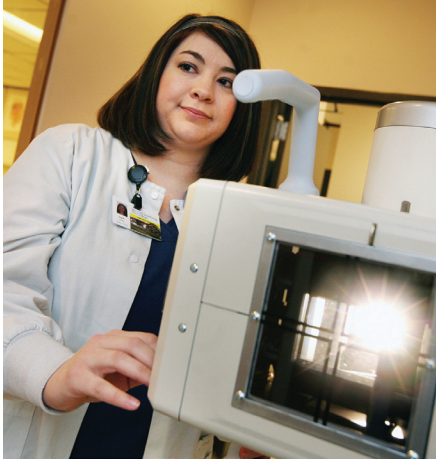


2012

Comprehensive Annual Financial Report

Fiscal year ended June 30, 2012



**CARL
SANDBURG
COLLEGE**

Community College District 518
2400 Tom L. Wilson Blvd.
Galesburg 61401
www.sandburg.edu

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT 518
GALESBURG, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal years ended June 30, 2012 and 2011**

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

TABLE OF CONTENTS

Page Number

INTRODUCTORY SECTION (UNAUDITED)

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1 - 2
Management's Discussion and Analysis (Unaudited)	3 -12
Basic Financial Statements:	
Statements of Net Assets	13
Statements of Revenues, Expenses, and Changes in Net Assets	14
Statements of Cash Flows	15 - 16
Component Unit – Carl Sandburg College Foundation –	
Statements of Financial Position	17
Statements of Activities	18
Notes to Financial Statements	19 – 43

STATISTICAL SECTION (UNAUDITED)

TABLE

Statistical Section		44
Net Assets by Component	A	45
Changes in Net Assets	B	46
Fund Balances of Governmental Funds	C	47
Changes in Fund Balances of Governmental Funds	D	48
Assessed and Estimated Actual Value of Taxable Property	E	49
Property Tax Levies and Collections	F	50
Property Tax Rates – Direct and Overlapping Governments	G	51

STATISTICAL SECTION (UNAUDITED) - Continued

TABLE

Principal Taxpayers	H	52
Ratios of Outstanding Debt by Type	I	53
Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita	J	54
Computation of Direct and Overlapping Bonded Debt	K	55
Legal Debt Margin Information	L	56
Demographic and Economic Statistics	M	57
Principal Employers	N	58
Full-time Equivalent Employees	O	59
Operating Indicators	P	60
Capital Asset Statistics	Q	61

SPECIAL REPORTS SECTION

Supplemental Financial Information:

Schedule of Management Information Balance Sheet – All Fund Types	62
Schedule of Management Information Schedule of Changes in Fund Balances – All Fund Types	63
Schedule of Management Information Schedule of Current Funds Revenue, Expenditures and Other Changes	64
Balance Sheet – Current Funds	65
Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Equity (Deficit) - Current Funds	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Education Fund	67 - 69
Operations and Maintenance Fund	70 – 71
Audit Fund	72
Sandburg Initiates Life – Changing Opportunities Fund	73
Bond and Interest Fund	74
Operations and Maintenance Fund (Restricted)	75
Capital Endowment Fund	76

SPECIAL REPORTS SECTION - Continued

Schedule of Revenues, Expenses, and Changes in Retained Earnings – Budget and Actual – Auxiliary Enterprise Fund	77
Schedule of Operating Revenues and Expenses, by Program – Auxiliary Enterprise Fund	78
Combining Balance Sheet – Liability Protection Funds	79
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Liability Protection Funds	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Budget and Actual – Employee Insurance Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)–Budget and Actual – Liability, Protection, and Settlement Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Insurance Reserve Fund	83
Schedule of Management Information – Reconciliation of the Balance Sheet – All Fund Types to the Statement of Net Assets	84
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	85
Illinois Community College Board State Grants - Financial and Compliance Section:	
Supplemental Financial Information Section	86
Uniform Financial Statements	87 - 93
Certification of Chargeback Reimbursement (Unaudited)	94
AUDITOR’S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR WORKFORCE DEVELOPMENT GRANT, STUDENT SUCCESS GRANT, CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANT, AND ADULT EDUCATION & FAMILY LITERACY GRANTS	95
Workforce Development Business/Industry Grant Program:	
Balance Sheet	96
Statement of Revenues, Expenditures, and Changes in Fund Balance	97
ICCB Compliance Statement for the Workforce Preparation (Business/industry) Grant - Total Expenditures for ICCB Grant Funds Only	98

	<u>Page Number</u>
State Adult Education Restricted Funds Grants:	
Balance Sheet	99
Statement of Revenues, Expenditures, and Changes in Fund Balance	100
ICCB Compliance Statement for the Adult Education and Family Literacy Grant – Expenditure Amounts and Percentages for ICCB Grant Funds Only	101
Career and Technical Education Program Improvement Grant:	
Balance Sheet	102
Statement of Revenues, Expenditures, and Changes in Fund Balance	103
Student Success Grant:	
Balance Sheet	104
Statement of Revenues, Expenditures, and Changes in Fund Balance	105
Notes to Financial Statements – Illinois Community College Board Grants	106
INDEPENDENT AUDITOR’S REPORT ON SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED	107 - 108
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	109 – 110
Student Residency Verification Process	111
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	112 - 113
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	114 – 115
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR A-133	116 - 117
Schedule of Expenditures of Federal Awards	118
Notes to the Schedule of Expenditures of Federal Awards	119 - 120
Schedule of Findings and Questioned Costs	121
Schedule of Prior Audit Finding	122

INTRODUCTORY SECTION
(Unaudited)

President's Letter

September 12, 2012

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 2012. This document represents the record of the College's financial operations for the year ending June 30, 2012.

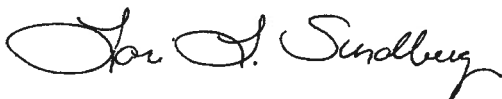
This past year the College again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and we are proud of this achievement. Against a backdrop of one of the worst financial situations in the state of Illinois, the College improved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

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.

Our focus this past year has been on refining our recruitment methods and at the same time creating opportunities and processes to ensure our students are successful. Degree completion is a primary focus for us here at Carl Sandburg College and we are committed to improving our graduation rate one student at a time.

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

Respectfully,



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

Illinois Community College District 518

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THE EXTENSION CENTER
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Bushnell, Illinois 61422
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Transmittal Letter

September 12, 2012

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, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Wipfli LLP has issued an unqualified (clean) opinion on Carl Sandburg Community College District No. 518 basic financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of the report.

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

VISION, MISSION AND VALUES

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College's district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage and an extension center in Bushnell. We serve a diverse group of students. In the fall of 2011, the College enrolled 2,383 students, with an average age of 30 years. Women represented 65 percent of the student body and 50 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

Illinois Community College District 518

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

Fiscal Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Fall College enrollment	2,930	2,693	2,615	2,661	2,538	2,383
Annual Full-time equivalents	1,914	1,682	1,641	1,772	1,737	1,644
Continuing Education Credit Hours	1,029	1,066	1,002	918	798	913
<u>Total Annual Credit Hours</u>	57,434	50,471	49,219	53,174	52,113	49,316

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

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

The College’s Mission

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

Core Values

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

Our Vision Statement

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

Major Goals and Objectives

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

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

FINANCIAL INFORMATION

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

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

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

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

ECONOMIC CONDITION

Economic conditions in the communities served by Carl Sandburg College District 518 are such that many industries have moved from the area. Employees of these industries, which had become accustomed to earning comfortable wages, were left without many options. Many returned to the community college for a career change or further specialized training. As they completed this process, these individuals returned to the work force or left the area to seek other employment. Due to these factors, we correctly anticipated a flat or declining enrollment commencing in fiscal year 2006 and continuing for the next couple of years. The loss of industry has also affected our tax base; however future possibilities for the community look promising.

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

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

<u>Fund Type</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current:					
Education	0.2000	0.2013	0.1953	0.2020	0.2063
Operations and Maintenance	0.0500	0.0500	0.0500	0.0495	0.0500
Liability, Protection and Settlement	0.1225	0.1099	0.1070	0.1167	0.1157
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	0.0108	0.0129	0.0110	0.0128	0.0167
Bond and Interest	0.2244	0.2262	0.2193	0.2106	0.1953
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0060	0.0062	0.0264	0.0000	0.0000
Total	0.6187	0.6115	0.6140	0.6205	0.6039

The College District's 2010 tax levy base of \$1,459,805,981 increased by 2.29% over the 2009 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2012, local property taxes accounted for approximately 30.90% of total revenues.

