (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$118,440		\$1,457	\$119,897
Accrued liabilities	47,915		\$39,026	86,941
Unearned revenue:				
Property taxes	2,856,867	\$709,604		3,566,471
Other		181,524	133,164	314,688
Due to other funds	1,658,055			1,658,055
<b>Total liabilities</b>	<b>4,681,277</b>	<b>891,128</b>	<b>173,647</b>	<b>5,746,052</b>
<b>FUND EQUITY (DEFICIT)</b>				
Retained earnings (deficit):				
Unreserved			96,810	96,810
Fund balance (deficit):				
Reserved for encumbrances	10,605			10,605
Reserved for insurance				0
Unreserved	3,200,071	194,135		3,394,206
<b>Total fund equity (deficit)</b>	<b>3,210,676</b>	<b>194,135</b>	<b>96,810</b>	<b>3,501,621</b>
<b>Total liabilities and fund equity (deficit)</b>	<b>\$7,891,953</b>	<b>\$1,085,263</b>	<b>\$270,457</b>	<b>\$9,247,673</b>

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**Current Restricted Funds**

<b>Restricted Purpose</b>	<b>Nonexpendable Trust</b>	<b>Audit</b>	<b>Liability Protection Funds</b>	<b>Sandburg Initiates Life-Changing Opportunities</b>	<b>Bond and Interest</b>	<b>Total Current Restricted Funds</b>
	\$862,589					\$862,589
	1,204,934			\$1,006,782		2,211,716
	2,878,686		\$4,131,463		\$6,719	7,016,868
		\$43,113	1,058,843		1,950,409	3,052,365
\$414,942	30,767					445,709
14			36,820	2,718		39,552
56,831	676,958		147,721	65,219	1,626,651	2,573,380
6,175						6,175
						0
						0
<b>\$477,962</b>	<b>\$5,653,934</b>	<b>\$43,113</b>	<b>\$5,374,847</b>	<b>\$1,074,719</b>	<b>\$3,583,779</b>	<b>\$16,208,354</b>
\$3,890						\$3,890
						0
		\$70,960	\$1,742,788		\$3,210,250	5,023,998
58,353						58,353
		105,419	941,193			1,046,612
62,243	\$0	176,379	2,683,981	\$0	3,210,250	6,132,853
						0
24,258						24,258
			4,316,004			4,316,004
391,461	5,653,934	(133,266)	(1,625,138)	1,074,719	373,529	5,735,239
415,719	5,653,934	(133,266)	2,690,866	1,074,719	373,529	10,075,501
<b>\$477,962</b>	<b>\$5,653,934</b>	<b>\$43,113</b>	<b>\$5,374,847</b>	<b>\$1,074,719</b>	<b>\$3,583,779</b>	<b>\$16,208,354</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,  
AND CHANGES IN FUND EQUITY (DEFICIT) - CURRENT FUNDS  
For the year ended June 30, 2010**

	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education	Operations and Maintenance	Auxiliary Enterprise	
<b>Revenues:</b>				
Local government	\$2,938,679	\$691,979		\$3,630,658
State government	5,830,406	326,738		6,157,144
Federal government	74,432	5,251	\$19,868	99,551
Student tuition and fees	6,516,116	543,023	280,073	7,339,212
Sales and service fees			657,750	657,750
Interest	20,288	1,854		22,142
Net increase (decrease) in fair value of investments				0
Other	92,094	46,300	198,273	336,667
<b>Total revenues</b>	<b>15,472,015</b>	<b>1,615,145</b>	<b>1,155,964</b>	<b>18,243,124</b>
<b>Expenditures/expenses:</b>				
<b>Current:</b>				
Instruction	6,156,873			6,156,873
Academic support	342,586			342,586
Student services	1,588,634			1,588,634
Public services	167,535			167,535
Auxiliary services			1,132,156	1,132,156
Operation and maintenance of plant		1,472,365		1,472,365
Institutional support	6,236,330	82,985		6,319,315
Scholarships, student grants, and waivers	10,006			10,006
<b>Debt service:</b>				
Principal retirement	7,288			7,288
Interest	214			214
Bond issuance costs				0
<b>Capital outlay:</b>				
Building construction, building improvements, and equipment	122,770	11,999		134,769
<b>Total expenditures/expenses</b>	<b>14,632,236</b>	<b>1,567,349</b>	<b>1,132,156</b>	<b>17,331,741</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>839,779</b>	<b>47,796</b>	<b>23,808</b>	<b>911,383</b>
<b>Other financing sources (uses):</b>				
Par on bonds sold				
Net premium (discount) on bonds sold				
Deposit in escrow				
Transfers in	185,770	36,624	48,169	270,563
Transfers out	(683,477)		(27,827)	(711,304)
<b>Total other financing sources (uses)</b>	<b>(497,707)</b>	<b>36,624</b>	<b>20,342</b>	<b>(440,741)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>342,072</b>	<b>84,420</b>	<b>44,150</b>	<b>470,642</b>
<b>Fund equity (deficit) at beginning of year</b>	<b>2,868,604</b>	<b>109,715</b>	<b>52,660</b>	<b>3,030,979</b>
<b>Fund equity (deficit) at end of year</b>	<b>\$3,210,676</b>	<b>\$194,135</b>	<b>\$96,810</b>	<b>\$3,501,621</b>

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
\$34,375		\$67,794	\$1,599,938		\$2,973,444	\$4,675,551
1,322,608						1,322,608
7,111,508						7,111,508
						0
						0
180	\$79,415	108	92,325	\$24,844	5,043	201,915
	(10,738)		(35,853)			(46,591)
143,478			19,703			163,181
8,612,149	68,677	67,902	1,676,113	24,844	2,978,487	13,428,172
666,819						666,819
5,054						5,054
537,038						537,038
450,021						450,021
						0
						0
14,559		66,605	2,084,406		5,973	2,171,543
6,848,039						6,848,039
					1,770,000	1,770,000
					998,241	998,241
					61,243	61,243
93,769						93,769
8,615,299	0	66,605	2,084,406	0	2,835,457	13,601,767
(3,150)	68,677	1,297	(408,293)	24,844	143,030	(173,595)
					7,895,000	7,895,000
					(21,362)	(21,362)
					(5,878,386)	(5,878,386)
	2,000,000				0	2,000,000
	(353,266)		497,707		(2,000,000)	(1,855,559)
0	1,646,734	0	497,707	0	(4,748)	2,139,693
(3,150)	1,715,411	1,297	89,414	24,844	138,282	1,966,098
418,869	3,938,523	(134,563)	2,601,452	1,049,875	235,247	8,109,403
\$415,719	\$5,653,934	(\$133,266)	\$2,690,866	\$1,074,719	\$373,529	\$10,075,501