Debt. Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2012, the college issued no new debt.

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

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

The College has been able to locally fund building renovations/improvements through the use of accumulated interest on our Working Cash fund and Technology Quasi-Endowment Fund. The College's improvements for fiscal year 2012 included renovation of a lecture hall to facilitate usage in accordance with the Americans with Disabilities Act and updated audio/visual equipment for college events. Other plans continue to be designated primarily for investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication equipment, security equipment, and increased district wide wireless high speed internet access.

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

The College is enthusiastically supporting the Illinois Green Economy Network's Grant with the Trade Adjustment Assistance Community College and Career Training grant program at the U.S. Department of Labor. The overall goal of the initiative is to enable community colleges to develop an innovative curriculum for training the next wave of green economy employees using an online/hybrid delivery system. Specifically, Carl Sandburg College will identify necessary employee skills and competencies, in collaboration with employers. We will be coordinating with the local Workforce Investment Board to develop and pilot adult transition services. We will also be developing and pilot a hybrid associate degree program in Biodiesel Manufacturing Technology.

The College will be striving this coming fall to be successful in extending our labor agreement through June 30, 2016 as a result of our Interest Based Bargaining (IBB) process with Sandburg Education Association (SEA). This incorporates the belief that each student is entitled to an education of the highest quality and that the attainment of this objective is dependent upon the quality and morale of the employees.

PROSPECTS FOR THE FUTURE

Due to uncertainty regarding the state contribution to the community college system, the College's financial outlook remains challenging. Carl Sandburg College is accommodating significant structural and programmatic changes and enhancements which will result in a "Re-shaped Institution." There is a commitment to look inward on the quality and efficiencies of current programs/activities with an eye towards asking the simple question, "If we were not already doing this today, would we begin doing it tomorrow?" The College will continue to conserve resources through financial control and reduction of expenses where possible without affecting the quality and viability of the educational programs. Contingencies are also budgeted annually to provide for the uncertainties associated with State funding, enrollment, capital funding requirements, utility and other market-driven costs. The College has been able to negotiate a long term (rolling) labor agreement which currently goes thru June 30, 2014.

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

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

AWARDS AND ACKNOWLEDGEMENTS

The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the ninth 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.

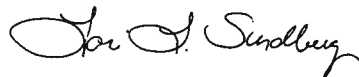
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



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

CARL SANDBURG COLLEGE –
Illinois Community College District No. 518
FY 2012
Principal Officials as of June 30, 2012

Board of Trustees

Name	Position	Term Expires
Mr. Bruce A. Lauerman	Chairperson	2015
Ms. Gayla J. Pacheco	Vice Chairperson	2017
Mr. William C. Robinson	Secretary	2015
Mr. Michael T. Bavery	Trustee	2013
Mt. Thomas H. Colclasure	Trustee	2015
Reverend Jon A. Sibley, Sr.	Trustee	2013
Ms. Sandra L. Wood	Trustee	2013
Mr. Pamela L. Eaves	Student Trustee	
Mr. David Kellogg	Faculty Representative	
Mr. Rodney Blue	Staff Representative	

Officers of the College

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

Administrative Staff

Ms. Gena Alcorn	Director of Foundation
Mr. Tony Bentley	Director of TRiO Upward Bound Project
Ms. Lisa Blake	Chief Financial Officer/Treasurer
Mr. Larry Byrne	Director of Business Services
Ms. Dylana Carlson	Director of Recruiting
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Sherry Foster	Dean of Corporate and Community Services
Ms. Carol Kreider	Dean of Student Support Services
Ms. Lisa Hanson	Director of Financial Aid
Ms. Misty Lyon	Director of TRiO Student Support Services
Ms. Debra Miller	Dean of Extension Services
Ms. Linda Thomas	Director of The Extension Center
Dr. Connie Thurman	Dean of Human Resources and Organizational Development
Mr. Michael Walters	Dean of the Library/Adult Education
Ms. Lauri Wiechmann	Dean of Career, Technical, & Health Ed/Program Development

Official Issuing Report

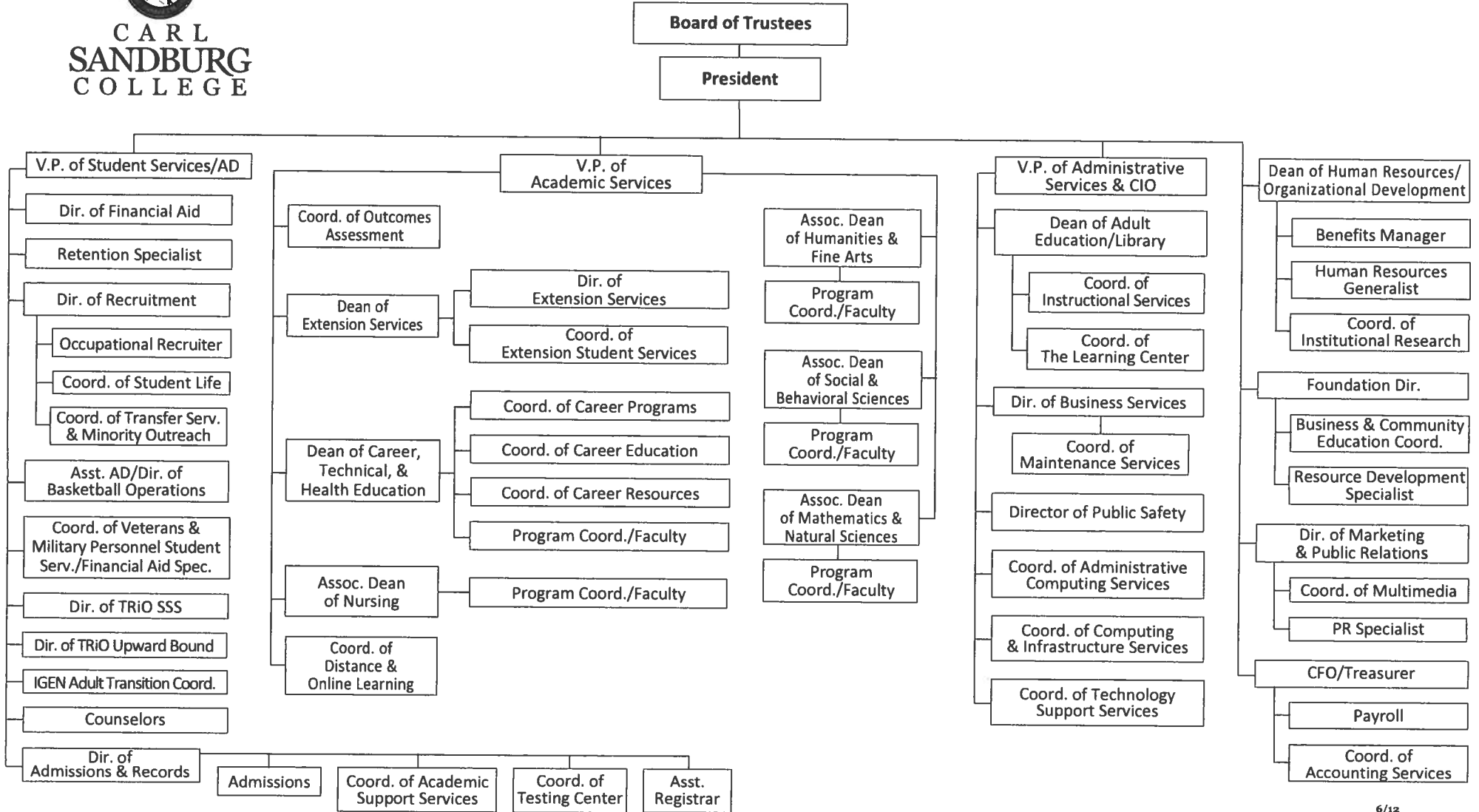
Ms. Lisa Blake, Chief Financial Officer/Treasurer

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, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Carl Sandburg College – Community College District No. 518 (the College) and its discretely presented component unit, Carl Sandburg College Foundation, as of and for the years ended June 30, 2012 and 2011, which collectively comprise of the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Carl Sandburg College – Community College District No. 518 and of its discretely presented component unit, Carl Sandburg College Foundation, as of June 30, 2012 and 2011, 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 12, 2012, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Wipfli LLP