**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, 2010**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
<b>Local government:</b>			
Property taxes	\$2,763,166	\$2,733,454	(\$29,712)
Corporate personal property replacement tax	200,000	205,225	5,225
Other	4,800	0	(4,800)
<b>Total local government</b>	<b>2,967,966</b>	<b>2,938,679</b>	<b>(29,287)</b>
<b>State government:</b>			
ICCB base operating grant	1,985,587	1,778,956	(206,631)
ICCB equalization grant	2,323,474	1,943,770	(379,704)
Board of Vocational Education and Rehabilitation	60,000	179,339	119,339
State of Illinois SURS on-behalf payments	800,000	1,928,341	1,128,341
<b>Total state government</b>	<b>5,169,061</b>	<b>5,830,406</b>	<b>661,345</b>
<b>Federal government -</b>			
ARRA - base operating grant	0	64,486	64,486
AmeriCorps	0	9,946	9,946
<b>Total federal government</b>	<b>0</b>	<b>74,432</b>	<b>74,432</b>
<b>Student tuition and fees</b>	<b>5,699,628</b>	<b>6,516,116</b>	<b>816,488</b>
<b>Interest</b>	<b>30,150</b>	<b>20,288</b>	<b>(9,862)</b>
<b>Miscellaneous - other</b>	<b>95,964</b>	<b>92,094</b>	<b>(3,870)</b>
<b>Total revenues</b>	<b>13,962,769</b>	<b>15,472,015</b>	<b>1,509,246</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries	5,288,720	5,164,069	124,651
Employee benefits	8,654	4,757	3,897
Contractual services	1,010,940	590,357	420,583
General materials and supplies	394,855	283,947	110,908
Conference and meeting expense	122,272	107,300	14,972
Fixed charges	1,500	0	1,500
Other	102,793	6,443	96,350
<b>Total instruction</b>	<b>6,929,734</b>	<b>6,156,873</b>	<b>772,861</b>

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

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

For the year ended June 30, 2010

	Budget	Actual	Variance With Budget
<b>Expenditures (continued):</b>			
<b>Academic support:</b>			
Salaries	211,368	194,296	17,072
Contractual services	40,280	38,055	2,225
General materials and supplies	106,499	107,408	(909)
Conference and meeting expense	5,071	2,827	2,244
<b>Total academic support</b>	<b>363,218</b>	<b>342,586</b>	<b>20,632</b>
<b>Student services:</b>			
Salaries	1,109,665	1,047,444	62,221
Contractual services	137,673	69,495	68,178
General materials and supplies	55,805	30,475	25,330
Conference and meeting expense	27,520	15,251	12,269
Fixed charges	413	295	118
Other	489,673	425,674	63,999
<b>Total student services</b>	<b>1,820,749</b>	<b>1,588,634</b>	<b>232,115</b>
<b>Public services:</b>			
Salaries	138,339	76,132	62,207
Contractual services	70,000	45,575	24,425
General materials and supplies	32,095	20,427	11,668
Conference and meeting expense	26,904	21,067	5,837
Fixed charges	300	0	300
Utilities	2,200	1,253	947
Other	6,900	3,081	3,819
<b>Total public services</b>	<b>276,738</b>	<b>167,535</b>	<b>109,203</b>
<b>Institutional support:</b>			
Salaries	1,359,496	1,287,716	71,780
Employee benefits	2,501,805	3,235,358	(733,553)
Contractual services	196,680	211,227	(14,547)
General materials and supplies	582,243	580,244	1,999
Conference and meeting expense	99,721	44,159	55,562
Fixed charges	148,294	144,870	3,424
Other	189,670	732,756	(543,086)
<b>Total institutional support</b>	<b>5,077,909</b>	<b>6,236,330</b>	<b>(1,158,421)</b>

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

For the year ended June 30, 2010

	Budget	Actual	Variance With Budget
<b>Expenditures (continued):</b>			
Scholarships, student grants, and waivers:			
Other	0	10,006	(10,006)
<b>Total scholarships, student grants, and waivers</b>	<b>0</b>	<b>10,006</b>	<b>(10,006)</b>
<b>Debt service:</b>			
Principal retirement	0	7,288	(7,288)
Interest	0	214	(214)
Capital outlay	0	122,770	(122,770)
<b>Total expenditures</b>	<b>14,468,348</b>	<b>14,632,236</b>	<b>(163,888)</b>
Excess (deficiency) of revenues over expenditures	(505,579)	839,779	1,345,358
<b>Other financing sources:</b>			
Transfers in	653,659	185,770	(467,889)
Transfers out	0	(683,477)	(683,477)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$148,080</u>	342,072	<u>\$193,992</u>
<b>Fund balance at beginning of year</b>		<u>2,868,604</u>	
<b>Fund balance at end of year</b>		<u><u>\$3,210,676</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, 2010

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$685,309	\$677,940	(\$7,369)
Corporate personal property replacement tax	15,000	14,039	(961)
<b>Total local government</b>	<b>700,309</b>	<b>691,979</b>	<b>(8,330)</b>
State government:			
ICCB base operating grant	172,660	168,453	(4,207)
ICCB equalization grant	202,041	158,285	(43,756)
<b>Total state government</b>	<b>374,701</b>	<b>326,738</b>	<b>(47,963)</b>
Federal government -			
ARRA - base operating grant	0	5,251	5,251
Student tuition and fees	472,206	543,023	70,817
Interest	3,420	1,854	(1,566)
Other:			
Rent	42,000	45,742	3,742
Miscellaneous	1,178	558	(620)
<b>Total other revenue</b>	<b>43,178</b>	<b>46,300</b>	<b>3,122</b>
<b>Total revenues</b>	<b>1,593,814</b>	<b>1,615,145</b>	<b>21,331</b>
<b>Expenditures:</b>			
Operation and maintenance of plant:			
Salaries	558,191	512,091	46,100
Contractual services	96,598	94,403	2,195
General materials and supplies	84,792	98,197	(13,405)
Conference and meeting expense	5,696	4,744	952
Fixed charges	2,129	448	
Utilities	570,222	636,335	(66,113)
Other	182,151	126,147	56,004
<b>Total operation and maintenance of plant</b>	<b>1,499,779</b>	<b>1,472,365</b>	<b>27,414</b>

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

For the year ended June 30, 2010

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	11,115	6,153	4,962
General materials and supplies	616	0	616
Conference and meeting expense	514	0	514
Utilities	106,790	76,832	29,958
<b>Total institutional support</b>	<b>119,035</b>	<b>82,985</b>	<b>36,050</b>
Capital outlay	25,000	11,999	13,001
<b>Total expenditures</b>	<b>1,643,814</b>	<b>1,567,349</b>	<b>76,465</b>
Excess (deficiency) of revenues over expenditures	(50,000)	47,796	97,796
Other financing sources (uses) -			
Transfers in	50,000	36,624	0
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$0</u>	<u>84,420</u>	<u>\$84,420</u>
Fund balance at beginning of year		<u>109,715</u>	
Fund balance at end of year		<u>\$194,135</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, 2010

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government - Property taxes	\$68,531	\$67,794	(\$737)
Interest	180	108	(72)
<b>Total revenues</b>	<b>68,711</b>	<b>67,902</b>	<b>(809)</b>
<b>Expenditures -</b>			
Institutional support:			
Salaries	6,855	6,855	0
Contractual services	56,516	59,750	(3,234)
General materials and supplies	700	0	700
Conference and meeting expense	4,640	0	4,640
<b>Total expenditures</b>	<b>68,711</b>	<b>66,605</b>	<b>2,106</b>
Excess of revenues over expenditures	<u>\$0</u>	1,297	<u>\$1,297</u>
Fund balance (deficit) at beginning of year		<u>(134,563)</u>	
Fund balance (deficit) at end of year		<u><u>(\$133,266)</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, 2010

	Budget	Actual	Variance With Budget
Revenues -			
Interest	\$25,846	\$24,844	(\$1,002)
Other financing sources -			
Transfers out	(59,699)	0	59,699
Excess of revenues and other financing sources	<u>(\$33,853)</u>	24,844	<u>\$58,697</u>
Fund balance at beginning of year		<u>1,049,875</u>	
Fund balance at end of year		<u>\$1,074,719</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, 2010**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government - Property taxes	\$2,995,180	\$2,973,444	(\$21,736)
Interest	6,700	5,043	(1,657)
<b>Total revenues</b>	<b>3,001,880</b>	<b>2,978,487</b>	<b>(23,393)</b>
<b>Expenditures -</b>			
Institutional support - Other	6,700	5,973	727
<b>Debt service:</b>			
Principal retirement	1,770,000	1,770,000	0
Interest	1,225,180	998,241	226,939
Bond issuance costs	0	61,243	(61,243)
<b>Total debt service</b>	<b>2,995,180</b>	<b>2,829,484</b>	<b>165,696</b>
<b>Total expenditures</b>	<b>3,001,880</b>	<b>2,835,457</b>	<b>166,423</b>
Excess (deficiency) of revenues over expenditures	0	143,030	143,030
<b>Other financing sources (uses):</b>			
Par on bonds sold	0	7,895,000	7,895,000
Net premium (discount) on bonds sold	0	(21,362)	(21,362)
Deposit in escrow	0	(5,878,386)	(5,878,386)
Transfers in	0	0	0
Transfers out	0	(2,000,000)	(2,000,000)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$0</u>	<u>138,282</u>	<u>\$138,282</u>
<b>Fund balance at beginning of year</b>		<u>235,247</u>	
<b>Fund balance at end of year</b>		<u>\$373,529</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, 2010

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government - Property taxes	\$358,300	\$357,952	(\$348)
Interest	10,227	8,559	(1,668)
Other	10,950	429,909	418,959
<b>Total revenues</b>	<b>379,477</b>	<b>796,420</b>	<b>416,943</b>
<b>Expenditures -</b>			
Institutional support - Contractual services	35,830	260,202	(224,372)
Capital outlay - building construction and building improvements	3,080,970	3,278,392	(197,422)
<b>Total expenditures</b>	<b>3,116,800</b>	<b>3,538,594</b>	<b>(421,794)</b>
Excess (deficiency) of revenues over expenditures	(2,737,323)	(2,742,174)	(4,851)
<b>Other financing sources -</b>			
Transfers in	426,600	440,931	14,331
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$2,310,723)</u>	<u>(2,301,243)</u>	<u>(\$4,611,966)</u>
Fund balance at beginning of year		1,792,761	
Fund balance (deficit) at end of year		<u>(\$508,482)</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, 2010**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Interest	\$223,133	\$321,121	\$97,988
Net increase in fair value of investments	0	57,399	57,399
<b>Total revenues</b>	<b>223,133</b>	<b>378,520</b>	<b>155,387</b>
<b>Expenditures:</b>			
Institutional support -			
Fixed charges	1,250	2,500	(1,250)
Other	0	67	(67)
<b>Total expenditures</b>	<b>1,250</b>	<b>2,567</b>	<b>(1,317)</b>
Excess of revenues over expenditures	221,883	375,953	154,070
<b>Other financing sources -</b>			
Transfers out	(970,760)	(144,631)	(826,129)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$748,877)</u>	231,322	<u>(\$517,555)</u>
Fund balance at beginning of year		8,937,028	
Fund balance at end of year		<u>\$9,168,350</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, 2010

	Budget	Actual	Variance With Budget
<b>Operating revenues:</b>			
State government	\$130	\$0	(\$130)
Federal government	27,000	19,868	(7,132)
Student tuition and fees	240,645	280,073	39,428
Sales and service fees	687,113	657,750	(29,363)
Other	206,945	198,273	(8,672)
<b>Total operating revenues</b>	<b>1,161,833</b>	<b>1,155,964</b>	<b>(5,869)</b>
<b>Operating expenses:</b>			
Salaries	556,634	551,448	5,186
Employee benefits	11,998	12,222	(224)
Contractual services	186,335	172,833	13,502
General materials and supplies	222,246	254,754	(32,508)
Conference and meeting expense	48,957	43,129	5,828
Depreciation	19,235	20,815	(1,580)
Other	167,627	76,955	90,672
<b>Total operating expenses</b>	<b>1,213,032</b>	<b>1,132,156</b>	<b>80,876</b>
<b>Operating income before transfers in (out)</b>	<b>(51,199)</b>	<b>23,808</b>	<b>75,007</b>
Transfers in	100,800	48,169	(52,631)
Transfers out	(49,600)	(27,827)	21,773
<b>Net income</b>	<b>\$1</b>	<b>44,150</b>	<b>\$44,151</b>
<b>Retained earnings at beginning of year</b>		<b>52,660</b>	
<b>Retained earnings at end of year</b>		<b>\$96,810</b>	



**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, 2010**

	<b>Message Therapy</b>	<b>Auto Mechanics</b>
<b>Operating revenues:</b>		
Federal government grants	\$0	\$0
Student tuition and fees	0	0
Sales and service fees	3,211	49,205
Other	0	0
<b>Total operating revenues</b>	<b>3,211</b>	<b>49,205</b>
<b>Operating expenses:</b>		
Salaries	0	0
Employee benefits	0	0
Contractual services	0	0
General materials and supplies	1,577	50,313
Conference and meetings	0	0
Depreciation	0	0
Other	0	0
<b>Total operating expenses</b>	<b>1,577</b>	<b>50,313</b>
<b>Operating income (loss)</b>	<b>\$1,634</b>	<b>(\$1,108)</b>