Sterling, Illinois
September 12, 2012

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
MANAGEMENT DISCUSSION AND ANALYSIS**
For the years ended June 30, 2012 and 2011

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, 2012 and 2011. 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-xii), the College's basic financial statements (pages 13-18), and the footnotes (pages 19-43). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

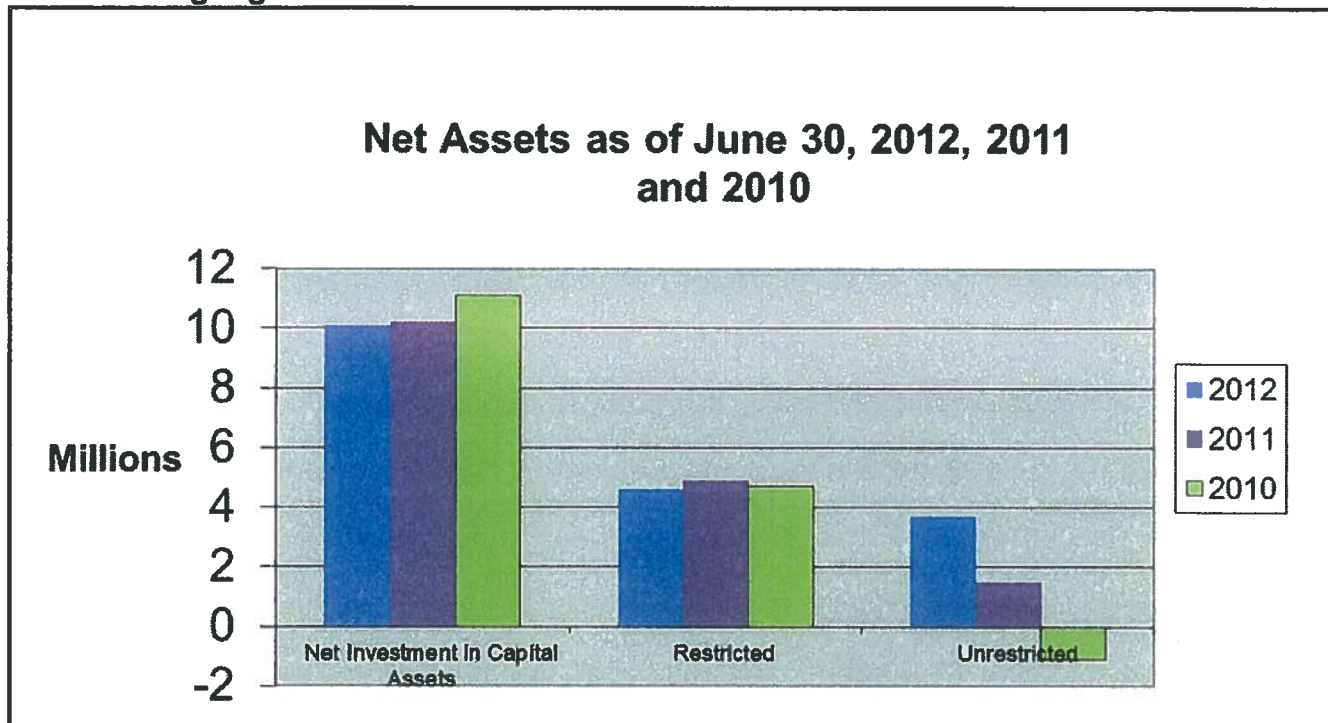
The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements (see pages 13-19) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of 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, 2012 and 2011

Financial Highlights



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

	2012	2011	Increase (Decrease) 2012-2011	2010	Increase (Decrease) 2011-2010
Current assets	\$22.1	\$22.6	(\$0.5)	\$18.7	\$3.9
Non-current assets					
Capital assets, net of depreciation	20.3	21.3	(1.0)	22.3	(1.0)
Other	14.2	13.0	1.2	13.1	(0.1)
Total assets	56.6	56.9	(0.3)	54.1	2.8
Current liabilities	13.0	12.9	0.1	12.4	0.5
Non-current liabilities	25.2	27.4	(2.2)	27.0	0.4
Total liabilities	38.2	40.3	(2.1)	39.4	0.9
Net assets					
Investment in capital assets, net	10.1	10.2	(0.1)	11.1	(0.9)
Restricted for					
Debt service	0.3	0.6	(0.3)	0.4	0.2
Insurance	4.3	4.3	0.0	4.3	0.0
Unrestricted	3.7	1.5	2.2	(1.1)	2.6
Total	\$18.4	\$16.6	\$1.8	\$14.7	\$1.9

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

For the years ended June 30, 2012 and 2011

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 2012 Compared to 2011

Current assets decreased \$0.5 million due to less cash at year end which was offset by an increase in property taxes receivable.

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

Other non-current assets increased \$1.2 million representing additional long-term investments.

Non-current liabilities decreased \$2.2 million due to payment on bonds.

Total net assets at June 30, 2012 increased by \$1.8 million. The restricted net assets are reserved for \$0.3 million of debt service payments and \$4.3 million of insurance reserve fund bonds.

Fiscal Year 2011 Compared to 2010

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

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

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

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

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

For the years ended June 30, 2012 and 2011

Operating Results for the Year Ended June 30, (in millions)					
	2012	2011	Increase (Decrease) 2012-2011	2010	Increase (Decrease) 2011-2010
Operating revenue					
Tuition and fees	\$4.2	\$4.5	(\$0.3)	\$5.0	(\$0.5)
Auxiliary	0.7	0.7	0.0	0.6	0.1
Total operating revenue	4.9	5.2	(0.3)	5.6	(0.4)
Less operating expenses	26.3	26.2	0.1	26.6	(0.4)
Operating loss	(21.4)	(21.0)	(0.4)	(21.0)	0.0
Non-operating revenue					
State grants and contracts	4.4	4.6	(0.2)	5.5	(0.9)
Federal grants and contracts	7.0	7.3	(0.3)	7.2	0.1
Property taxes	9.0	8.7	0.3	8.4	0.3
Investment income	0.7	0.4	0.3	0.6	(0.2)
Other	3.2	2.9	0.3	3.1	(0.2)
Total non-operating revenue	24.3	23.9	0.4	24.8	(0.9)
Non-operating expense					
Interest expense	1.1	1.0	0.1	1.4	(0.4)
Increase (decrease) in net assets	1.8	1.9	(0.1)	2.4	(0.5)
Net assets, beginning of year	16.6	14.7	1.9	12.3	2.4
Net assets, end of year	\$18.4	\$16.6	\$1.8	\$14.7	\$1.9

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2012 were \$29.2 million and \$27.4 million, respectively. Fiscal year 2011 total revenues and expenses (Operating and Non-Operating) were \$29.1 million and \$27.2 million. Fiscal year 2010 total revenues and expenses (Operating and Non-Operating) were \$30.4 million and \$28.0 million.

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

For the years ended June 30, 2012 and 2011

Fiscal Year 2012 Compared to 2011

Operating revenue decreased \$0.3 million due to a decrease in student tuition and fees with a decrease in credit hours.

Operating expenses as of June 30, 2012, increased \$0.1 million due to expenditure control on instructional salaries and supplies.

Non-operating revenue increased \$0.4 million. State grants decreased due to less funds allocated to the College from the Illinois Community College Board and a decrease in federal grant dollars. There was an increase in property taxes of \$0.3 million. The college also had an increase in investment income and SURS on-behalf payments of \$0.3 million each.

Fiscal Year 2011 Compared to 2010

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

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

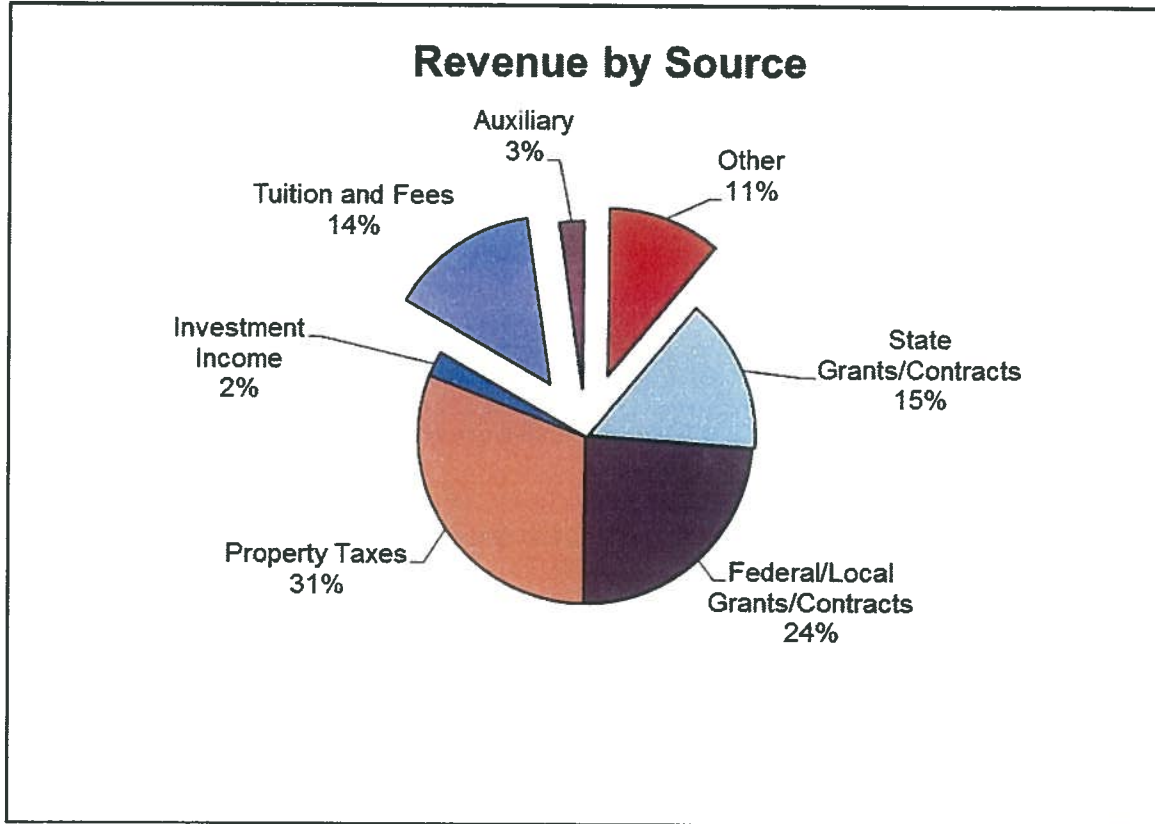
Non-operating revenue decreased \$0.9 million. State grants decreased due to less funds allocated to the College from the Illinois Community College Board.

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

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

For the years ended June 30, 2012 and 2011

The following is a graphic illustration of revenues by source for the year ended June 30, 2012.



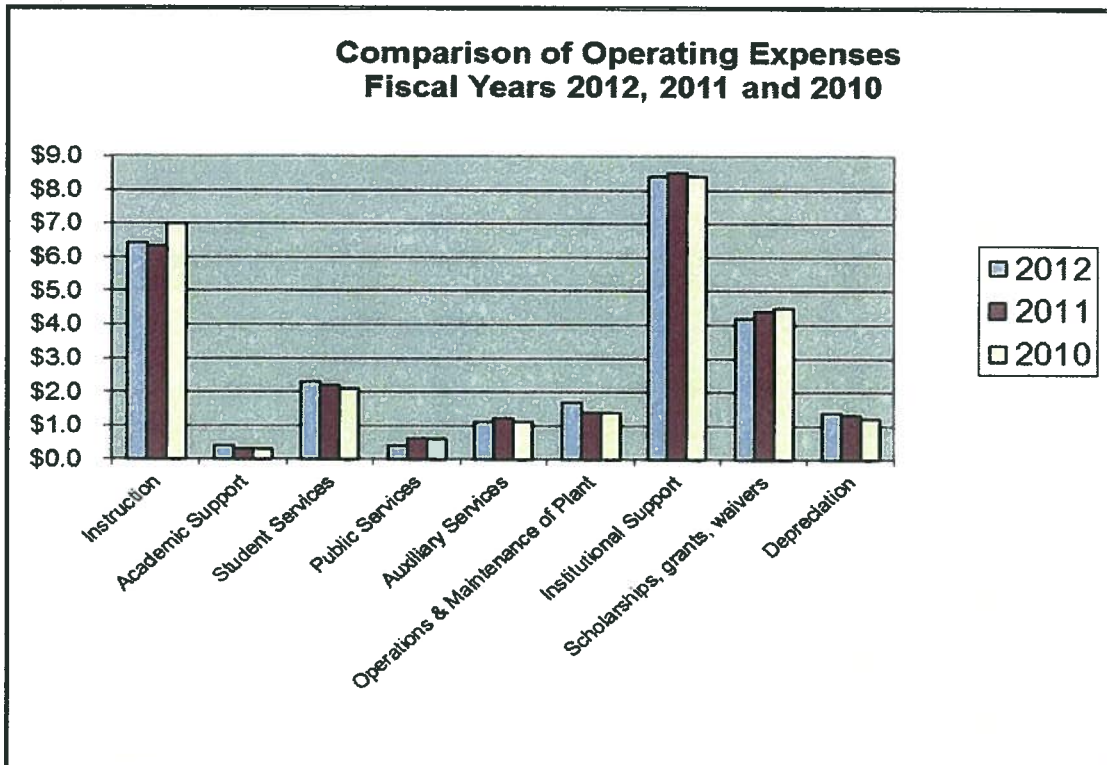
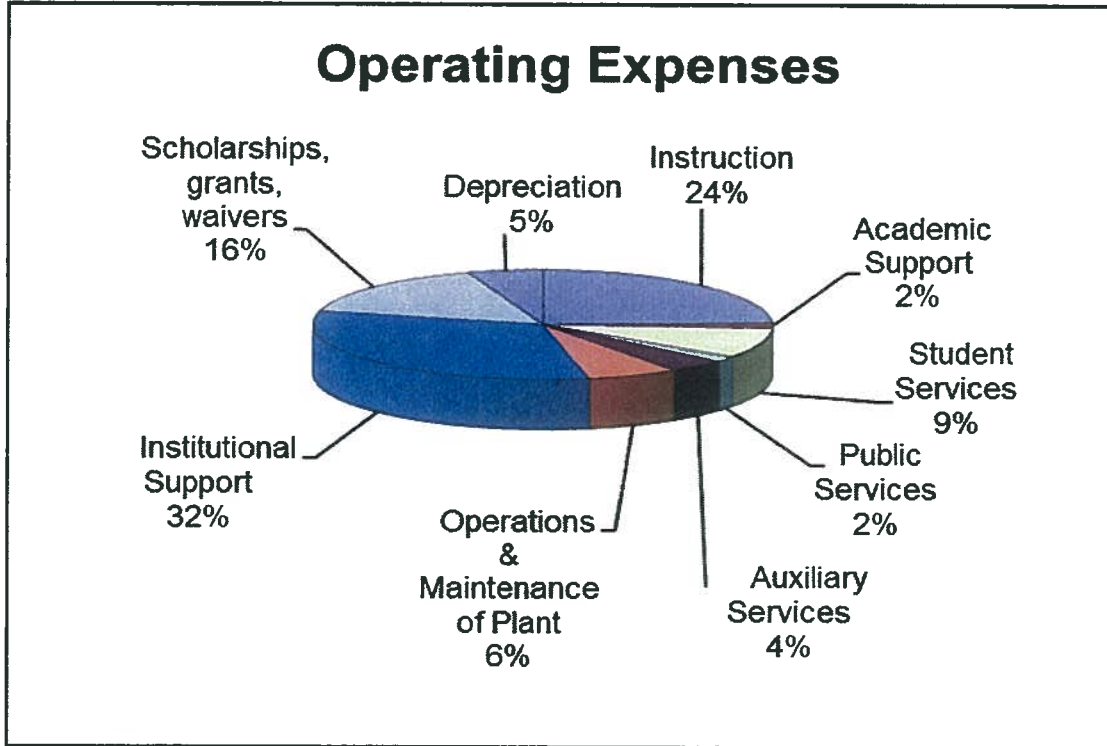
**Operating Expenses
For the Year Ended June 30,
(in millions)**

Operating expense	2012	2011	Increase (Decrease) 2012-2011	2010	Increase (Decrease) 2011-2010
Instruction	\$6.4	\$6.3	\$0.1	\$7.0	(\$0.7)
Academic support	0.4	0.3	0.1	0.3	0.0
Student services	2.3	2.2	0.1	2.1	0.1
Public services	0.4	0.6	(0.2)	0.6	0.0
Auxiliary services	1.1	1.2	(0.1)	1.1	0.1
Operations & maintenance of plant	1.7	1.4	0.3	1.4	0.0
Institutional support	8.4	8.5	(0.1)	8.4	0.1
Scholarships, grants, waivers	4.2	4.4	(0.2)	4.5	(0.1)
Depreciation	1.4	1.3	0.1	1.2	0.1
Total	26.3	\$26.2	0.1	\$26.6	(\$0.4)