<b>Bookstore</b>	<b>Child Care Center</b>	<b>Cosmetology</b>	<b>Dental Hygiene</b>	<b>Food Service</b>	<b>Athletics</b>	<b>Student Activities - Other Services</b>	<b>Totals</b>
\$0	\$19,868	\$0	\$0	\$0	\$0	\$0	\$19,868
0	0	0	0	0	0	280,073	280,073
0	356,601	29,534	28,232	0	0	190,967	657,750
155,135	1,528	0	244	28,483	0	12,883	198,273
155,135	377,997	29,534	28,476	28,483	0	483,923	1,155,964
0	385,510	0	0	0	93,655	72,283	551,448
0	12,222	0	0	0	0	0	12,222
0	31,962	2,285	0	36,289	33,108	69,189	172,833
0	5,855	3,558	22,566	8,556	43,401	118,928	254,754
0	273	0	0	0	42,856	0	43,129
0	0	0	0	0	0	20,815	20,815
0	1,284	0	1,160	1,321	18,506	54,684	76,955
0	437,106	5,843	23,726	46,166	231,526	335,899	1,132,156
\$155,135	(\$59,109)	\$23,691	\$4,750	(\$17,683)	(\$231,526)	\$148,024	\$23,808

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMBINING BALANCE SHEET - LIABILITY PROTECTION FUNDS  
June 30, 2010**

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments			\$4,131,463	\$4,131,463
Receivables:				
Property taxes		\$1,058,843		1,058,843
Other			36,820	36,820
Due from other funds			147,721	147,721
<b>Total assets</b>	<b>\$0</b>	<b>\$1,058,843</b>	<b>\$4,316,004</b>	<b>\$5,374,847</b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Unearned revenue -				
Property taxes		\$1,742,788		\$1,742,788
Due to other funds	\$324	940,869		941,193
<b>Total liabilities</b>	<b>324</b>	<b>2,683,657</b>	<b>\$0</b>	<b>2,683,981</b>
Fund balance (deficit):				
Reserved for insurance			4,316,004	4,316,004
Unreserved	(324)	(1,624,814)		(1,625,138)
<b>Total fund balance (deficit)</b>	<b>(324)</b>	<b>(1,624,814)</b>	<b>4,316,004</b>	<b>2,690,866</b>
<b>Total liabilities and fund balance</b>	<b>\$0</b>	<b>\$1,058,843</b>	<b>\$4,316,004</b>	<b>\$5,374,847</b>

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE (DEFICIT)  
LIABILITY PROTECTION FUNDS**

For the year ended June 30, 2010

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
<b>Revenues:</b>				
Local government		\$1,599,938		\$1,599,938
Interest		2,649	\$89,676	92,325
Net (decrease) in fair value of investments			(35,853)	(35,853)
Other	\$19,703			19,703
<b>Total revenues</b>	<b>19,703</b>	<b>1,602,587</b>	<b>53,823</b>	<b>1,676,113</b>
<b>Expenditures -</b>				
<b>Current -</b>				
Institutional support	20,027	2,064,368	11	2,084,406
Excess (deficiency) of revenues over expenditures	(324)	(461,781)	53,812	(408,293)
<b>Other financing sources -</b>				
Transfers in (out)	683,477	(131,957)	(53,813)	497,707
Excess (deficiency) of revenues and other financing sources over expenditures	683,153	(593,738)	(1)	89,414
<b>Fund balance (deficit) at end of year</b>	<b>(683,477)</b>	<b>(1,031,076)</b>	<b>4,316,005</b>	<b>2,601,452</b>
<b>Fund balance (deficit) at end of year</b>	<b>(\$324)</b>	<b>(\$1,624,814)</b>	<b>\$4,316,004</b>	<b>\$2,690,866</b>

**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, 2010**

	<b>Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
Revenues -			
Other	\$16,626	\$19,703	\$3,077
Expenditures -			
Employee benefits	16,626	20,027	(3,401)
Excess (deficiency) of revenues over expenditures	0	(324)	(324)
Other financing sources (uses) -			
Transfer in	0	683,477	683,477
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$0</u>	683,153	<u>\$683,153</u>
Fund balance (deficit) at beginning of year		(683,477)	
Fund balance at end of year		<u>(\$324)</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, 2010**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Property taxes	\$1,606,364	\$1,599,938	(\$6,426)
Interest income	0	2,649	2,649
<b>Total revenues</b>	<b>1,606,364</b>	<b>1,602,587</b>	<b>(3,777)</b>
<b>Expenditures:</b>			
Salaries	1,456,897	1,409,570	47,327
Employee benefits	180,982	165,305	15,677
Contractual services	220,108	206,742	13,366
General materials and supplies	23,073	25,281	(2,208)
Conference and meetings	4,466	1,447	3,019
Fixed charges	262,175	248,954	13,221
Other	3,731	7,069	(3,338)
<b>Total expenditures</b>	<b>2,151,432</b>	<b>2,064,368</b>	<b>87,064</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(545,068)</b>	<b>(461,781)</b>	<b>83,287</b>
<b>Other financing sources (uses) -</b>			
Transfer in	70,000	53,813	(16,187)
Transfer out	0	(185,770)	(185,770)
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>(\$475,068)</u></b>	<b><u>(593,738)</u></b>	<b><u>(\$118,670)</u></b>
<b>Fund balance (deficit) at beginning of year</b>		<b><u>(1,031,076)</u></b>	
<b>Fund balance (deficit) at end of year</b>		<b><u><u>(\$1,624,814)</u></u></b>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
INSURANCE RESERVE FUND  
For the year ended June 30, 2010**

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Interest income	\$212,400	\$89,676	(\$122,724)
Net (decrease) in fair value of investments	0	(35,853)	(35,853)
<b>Total revenues</b>	<b>212,400</b>	<b>53,823</b>	<b>(158,577)</b>
<b>Expenditures -</b>			
Other	0	11	(11)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>212,400</b>	<b>53,812</b>	<b>(158,588)</b>
<b>Other financing sources (uses) -</b>			
Transfers out	0	(53,813)	(53,813)
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>\$212,400</u></b>	<b>(1)</b>	<b><u>(\$212,401)</u></b>
<b>Fund balance at beginning of year</b>		<b><u>4,316,005</u></b>	
<b>Fund balance at end of year</b>		<b><u>\$4,316,004</u></b>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF MANAGEMENT INFORMATION  
RECONCILIATION OF THE BALANCE SHEET - ALL FUND TYPES  
TO THE STATEMENT OF NET ASSETS**  
For the year ended June 30, 2010

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Fund equity - all fund types (page 62)	\$22,236,990
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	22,214,355
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	339,839
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(102,111)
Long-term liabilities not reported in the governmental funds	(29,621,454)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(349,540)</u>
Net assets (Page 13)	<u><u>\$14,718,079</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, 2010