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

For the years ended June 30, 2012 and 2011

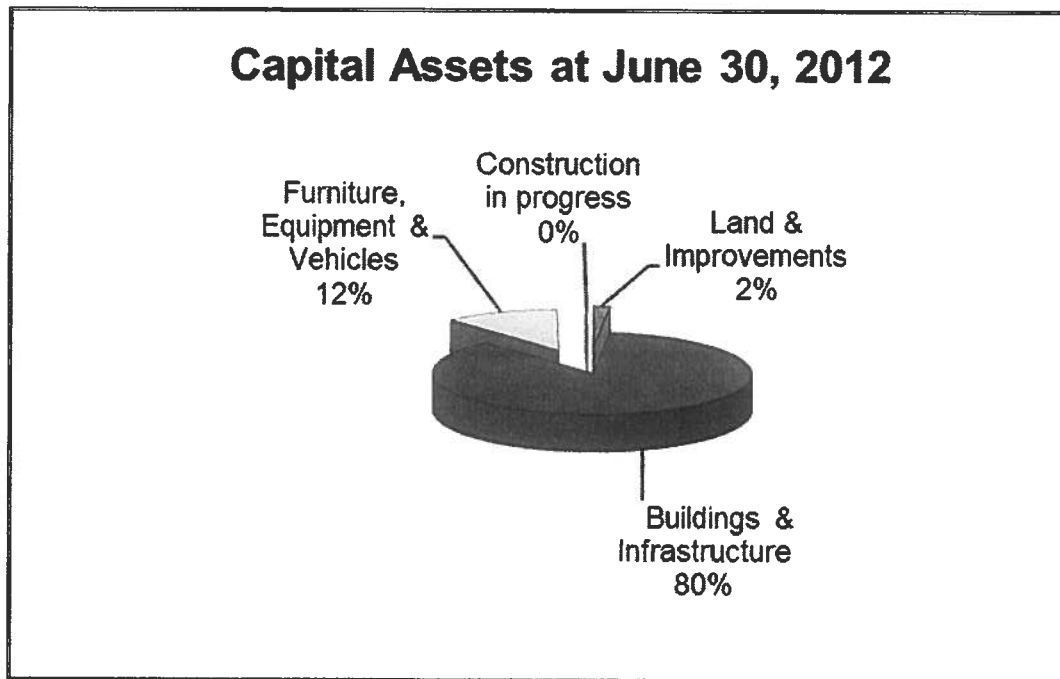
The following is a graphic illustration of operating expenses for the year ended June 30, 2012.



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

For the years ended June 30, 2012 and 2011

		Capital Assets, Net June 30, (in millions)				
		2012	2011	Increase (Decrease) 2012-2011	2010	Increase (Decrease) 2011-2010
Capital Assets						
Land & improvements		\$0.7	\$0.7	\$0.0	\$0.7	\$0.0
Buildings & infrastructure		35.1	35.0	0.1	34.8	0.2
Furniture, equipment, & vehicles		4.7	4.5	0.2	4.3	0.2
Construction in progress		0.1	0.0	0.1	0.1	(0.1)
Total		40.6	40.2	0.4	39.9	0.3
Less accumulated depreciation		(20.3)	(18.9)	(1.4)	(17.6)	(1.3)
Net capital assets		\$20.3	\$21.3	(\$1.0)	\$22.3	(\$1.0)



Fiscal Year 2012 Compared to 2011

As of June 30, 2012, the College had recorded \$40.6 million invested in capital assets, \$20.3 million in accumulated depreciation, and \$20.3 million in net capital assets. The College continued to make investments in communication and computer technology to provide students throughout the entire district with increased opportunities for learning and for safety precautions. For more detailed information on capital asset activity, refer to Note (C) – Capital Assets, in the Notes to Basic Financial Statements on pages 26-27.

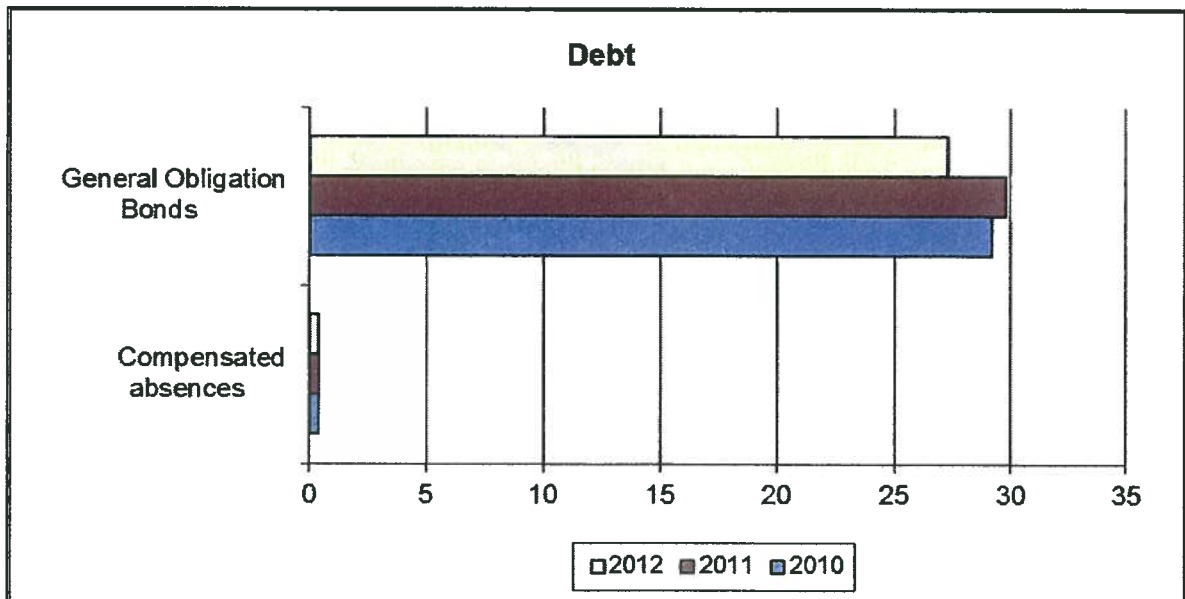
**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)**

For the years ended June 30, 2012 and 2011

Fiscal Year 2011 Compared to 2010

As of June 30, 2011, the College had recorded \$40.2 million invested in capital assets, \$18.9 million in accumulated depreciation, and \$21.3 million in net capital assets. The College continued to make investments in communication and computer technology to provide students throughout the entire district with increased opportunities for learning and for safety precautions. For more detailed information on capital asset activity, refer to Note (C) – Capital Assets, in the Notes to Basic Financial Statements on pages 26-27.

	Debt June 30, (in millions)		Increase (Decrease) <u>2012-2011</u>	<u>2010</u>	Increase (Decrease) <u>2011-2010</u>
	<u>2012</u>	<u>2011</u>			
	General Obligation Bonds	\$27.3			
Compensated absences	0.4	0.4	0.0	0.4	0.0
Total	\$27.7	\$30.2	(\$2.5)	\$29.6	\$0.6



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

For the years ended June 30, 2012 and 2011

Fiscal Year 2012 Compared to 2011

During fiscal year 2012, the College paid \$2.6 in bond payments. The bond payments continued to be funded through the tax levy. For more detailed information on long-term debt activity, refer to Note (D) – Debt, in the Notes to Basic Financial Statements on pages 27-33.

Fiscal Year 2011 Compared to 2010

During fiscal year 2011, the College again issued working cash bonds to strengthen 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. For more detailed information on long-term debt activity, refer to Note (D) – Debt, in the Notes to Basic Financial Statements on pages 27-33.

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.