Net increase in fund equity - all fund types (page 63)	\$366,819
<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	3,776,849
Depreciation expense	(1,164,501)
<p>Repayment of bond principal and changes in other long-term debt obligations is an expenditure or other financing use of governmental funds, but reduces long-term liabilities in the Statement of Net Assets:</p>	
Bond principal repayments and loss on defeasement of bonded debt	1,371,614
Capital leases	7,288
Compensated absences	27,919
<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	(7,895,000)
Bond issuance costs	61,243
Discount on bonds sold	21,362
Deposits in escrow	5,878,386
<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>	
	(29,909)
<p>Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.</p>	
	(9,457)
<p>Revenue for student tuition is recognized in the governmental funds when substantially received.</p>	
	7,294
Increase in net assets (page 14)	\$2,419,907

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, 2010

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**Uniform Financial Statements**

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

The Uniform Financial Statements include the following:

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

**Certificate of Chargeback Reimbursement**

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #1  
ALL FUNDS SUMMARY  
For the year ended June 30, 2010**

	Education Fund **	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2009	\$2,868,604	\$109,715	\$1,792,761	\$8,937,028
Revenue:				
Local taxes	2,938,679	691,979	357,952	
All other local government				
ICCB grants	3,902,065	326,738		
All other state revenue				
Federal revenue	74,432	5,251		
Student tuition and fees	6,516,116	543,023		
All other revenue	112,382	48,154	438,468	378,520
<b>Total revenue</b>	<b>13,543,674</b>	<b>1,615,145</b>	<b>796,420</b>	<b>378,520</b>
Expenditures:				
Instruction	6,156,873			
Academic support	342,586			
Student services	1,588,634			
Public service	167,535			
Auxiliary services				
Operation and maintenance		1,472,365		
Institutional support	4,307,989	82,985	260,202	2,567
Scholarships, student grants, and waivers	10,006			
Principal retirement	7,288			
Interest, service charges, and issuance costs	214			
Building construction, building improvements, and equipment	122,770	11,999	3,278,392	
<b>Total expenditures</b>	<b>12,703,895</b>	<b>1,567,349</b>	<b>3,538,594</b>	<b>2,567</b>
Par on bonds sold				
Net premium (discount) on bonds sold				
Deposit in Escrow				
Transfers in	185,770	36,624	440,931	
Transfers out	(683,477)			(144,631)
	(497,707)	36,624	440,931	(144,631)
<b>Fund balance (deficit) at June 30, 2010</b>	<b>\$3,210,676</b>	<b>\$194,135</b>	<b>(\$508,482)</b>	<b>\$9,168,350</b>

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

Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Nonexpendable Trust Fund	Total
\$235,247	\$52,660	\$418,869	(\$134,563)	\$2,601,452	\$1,049,875	\$3,938,523	\$21,870,171
2,973,444			67,794	1,599,938			8,629,786
		34,375					34,375
		215,640					4,444,443
		1,106,968					1,106,968
	19,868	7,111,508					7,211,059
	280,073						7,339,212
5,043	856,023	143,658	108	76,175	24,844	68,677	2,152,052
2,978,487	1,155,964	8,612,149	67,902	1,676,113	24,844	68,677	30,917,895
		666,819					6,823,692
		5,054					347,640
		537,038					2,125,672
		450,021					617,556
	1,132,156						1,132,156
5,973		14,559	66,605	2,084,406			1,472,365
		6,848,039					6,825,286
1,770,000							6,858,045
1,059,484							1,777,288
							1,059,698
		93,769					3,506,930
2,835,457	1,132,156	8,615,299	66,605	2,084,406	0	0	32,546,328
7,895,000							7,895,000
(21,362)							(21,362)
(5,878,386)							
	48,169					2,000,000	2,711,494
(2,000,000)	(27,827)			497,707		(353,266)	(2,711,494)
(4,748)	20,342	0	0	497,707	0	1,646,734	7,873,638
\$373,529	\$96,810	\$415,719	(\$133,266)	\$2,690,866	\$1,074,719	\$5,653,934	\$22,236,990

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #2  
SUMMARY OF FIXED ASSETS AND DEBT\*  
For the year ended June 30, 2010**

	<b>Fixed Assets/ Debt Account Groups July 1, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclassification</b>	<b>Fixed Assets/ Debt Account Groups June 30, 2010</b>
<b>Fixed assets:</b>					
Land	\$405,483				\$405,483
Work in progress	3,122,134	\$38,732		(\$3,122,134)	38,732
Furniture and equipment	3,487,517	457,262	40,897	122,889	4,026,771
Land improvements	263,179				263,179
Buildings and additions	26,189,383	3,280,855		2,999,245	32,469,483
Vehicles	308,743	20,618	17,210		312,151
Infrastructure	2,356,688				2,356,688
<b>Total fixed assets</b>	<b>36,133,127</b>	<b>3,797,467</b>	<b>58,107</b>	<b>0</b>	<b>39,872,487</b>
<b>Accumulated depreciation</b>	<b>16,482,818</b>	<b>1,185,316</b>	<b>58,107</b>		<b>17,610,027</b>
<b>Total net fixed assets</b>	<b>\$19,650,309</b>	<b>\$2,612,151</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,262,460</b>
<b>Fixed debts:</b>					
Bonds payable	\$28,610,000	\$7,895,000	\$7,250,000		\$29,255,000
Other fixed liabilities	431,124	303,647	333,495		401,276
<b>Total fixed debts</b>	<b>\$29,041,124</b>	<b>\$8,198,647</b>	<b>\$7,583,495</b>	<b>\$0</b>	<b>\$29,656,276</b>

\* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2010.

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #3  
OPERATING FUNDS REVENUES AND EXPENDITURES  
For the year ended June 30, 2010**

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$2,733,454	\$677,940	\$3,411,394
Corporate personal property replacement tax	205,225	14,039	219,264
Tuition chargeback revenue	0	0	0
<b>Total local government</b>	<b>2,938,679</b>	<b>691,979</b>	<b>3,630,658</b>
State government:			
ICCB base operating grant	1,778,956	168,453	1,947,409
ICCB equalization grant	1,943,770	158,285	2,102,055
ICCB career and technical education	179,339	0	179,339
<b>Total state government</b>	<b>3,902,065</b>	<b>326,738</b>	<b>4,228,803</b>
Federal government -			
Department of education	64,486	5,251	69,737
AmeriCorps	9,946	0	9,946
<b>Total federal government</b>	<b>74,432</b>	<b>5,251</b>	<b>79,683</b>
Student tuition and fees:			
Tuition	6,397,895	543,023	6,940,918
Fees	118,221	0	118,221
<b>Total tuition and fees</b>	<b>6,516,116</b>	<b>543,023</b>	<b>7,059,139</b>
Other sources:			
Interest	20,288	1,854	22,142
Other	92,094	46,300	138,394
<b>Total other sources</b>	<b>112,382</b>	<b>48,154</b>	<b>160,536</b>
<b>Total revenue</b>	<b>13,543,674</b>	<b>1,615,145</b>	<b>15,158,819</b>
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
<b>Adjusted revenue</b>	<b>\$13,543,674</b>	<b>\$1,615,145</b>	<b>\$15,158,819</b>

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #3  
OPERATING FUNDS REVENUES AND EXPENDITURES  
(CONTINUED)**

For the year ended June 30, 2010

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$6,287,145	\$11,999	\$6,299,144
Academic support	342,586	0	342,586
Student services	1,588,634	0	1,588,634
Public services	167,535	0	167,535
Institutional support **	4,307,989	82,985	4,390,974
Operation and maintenance of plant	0	1,472,365	1,472,365
Scholarships, student grants, and waivers	10,006	0	10,006
<b>Total expenditures</b>	<b>12,703,895</b>	<b>1,567,349</b>	<b>14,271,244</b>
Less nonoperating items -*			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$12,703,895</b>	<b>\$1,567,349</b>	<b>\$14,271,244</b>
By object:			
Salaries	7,769,657	512,091	\$8,281,748
Employee benefits **	1,311,774	0	1,311,774
Contractual services	954,709	100,556	1,055,265
General materials and supplies	1,022,501	98,197	1,120,698
Conference and meeting expense	190,604	4,744	195,348
Fixed charges	145,165	448	145,613
Utilities	1,253	713,167	714,420
Capital outlay	130,272	11,999	142,271
Other	1,177,960	126,147	1,304,107
<b>Total expenditures</b>	<b>12,703,895</b>	<b>1,567,349</b>	<b>14,271,244</b>
Less nonoperating items -*			
Tuition chargeback	0	0	0
<b>Adjusted expenditures</b>	<b>\$12,703,895</b>	<b>\$1,567,349</b>	<b>\$14,271,244</b>

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

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #4  
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES**

For the year ended June 30, 2010

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Revenue by source:

Local government:

United Way	\$4,362
Development of Special Educators	1,965
Pre-K	24,050
Quality Counts Child Care	3,998
Other	0

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Total local government	34,375
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State government:

ICCB:

Workforce Development Business/Industry Grant	58,347
State Adult Education Restricted Funds Grants	139,934
Program Improvement Grant	14,288
Perkins Postsecondary Innovation Grant	3,071
Illinois Student Assistance Commission	964,523
Penny Severns Summer Family Literacy	3,502
S.O.S. Family Literacy	109,000
RSVP	29,943

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Total state government	1,322,608
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Federal government:

Department of Education:

College Work Study Grants	79,491
Pell Grants	4,845,492
Supplemental Educational Opportunity Grant	83,520
Direct Loans	864,685
Federal Adult Basic	73,029
Federal Adult EL/Civics	16,865
Tech Prep Education	3,500
Trio-Student Support services	189,380
Trio-Upward Bound	255,605
Perkins Postsecondary-Federal Allocation	214,367
Perkins Postsecondary Innovation Grant	5,704
Academic Competitive Grant	10,350
Title III	370,706
Other-RSVP	98,814

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Total federal government	7,111,508
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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, 2010

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Revenue by source (continued):	
Other sources	143,658
<hr/>	
Total restricted purposes fund revenues	\$8,612,149
<hr/>	

Expenditures by program:	
Instruction	\$760,588
Academic support	5,054
Student services	537,038
Public services	450,021
Institutional support	14,559
Scholarships, student grants, and waivers	6,848,039
<hr/>	
Total restricted purposes fund expenditures by program	\$8,615,299
<hr/>	

Expenditures by object:	
Salaries	\$918,752
Employee benefits	158,581
Contractual services	61,416
General materials and supplies	187,531
Travel, conference and meeting expense	50,613
Student financial aid	6,848,039
Fixed charges	31,350
Utilities	3,160
Capital outlay	93,769
Other	262,088
<hr/>	
Total restricted purposes fund expenditures by object	\$8,615,299
<hr/>	

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
UNIFORM FINANCIAL STATEMENT #5  
CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY**  
For the year ended June 30, 2010

<b>Instructional:</b>	
Programs	\$5,925,687
Support	1,098,458
<b>Total instructional</b>	<b>7,024,145</b>
<b>Academic support:</b>	
Learning resource center	114,236
Instructional materials center	225,581
Educational media services	31,411
<b>Total academic support</b>	<b>371,228</b>
<b>Student services:</b>	
Admissions and records	192,429
Counseling and career guidance	422,769
Financial aid administration	153,670
Other student services	1,356,804
<b>Total student services</b>	<b>2,125,672</b>
<b>Public service/continuing education:</b>	
Community education	14,722
Customized training (instructional)	121,511
Community services	453,274
Other public service	28,049
<b>Total public service/continuing education</b>	<b>617,556</b>
<b>Auxiliary services</b>	<b>1,132,156</b>
<b>Operations and maintenance of plant:</b>	
Maintenance	452,437
Custodial	238,076
Grounds	131,397
Plant utilities	636,335
Other operations and maintenance	26,119
<b>Total operations and maintenance of plant</b>	<b>1,484,364</b>
<b>Institutional support:</b>	
Executive management	378,915
Fiscal operations **	886,891
Community relations	597,277
Administrative support services	1,729,312
Board of trustees	70,110
General institution	1,895,868
Institutional research	15,223
Administrative data processing	559,084
Other institutional support	423,864
<b>Total institutional support</b>	<b>6,556,544</b>
<b>Scholarships, student grants, and waivers</b>	<b>6,858,045</b>
<b>Total current funds expenditures</b>	<b>\$26,169,710</b>

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

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)  
FOR FISCAL YEAR 2011**

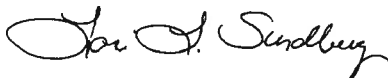
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All fiscal year 2010 noncapital audited operating expenditures from the following funds:

1	Education Fund	\$12,581,125	
2	Operations and Maintenance Fund	1,555,350	
3	Bond and Interest Fund	2,835,457	
4	Restricted Purposes Fund	8,521,530	
5	Audit Fund	66,605	
6	Liability, Protection, and Settlement Fund	<u>2,084,406</u>	
7	Total noncapital expenditures (sum of lines 1-6)		<u><u>\$27,644,473</u></u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$866,042</u>	
9	Total costs included (line 7 plus line 8)		<u><u>\$28,510,515</u></u>
10	Total certified semester credit hours for FY 2010	<u>53,173.5</u>	
11	Per capita cost (line 9 divided by line 10)		\$536.18
12	All FY 2010 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>9,906,867</u>	
13	FY 2010 state and federal grants per semester credit hour (line 12 divided by line 10)		186.31
14	District's average ICCB grant rate (excluding equalization grants) for FY 2011		49.88
15	District's student tuition and fee rate per semester credit hour for FY 2011		<u>131.00</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)		<u><u>\$168.99</u></u>

Approved:   
Chief Financial Officer

9/14/2010  
Date

  
President

9/14/2010  
Date



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

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, and State Adult Education and Family Literacy Grants of Carl Sandburg College – Community College District No. 518 (the College) as of June 30, 2010, 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, and State Adult Education and Family Literacy Grants of Carl Sandburg College – Community College District No. 518 (the College) at June 30, 2010, 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, 2010