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BASIC FINANCIAL STATEMENTS

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF NET ASSETS
June 30, 2012 and 2011**

A S S E T S	2012	2011
Current assets:		
Cash and cash equivalents	\$6,153,730	\$10,534,833
Deposits	1,899,000	899,000
Short-term investments	5,519,834	3,877,692
Property taxes receivable	6,103,871	4,554,643
Other receivables	1,978,747	2,241,080
Prepaid items	199,129	199,066
Inventories	9,951	9,750
Other assets	219,705	247,750
Total current assets	22,083,967	22,563,814
Noncurrent assets:		
Long-term investments	14,173,455	13,045,800
Capital assets	40,591,987	40,176,860
Less accumulated depreciation	(20,288,167)	(18,923,692)
Total noncurrent assets	34,477,275	34,298,968
Total assets	56,561,242	56,862,782
LIABILITIES		
Current liabilities:		
Accounts payable	459,589	270,831
Accrued liabilities	80,005	78,125
Unearned tuition and fees	541,689	522,184
Unearned property taxes	9,280,476	9,043,362
Other unearned revenue	201,078	249,445
Accrued compensated absences	243,954	267,273
Bonds payable, net of unamortized discounts	2,201,220	2,491,220
Total current liabilities	13,008,011	12,922,440
Noncurrent liabilities:		
Accrued compensated absences	121,977	133,636
Bonds payable, net of unamortized discounts	25,045,930	27,247,150
Total noncurrent liabilities	25,167,907	27,380,786
Total liabilities	38,175,918	40,303,226
NET ASSETS		
Invested in capital assets, net of related debt	10,133,674	10,151,839
Restricted - expendable:		
Debt service	238,840	559,075
Insurance	4,316,004	4,316,004
Unrestricted	3,696,806	1,532,638
Total net assets	\$18,385,324	\$16,559,556

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, 2012 and 2011

	2012	2011
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$2,829,645 and \$2,777,149, respectively	\$4,234,092	\$4,474,384
Auxiliary enterprises revenue	656,000	683,037
Total operating revenue	4,890,092	5,157,421
Operating expenses:		
Instruction	6,367,270	6,241,005
Academic support	400,460	340,465
Student services	2,302,642	2,188,983
Public services	437,620	549,648
Auxiliary services	1,137,555	1,165,037
Operation and maintenance of plant	1,677,383	1,422,516
Institutional support	8,356,077	8,513,681
Scholarships, student grants, and waivers	4,195,723	4,409,496
Depreciation	1,375,160	1,336,380
Total operating expenses	26,249,890	26,167,211
Operating loss	(21,359,798)	(21,009,790)
Nonoperating revenues:		
State grants	4,448,517	4,573,921
Property taxes	9,029,933	8,711,363
Personal property replacement tax	261,578	284,346
Federal grants	6,987,926	7,330,601
Local grants	15,442	23,918
Investment income	686,935	418,056
Other nonoperating revenues	2,901,695	2,569,230
Nonoperating revenues	24,332,026	23,911,435
Nonoperating expenses -		
Interest expense	1,146,460	1,060,168
Net nonoperating expenses	23,185,566	22,851,267
Increase in net assets	1,825,768	1,841,477
Net assets:		
Beginning of year	16,559,556	14,718,079
End of year	\$18,385,324	\$16,559,556

See Notes to Financial Statements.

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

For the years ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tuition and fees	\$7,089,566	\$7,335,607
Payments to suppliers	(6,889,692)	(7,257,589)
Payments to employees	(11,094,458)	(11,092,339)
Payments to students for scholarships	(7,025,368)	(7,185,142)
Auxiliary enterprise charges	680,943	680,873
Net cash used in operating activities	(17,239,009)	(17,518,590)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from property taxes	7,715,018	9,789,930
Proceeds from grants	12,227,810	12,894,328
Net cash provided by noncapital financing activities	19,942,828	22,684,258
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	(428,690)	(340,023)
Loss on disposal of capital assets	2,878	(12,935)
Proceeds from bonds sold	0	4,110,000
Principal deposit in escrow	0	(1,540,000)
Interest from escrow	0	(37,112)
Premium (discount) on bonds sold	0	6,087
Bond issuance costs	0	(37,358)
Principal paid on bonds payable	(2,500,000)	(2,000,000)
Interest paid on bonds payable and other long-term obligations	(1,111,927)	(1,050,534)
Principal paid on other long-term obligations	0	0
Net cash used in capital and related financing activities	(4,037,739)	(901,875)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	621,421	456,830
Proceeds from maturities of investment securities	25,538,507	27,365,325
Purchases of investment securities	(29,207,111)	(25,625,599)
Net cash (used in) provided by investing activities	(3,047,183)	2,196,556
Net increase (decrease) in cash and cash equivalents	(4,381,103)	6,460,349
CASH AND CASH EQUIVALENTS:		
Beginning of year	10,534,833	4,074,484
End of year	\$6,153,730	\$10,534,833

See Notes to Financial Statements.

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

For the years ended June 30, 2012 and 2011

	2012	2011
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	(\$21,359,798)	(\$21,009,790)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,375,160	1,336,380
State on-behalf payments for fringe benefits	2,539,460	2,055,908
Changes in assets and liabilities:		
Receivables	15,214	97,947
Other assets	(263)	12,344
Accounts payable	188,758	84,115
Accrued liabilities	1,880	(76,105)
Accrued compensated absences	(34,978)	(367)
Unearned tuition and fees	19,505	(8,880)
Other unearned revenue	16,053	(10,142)
Net cash used in operating activities	(\$17,239,009)	(\$17,518,590)
NONCASH INVESTING, CAPITAL, AND FINANCIAL:		
Increase (decrease) in fair value of investments and amortization/accretion	\$101,194	(\$16,486)
Purchase of equipment under capital leases	\$0	\$0
STATE ON-BEHALF PAYMENTS	\$2,539,460	\$2,055,908

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, 2012 and 2011**

ASSETS	2012	2011
Cash	\$134,095	\$256,662
Investments	4,001,128	3,818,533
Accounts receivable	9,151	8,000
Total assets	\$4,144,374	\$4,083,195
LIABILITIES AND NET ASSETS		
Liabilities:		
Scholarships payable	\$115,000	\$95,100
Accounts payables	1,073	53,041
Total liabilities	116,073	148,141
Net assets:		
Unrestricted	151,373	253,515
Temporarily restricted	1,565,461	1,502,099
Permanently restricted	2,311,467	2,179,440
Total net assets	4,028,301	3,935,054
Total liabilities and net assets	\$4,144,374	\$4,083,195

See Notes to Financial Statements.

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**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES**

For the years ended June 30, 2012 and 2011

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$2,712	\$171,547	\$68,510	\$242,769
Interest and dividends	6,133	66,896	17,873	90,902
Net unrealized gain (loss) on investments	2,925	46,548	45,644	95,117
Donated goods & facilities	75,541			75,541
Donated services	22,424			22,424
Special events	11,738			11,738
Other	20,591			20,591
	142,064	284,991	132,027	559,082
Net assets released from restrictions - Satisfaction of program restrictions	221,629	(221,629)		0
Total revenues, gains, and other support	363,693	63,362	132,027	559,082
Expenses and losses:				
Program	224,698			224,698
Management and general	195,240			195,240
Fund raising	45,897			45,897
Total expenses and losses	465,835	0	0	465,835
Change in net assets	(102,142)	63,362	132,027	93,247
Net assets at beginning of year	253,515	1,502,099	2,179,440	3,935,054
Net assets at end of year	\$151,373	\$1,565,461	\$2,311,467	\$4,028,301

See Notes to Financial Statements.

2011

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$407,392	\$167,839	\$184,322	\$759,553
2,742	140,734	17,296	160,772
8,332	13,905	303,054	325,291
72,899			72,899
26,578			26,578
15,584			15,584
136,128			136,128
669,655	322,478	504,672	1,496,805
222,923	(222,923)		0
892,578	99,555	504,672	1,496,805
302,869			302,869
190,489			190,489
50,912			50,912
544,270	0	0	544,270
348,308	99,555	504,672	952,535
(94,793)	1,402,544	1,674,768	2,982,519
\$253,515	\$1,502,099	\$2,179,440	\$3,935,054

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
June 30, 2012 and 2011**

(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, 2012 and 2011

(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 was in a partnership with Educational Technology Center (ETC). The ETC was a partnership of educational institutions, the community, and businesses. The ETC was 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 received revenues through donations and third party contractual rental agreements including with Carl Sandburg College. Carl Sandburg College donated a portion of the leased rental and utilities expense. The member districts were jointly and severably liable as members of CTE. As of June 30, 2012, the Educational Technology Center (ETC) had ceased operations.

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, 2012 and 2011**

(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 2010 property tax levies passed on December 16, 2010 is recognized as property tax revenue. Deferred property taxes represent the revenue to be generated from the 2011 property tax levy which was passed on December 15, 2011. In addition, property taxes receivable represents the remaining 2011 property tax levy to be collected in fiscal year 2013.

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, 2012 and 2011**

(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, 2012 and 2011**

(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 2012 and 2011, the state made contributions of \$2,539,460 and \$2,055,908 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, 2012 and 2011**

(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, 2012 consist of the following:

	Carrying Amount
Cash on hand	\$6,764
Deposits with financial institutions	8,045,966
Total	\$8,052,730

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, 2012 and 2011 comprise the following at fair value:

	2012	2011
Money market	\$3,891,594	\$1,665,568
Certificate of deposit	247,829	242,027
Municipal bonds	1,513,090	2,932,445
U.S. government agency securities	14,040,776	12,083,452
	\$19,693,289	\$16,923,492

As of June 30, 2012, 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	\$3,891,594	\$3,891,594			
Certificate of deposit	247,829		\$247,829		
Municipal bonds	1,513,090		562,182	\$950,908	
U.S. Government agency securities	14,040,776	1,628,240	7,234,070	4,320,017	\$858,449
Total	\$19,693,289	\$5,519,834	\$8,044,081	\$5,270,925	\$858,449

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(B) Cash and Investments (continued):

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

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

As of June 30, 2012, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Money market	\$3,891,594				\$3,891,594
Certificate of deposit	247,829				247,829
Municipal bonds	1,513,090		\$963,157	\$549,932	
U.S. Government agency securities	14,040,776	\$14,040,776			
Total	\$19,693,289	\$14,040,776	\$963,157	\$549,932	\$4,139,423

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

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

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, 2012 there are no investments with custodial credit risk.

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

June 30, 2012 and 2011

(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 \$8,045,966 and the bank balance was \$8,469,426. Of the bank balance, \$1,753,357 was covered by federal depository insurance, \$6,716,069 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. All deposits were fully collateralized.

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, 2012 are as follows:

	Balance at July 1, 2011	Additions	Deletions	Transfers	Balance at June 30, 2012
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	24,044	\$80,806	\$2,878	(\$29,659)	72,313
Depreciable:					
Buildings and additions	32,548,993	102,640			32,651,633
Infrastructure	2,420,338				2,420,338
Furniture and equipment	4,176,512	234,744	10,685	14,166	4,414,737
Land improvements	289,339			15,493	304,832
Vehicles	312,151	10,500			322,651
Total cost	\$40,176,860	\$428,690	\$13,563	\$0	\$40,591,987

Accumulated depreciation for the year ended June 30, 2012 is as follows:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Buildings and additions	\$12,836,473	\$953,832		\$13,790,305
Infrastructure	2,247,758	27,976		2,275,734
Furniture and equipment	3,350,644	347,967	\$10,865	3,687,926
Land improvements	198,731	23,568		222,299
Vehicles	290,086	21,817		311,903
Total accumulated depreciation	\$18,923,692	\$1,375,160	\$10,865	\$20,288,167

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(C) Capital Assets (continued):

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

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

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

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

(D) Debt:

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$29,825,000		\$2,500,000	\$27,325,000	\$2,210,000	\$25,115,000
Bond discounts	(86,630)		8,780	(77,850)	(8,780)	(69,070)
Compensated absences	400,909	\$276,243	311,221	365,931	243,954	121,977
Totals	\$30,139,279	\$276,243	\$2,820,001	\$27,613,081	\$2,445,174	\$25,167,907

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(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, 2011:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$29,255,000	\$4,110,000	\$3,540,000	\$29,825,000	\$2,500,000	\$27,325,000
Bond discounts	(89,588)	(6,087)	9,045	(86,630)	(8,780)	(77,850)
Compensated absences	401,276	352,772	353,139	400,909	267,273	133,636
Totals	\$29,566,688	\$4,456,685	\$3,902,184	\$30,139,279	\$2,758,493	\$27,380,786

Details on the debt as of June 30, 2012 are as follows:

- 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:			
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
Totals	\$885,000	\$101,631	\$986,631

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(D) Debt (continued):

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

	Principal	Interest	Total
During the year ending June 30:			
2013	\$340,000	\$102,020	\$442,020
2014	405,000	83,395	488,395
2015	485,000	63,327	548,327
2016	580,000	41,205	621,205
2017	675,000	14,513	689,513
Totals	\$2,485,000	\$304,460	\$2,789,460

3. The general obligation refunding bonds, Series 2005, bear interest at 2.50 to 4.20 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year (excluding 2006-2009), with final maturity on December 1, 2019. A portion of the bond proceeds (11.77%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2013	\$100,000	\$383,952	\$483,952
2014	1,000,000	361,578	1,361,578
2015	1,065,000	318,712	1,383,712
2016	1,205,000	272,850	1,477,850
2017	1,306,000	222,153	1,582,153
2018– 2020	4,695,000	303,124	4,998,124
Totals	\$9,425,000	\$1,862,369	\$11,287,369

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(D) Debt (continued):

4. 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:			
2013		\$130,406	\$130,406
2014		130,407	130,407
2015		130,406	130,406
2016		130,407	130,407
2017		130,407	130,407
2018 – 2020	\$3,100,000	197,876	3,297,876
Totals	\$3,100,000	\$849,909	\$3,949,909

5. 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:			
2013	\$155,000	\$91,500	\$246,500
2014	160,000	86,933	246,933
2015	170,000	81,807	251,807
2016	180,000	76,032	256,032
2017	185,000	69,640	254,640
2018 – 2022	1,080,000	228,977	1,308,977
2023 – 2024	510,000	22,660	532,660
Totals	\$2,440,000	\$657,549	\$3,097,549

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

June 30, 2012 and 2011

(D) Debt (continued):

6. 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:			
2013	\$1,175,000	\$139,987	\$1,314,987
2014	400,000	124,238	524,238
2015	415,000	115,050	530,050
2016	425,000	103,488	528,488
2017	290,000	91,313	381,313
2018 - 2021	2,430,000	215,732	2,645,732
Totals	\$5,135,000	\$789,808	\$5,924,808

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

	Principal	Interest	Total
During the year ending June 30:			
2013	\$225,000	\$81,636	\$306,636
2014	225,000	76,799	301,799
2015	230,000	71,165	301,165
2016	175,000	65,550	240,550
2017	185,000	59,780	244,780
2018 - 2021	1,205,000	198,223	1,403,223
Totals	\$2,245,000	\$553,153	\$2,798,153

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(D) Debt (continued):

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

	Principal	Interest	Total
During the year ending June 30:			
2013		\$67,162	\$67,162
2014		67,163	67,163
2015		67,162	67,162
2016		67,163	67,163
2017	\$270,000	61,762	67,163
2018 - 2021	1,340,000	169,069	1,840,831
Totals	\$1,610,000	\$499,481	\$2,109,481

9. 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, 2012, the College has \$1,045,000 of the debt certificates outstanding which are considered defeased.
10. 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, 2012, the College has \$8,750,000 of the general obligation bonds which are considered defeased.

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

June 30, 2012 and 2011

(D) Debt (continued):

The annual requirements to amortize all debt outstanding as of June 30, 2012, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Total Principal	Interest	Total Principal And Interest
2013	\$2,210,000	\$243,954	\$2,453,954	\$1,041,369	\$3,495,323
2014	2,415,000	121,977	2,536,977	962,569	3,499,546
2015	2,600,000		2,600,000	866,460	3,466,460
2016	2,775,000		2,775,000	762,733	3,537,733
2017	2,965,000		2,965,000	649,568	3,614,568
2018 – 2022	13,850,000		13,850,000	1,313,001	13,850,000
2023 – 2024	510,000		510,000	22,660	532,660
Total	\$27,325,000	\$365,931	\$27,690,931	\$5,618,360	\$33,309,291

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2012, is \$43,153,848. General obligation debt at June 30, 2012, is \$27,325,000, resulting in a legal debt margin of \$15,828,848.

(E) Retirement Commitments – State University Retirement System:

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

Funding Policy. Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 2013) is 34.51% 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, 2012, 2011 and 2010, were \$2,539,460, \$2,055,908, and \$1,928,341, respectively, equal to the required contributions for each year.

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

June 30, 2012 and 2011

(F) Risk Management:

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

(G) Contingencies and Commitments:

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

<u>Year Ended June 30</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2013	\$22,000	\$99,146	\$13,150	\$134,296
2014	22,000	99,146	13,150	134,296
2015	22,000			22,000
Total	\$66,000	\$198,292	\$26,300	\$290,592

Fiscal year 2012 facilities, equipment, and vehicles rent expense was \$25,071, \$98,087, and \$20,446, respectively.