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM  
BALANCE SHEET  
June 30, 2010**

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**ASSETS**

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

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
For the year ended June 30, 2010**

	<b>Business/ Industry</b>
Revenues*	
State Sources	\$58,347
Expenditures:*	
Salaries	25,190
Benefits	4,949
Rent	25,200
Other	3,008
Total expenditures	58,347
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
Fund balance at end of year	\$0

\*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, 2010

	General	Operation of Workforce Dev. Office	Total
Expenditures:			
1. Personnel (salaries and benefits) **		\$30,139	\$30,139
2. Contractual services		3,008	3,008
3. Instructional materials			0
4. Instructional equipment *			0
5. Promotional materials			0
6. Staff development			0
7. Conference and meeting expenses			0
8. Travel **			0
9. Costs of operating a business assistance center/economic development/work force preparation offices			
a. Office equipment *			0
b. Utilities and telephone			0
c. Consumable supplies			0
d. Duplicating			0
e. Facility rental		25,200	25,200
10. Totals	\$0	\$58,347	\$58,347

\* 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, 2010**

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<b>A S S E T S</b>	<b>State Basic</b>	<b>State Public Assistance</b>	<b>State Performance</b>	<b>Total</b>
<b>Due from other funds</b>	\$0	\$0	\$38	\$38
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>	\$0	\$0	\$0	\$0
<b>Fund balance - reserved for encumbrances</b>	0	0	38	38
<b>Total liabilities and fund balance</b>	\$0	\$0	\$38	\$38

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, 2010

	State Basic	State Public Assistance	State Performance	Total
Revenues -				
Grant revenue	\$79,927	\$12,838	\$47,167	\$139,932
Expenditures:				
Instruction	58,921	11,306	8,209	78,436
Social work services				0
Guidance services	10,604		19,998	30,602
Assistive and adaptive equipment				0
Assessment and testing		1,532	3,766	5,298
Student transportatoin services			520	520
Literacy services	10,402		14,636	25,038
Child care services				0
Subtotal instructional and student services	79,927	12,838	47,129	139,894
Improvement of instructional services				0
General administration				0
Operation and maintenance of plant services				0
Worforce coordination				0
Data and information services				0
Indirect costs				0
Subtotal program support	0	0	0	0
Total expenditures	79,927	12,838	47,129	139,894
Excess of revenues over expenditures	0	0	38	38
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$0	\$0	\$38	\$38

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, 2010

<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$58,921	73.72%
General Administration (9% maximum allowed)	\$0	0.00%
<b>State Public Assistance</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$11,306	88.07%
General Administration (9% maximum allowed)	\$0	0.00%

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CAREER AND TECHNICAL EDUCATION  
PROGRAM IMPROVEMENT GRANT  
BALANCE SHEET  
June 30, 2010**

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**ASSETS**

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

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
CAREER AND TECHNICAL EDUCATION  
PROGRAM IMPROVEMENT GRANT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
For the year ended June 30, 2010**

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Revenues -*	
State sources	\$14,288
<hr/>	
Expenditures -*	
General materials and supplies	14,288
<hr/>	
Excess of revenues over expenditures	0
<hr/>	
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  
NOTES TO FINANCIAL STATEMENTS  
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS  
June 30, 2010**

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

**General**

The accompanying statements include only those transactions resulting from the Illinois Community College Board Workforce Development Business/Industry, Career and Technical Education-Program Improvement, and State Adult Education & Family Literacy grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund.

**Basis of Accounting**

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2010. 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, 2010, and have issued our report thereon dated September 14, 2010. 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, 2010. 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, 2010, 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.

*Jens Jensen, Callihan, Van Osdol & Co., Ltd.*

Sterling, Illinois  
September 14, 2010


**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, 2010**

	<b>Total Semester Credit Hours by Term *</b>							
	<b>Summer</b>		<b>Fall</b>		<b>Spring</b>		<b>Total</b>	
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Restricted</b>
Categories:								
Baccalaureate	3,154.0		12,846.0		12,577.5	15.0	28,577.5	15.0
Business Occupational	493.0		1,544.5		1,712.5		3,750.0	0.0
Technical Occupation	319.0		1,931.5		1,777.5		4,028.0	0.0
Health Occupational	1,519.0		4,282.5		3,592.5		9,394.0	0.0
Remedial Development	519.0		1,936.0		1,228.0		3,683.0	0.0
Adult Basis Education/ Adult Secondary Education	56.0	264.5	55.5	1,557.5	319.0	1,473.5	430.5	3,295.5
<b>Total credit hours certified</b>	<b>6,060.0</b>	<b>264.5</b>	<b>22,596.0</b>	<b>1,557.5</b>	<b>21,207.0</b>	<b>1,488.5</b>	<b>49,863.0</b>	<b>3,310.5</b>

	<b>Attending In-District</b>	<b>Attending Out-of-District on Chargeback or Contractual Agreement</b>	<b>Total</b>
Semester credit hours	<u>47,820.5</u>	<u>25.0</u>	<u>47,845.5</u>
Reimbursable semester credit hours (all terms)	<u>2,998.0</u>	<u>15.0</u>	
District equalized assessed valuation			<u>\$1,427,057,760</u>

	<b>Correctional Semester Credit Hours by Term</b>			
	<b>Summer</b>	<b>Fall</b>	<b>Spring</b>	<b>Total</b>
Categories:				
Baccalaureate	0.0			0.0
Business Occupational	0.0			0.0
Technical Occupation	0.0			0.0
Remedial Development	0.0			0.0
<b>Total credit hours certified</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

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

Signatures   
President

  
Chief Financial Officer (CFO)



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

For the year ended June 30, 2010

<b>Reconciliation of Total Semester Credit Hours For the year ended June 30, 2010</b>						
	<b>Total Unrestricted Credit Hours</b>	<b>Total Unrestricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>	<b>Total Restricted Credit Hours</b>	<b>Total Restricted Credit hours Certified to the ICCB</b>	<b>Difference</b>
Categories:						
Baccalaureate	28,577.5	28,577.5	-	15.0	15.0	-
Business Occupational	3,750.0	3,750.0	-	-	-	-
Technical Occupation	4,028.0	4,028.0	-	-	-	-
Health Occupational	9,394.0	9,394.0	-	-	-	-
Remedial Development	3,683.0	3,683.0	-	-	-	-
Adult Basis Education/Adult Secondary Education	430.5	430.5	-	3,295.5	3,295.5	-
<b>Total</b>	<b>49,863.0</b>	<b>49,863.0</b>	<b>-</b>	<b>3,310.5</b>	<b>3,310.5</b>	<b>-</b>

<b>Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours</b>			
	<b>Total Attending (Unrestricted and Restricted)</b>	<b>Total Attending as Certified to the ICCB</b>	<b>Difference</b>
In-district residents	47,820.5	47,820.5	-
Out-of-districts on chargeback or contractual agreement	25.0	25.0	-
	<b>Total Reimbursable</b>	<b>Total Reimbursable Certified to ICCB</b>	<b>Difference</b>
Dual credit	2,998.0	2,998.0	-
Dual enrollment	15	15	-

<b>Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2010</b>			
	<b>Total Correctional Credit Hours</b>	<b>Total Correctional Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Categories:			
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupation	-	-	-
Remedial Development	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

June 30, 2010

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

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

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

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,  
AND TAX COLLECTIONS  
Levy Years 2009, 2008, and 2007**

	2009	2008	2007
<b>Assessed Valuations:</b>			
Knox County	\$678,622,871	\$662,869,159	\$627,413,484
Warren County	235,973,144	227,252,463	213,899,595
Fulton County	12,256,160	11,738,827	10,829,414
Henderson County	107,931,669	101,640,442	96,159,059
Mercer County	16,472,238	15,627,204	14,283,444
Stark County	88,167	81,214	81,430
Henry County	571,005	536,286	503,319
McDonough County	124,160,206	115,126,492	106,648,081
Schuyler County	2,128,348	2,007,984	1,830,105
Hancock County	248,853,952	237,996,493	229,504,532
<b>Total assessed valuations</b>	<b>\$1,427,057,760</b>	<b>\$1,374,876,564</b>	<b>\$1,301,152,463</b>
<b>Tax Rate (per \$100 assessed valuation):</b>			
Educational Accounts	0.2013	0.1953	0.2020
Operations and Maintenance Accounts	0.0562	0.0764	0.0734
Bond and Interest Fund	0.2262	0.2193	0.2106
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1228	0.1180	0.1295
<b>Total tax rate</b>	<b>\$0.6115</b>	<b>\$0.6140</b>	<b>\$0.6205</b>
<b>Tax Extensions:</b>			
Educational Accounts	\$2,856,867	\$2,704,094	\$2,601,208
Operations and Maintenance Accounts	797,595	1,040,591	945,192
Bond and Interest Fund	3,210,250	2,986,934	2,711,952
Audit Fund	70,960	68,102	64,386
Liability, Protection, Settlement, Social Security, and Medicare Accounts	1,742,788	1,607,197	1,667,606
<b>Total tax extensions</b>	<b>\$8,678,460</b>	<b>\$8,406,918</b>	<b>\$7,990,344</b>

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

Levy Years 2009, 2008, and 2007

	2009	2008	2007
<b>Tax Collections to June 30:</b>			
Education Fund	\$1,121,134	\$2,679,811	\$2,610,158
Operations and Maintenance Fund	278,473	686,076	639,478
Bond and Interest Fund	1,259,814	3,009,127	2,720,688
Audit Fund	27,847	68,608	64,594
Protection, Health, Safety	34,531	362,248	308,758
Liability, Protection, and Settlement Fund	683,931	1,619,138	1,672,977
<b>Total tax collections</b>	<b>\$3,405,730</b>	<b>\$8,425,008</b>	<b>\$8,016,653</b>
<b>Percent of extensions collected</b>	<b>39.24%</b>	<b>100.22%</b>	<b>100.33%</b>

**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, 2010 and 2009, 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, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

We noted certain other matters that we reported to management of Carl Sandburg College – Community College District No. 518 in a separate letter dated September 14, 2010.

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

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

Sterling, Illinois  
September 14, 2010



**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 Carl Sandburg College – Community College District No. 518’s compliance 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, 2010. 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 referred to above 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, 2010.



## Internal Control Over Compliance

Management of Carl Sandburg College – Community College District No. 518 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Carl Sandburg College – Community College District No. 518's internal control over compliance with 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 over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

*Jerdgen, Callihan, Van Osdol & Co., Ltd.*

Sterling, Illinois  
September 14, 2010

**CARL SANDBURG COLLEGE -  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture -</b>			
Pass-through the Illinois State Board of Education:			
Child & Adult Care Food Program	10.558	XX-4226-00	\$20,008
<b>U.S. Department of Education:</b>			
Pass-through Illinois Community College Board:			
Adult Education:			
Federal Adult EL/Civics	84.002	51801	16,865
Federal Adult Basic	84.002	51801	73,029
Total CFDA 84.002			89,894
Direct awards:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1115	83,520
Federal Work Study Program	84.033	P033A091115	79,469
Federal Pell Grant Program	84.063	P063PXX0511	4,858,787
Federal Direct Loan Program	84.268	P268KXX0511	864,685
Academic Competitive Grant	84.375	P375A090511	10,350
Total student financial assistance cluster			5,896,811
Higher Education Institutional Aid -			
Title III Strengthening Institutions	84.031	P031A050036	370,706
Career and Technical Education Programs:			
Perkins Postsecondary Grants	84.048	CTE51810	214,367
Innovation Grant	84.048	CTE10518	5,704
Total CFDA 84.048			220,071
Pass-through Southeastern Community College -			
TRIO - Student Support Services	84.042	P042A050016	189,408
Direct awards -			
TRIO - Upward Bound -			
Crossing the Bridge to Success	84.047	P047A070128	222,522
Total TRIO cluster			411,930
Pass-through Western Area Career Center -			
Tech-Prep Education	84.243	N/A	3,500
Direct awards:			
ARRA-General State Aid	84.394	S394A090014	53,752
ARRA-General State Aid - Government SFSF	84.397	S397A090014	15,985
Total general state aid cluster			69,737
Total U.S. Department of Education			7,062,649
<b>Corporation for National and Community Services -</b>			
Direct awards:			
Retired and Senior Volunteer Program	94.002	07SRNIL007	98,814
Americorps	94.006	N/A	9,946
Total Corporation for National and Community Service			108,760
<b>Total federal awards expended</b>			<b>\$7,191,417</b>

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2010**

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

Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268, 84.375)	\$5,896,811
Title III Strengthening Institutions (84.031)	<u>370,706</u>
Total	<u>\$6,267,517</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, 2010.
  
- **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, 2010.
  
- **Loans Outstanding** - Carl Sandburg College – Community College District No. 518 has no loans or loan guarantees outstanding at June 30, 2010.

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(CONTINUED)  
June 30, 2010**

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

Financial Statements

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

Federal Awards

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

Type of auditor’s report issued on compliance for major programs:		Unqualified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___yes	<u>X</u> 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
84.031	Title III Strengthening Institutions

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?	<u>X</u> yes	___no
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**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
June 30, 2010

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**Section II – Financial Statement Findings**

None

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

A. Significant Deficiencies in Administering Federal Awards

None

B. Compliance Findings

None

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the year ended June 30, 2010

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**Prior Year Findings:**

**June 30, 2009:**

None

**June 30, 2008:**

None