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

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures

Carl Sandburg College Foundation

Nature of Business

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

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Financial Statement Presentation

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

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

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

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

Contributions and Revenues

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Contributions and Revenues (continued)

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

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

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

Promises to Give

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

Income Taxes

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

Cash and Cash Equivalents

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

Concentrations of credit risk

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Investments and Investment Earnings

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

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

Donated Services

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

Pledged Receivable:

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

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.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Subsequent Events

The Foundation has evaluated subsequent events through September 12, 2012 which is the date these financial statement were available to be issued. All subsequent events requiring recognition as of June 30, 2012 have been incorporated herein. There are no other subsequent events that require disclosure, except for the events described in the following footnotes.

Investments:

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2012 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Mutual Funds - equity	\$2,745,278	\$2,517,718	\$227,560
Mutual Funds - bonds	1,255,850	1,239,284	16,566
	<u>\$4,001,128</u>	<u>\$3,757,002</u>	<u>\$244,126</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.

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

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

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Investments (continued):

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, 2012:

Assets measured at fair value on a recurring basis:	Fair Value Measurements at Reporting Date Using			
	Total	(Level 1)	(Level 2)	(Level 3)
Mutual Funds - equity	\$2,745,278	\$2,745,278		
Mutual Funds - bonds	1,255,850	1,255,850	\$0	\$0
Total investments	\$4,001,128	\$4,001,128	\$0	\$0

Endowment Funds:

The Foundation's endowment consists of approximately 73 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, 2012 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds		\$1,565,461	\$2,311,467	\$3,876,928
Board-designated endowment funds	\$151,373			151,373
	\$151,373	\$1,565,461	\$2,311,467	\$4,028,301

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

Endowment Funds (continued):

Changes in endowment net assets as of June 30, 2012 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	\$253,515	\$1,502,099	\$2,179,440	\$3,935,054
Contributions	2,712	171,547	68,510	242,769
Interest and dividend income	6,133	66,896	17,873	90,902
Net unrealized gain(loss) on investments	2,925	46,548	45,644	95,117
Donated goods, services, facilities	97,965			97,965
Special events	11,738			11,738
Other Income	20,591			20,591
Amounts appropriated for expenditure	(465,835)			(465,835)
Amounts released from restriction	221,629	(221,629)		0
	<u>\$151,373</u>	<u>\$1,565,461</u>	<u>\$2,311,467</u>	<u>\$4,028,301</u>

Temporarily Restricted Net Assets:

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

Student scholarships currently available	\$1,008,132
For periods after June 30, 2015	557,329
	<u>\$1,565,461</u>

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, 2012 permanently restricted net assets totaled \$2,311,467.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

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.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2012 for scholarships totaled \$221,629.

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 \$97,965 of services, goods, and facilities to the Foundation during the year ended June 30, 2012.

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, 2012, 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.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(H) Component Unit Disclosures (continued):

Carl Sandburg College Foundation (continued)

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 three years remaining in the twenty-year period at June 30, 2012. The Endowment Challenge Grant has \$822,206 of investments as of June 30, 2012.

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.

(I) New Reporting Standards:

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

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

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

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement 65 "Items Previously Reported as Assets and Liabilities". The College is required to implement this standard for the fiscal year ending June 30, 2013. The College has not yet determined the full impact that adoption of GASB Statement 65 will have on the financial statements.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
(CONTINUED)
June 30, 2012 and 2011**

(I) New Reporting Standards (continued):

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement 66 “Technical Corrections–2012 – an amendment of GASB Statements No. 10 and No. 62”. The College is required to implement this standard for the fiscal year ending June 30, 2013. The College has not yet determined the full impact that adoption of GASB Statement 66 will have on the financial statements.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 67 “Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25”. The College is required to implement this standard for the fiscal year ending June 30, 2014. The College has not yet determined the full impact that adoption of GASB Statement 67 will have on the financial statements.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement 68 “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27”. The College is required to implement this standard for the fiscal year ending June 30, 2015. The College has not yet determined the full impact that adoption of GASB Statement 68 will have on the financial statements.

(J) Subsequent Event:

The College evaluated all events or transactions that occurred after June 30, 2012 through the issue date of these financial statements. On August 15, 2012 the College closed on \$3,020,000 Series 2012 Debt Certificates due to the need to replace HVAC and water heater systems on the main campus. On August 23, 2012, the College adopted a notice of intent to issue funding bonds to retire the Series 2012 debt certificates. The intent has a potential bond sale execution in November 2012.

STATISTICAL SECTION
(Unaudited)

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
STATISTICAL SECTION
June 30, 2012**

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the college’s financial performance and well-being have changed over time.	45 - 48
Revenue Capacity These schedules contain information to help the reader assess the College’s most significant local revenue source, the property tax.	49 - 52
Debt Capacity These schedules present information to help the reader assess the affordability of the College’s current levels of outstanding debt and the ability to issue additional debt in the future.	53 - 56
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College’s financial activities take place.	57 - 59
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College’s financial report relates to the services the College provides and the activities it performs.	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. 35 in 2003; schedules presenting government-wide information include information beginning in that year.

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

TABLE A

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$10,120	\$10,152	\$11,085	\$9,641	\$7,933	\$9,881	\$9,981	\$8,717	\$8,596	\$8,219
Restricted - expendable:										
Debt Service	239	559	374	235	136	205	89	279	547	598
Insurance	4,316	4,316	4,316	4,316	5,324	5,332	5,429	5,349	5,191	5,195
Unrestricted	3,710	1,533	(1,057)	(1,894)	(3,738)	(7,152)	(7,965)	(6,856)	(6,593)	(5,089)
Total net assets	\$18,385	\$16,560	\$14,718	\$12,298	\$9,655	\$8,266	\$7,534	\$7,489	\$7,741	\$8,923

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

TABLE B

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating expenses:										
Instruction	\$6,367	\$6,241	\$6,907	\$6,796	\$7,135	\$7,640	\$14,856	\$13,538	\$10,230	\$11,108
Academic support	400	340	350	318	323	355	364	382	377	517
Student services	2,303	2,189	2,112	2,256	1,844	1,773	1,829	1,617	1,524	1,343
Public services	438	550	619	692	650	829	1,032	914	938	1,184
General administration	0	0	0	0	0	0	373	649	645	419
Auxiliary services	1,138	1,165	1,132	1,068	1,027	950	942	833	785	692
Operation and maintenance of plant	1,677	1,422	1,453	1,343	1,339	1,217	1,148	1,190	1,094	953
Institutional support	8,356	8,514	8,381	7,357	6,874	6,368	6,231	7,095	11,052	6,371
Scholarships, student grants, and waivers	4,196	4,409	4,491	3,825	3,985	4,242	2,901	2,886	3,203	3,483
Depreciation	1,375	1,337	1,185	1,146	1,231	1,279	1,116	1,024	1,105	1,057
Total operating expenses	26,250	26,167	26,630	24,801	24,408	24,653	30,792	30,128	30,953	27,127
Operating revenues:										
Charges for services:										
Student tuition and fees	4,234	4,474	4,979	5,215	4,679	4,848	4,812	4,859	5,093	4,557
Chargeback revenue	0	0	0	0	9	8	3	4	26	39
Auxiliary enterprise	656	683	658	634	670	628	601	511	463	387
Other general government	0	0	0	0	0	0	0	0	226	202
Total operating revenue	4,890	5,157	5,637	5,849	5,358	5,484	5,416	5,374	5,808	5,185
Operating loss	(21,360)	(21,010)	(20,993)	(18,952)	(19,050)	(19,169)	(25,376)	(24,754)	(25,145)	(21,942)
Nonoperating revenues (expenses):										
State grants	4,448	4,574	5,551	6,268	6,572	6,805	6,789	6,026	10,180	5,812
Property taxes	9,030	8,711	8,411	8,017	7,411	6,944	6,761	6,612	6,444	6,044
Personal property replacement tax	262	284	219	271	361	285	257	200	170	152
Federal grants	6,988	7,331	7,211	5,599	4,874	4,853	11,666	11,030	7,337	8,495
Local grants	15	24	34	331	120	225	241	222	257	327
Investment income	687	418	565	644	952	805	392	769	100	1,101
Interest expense	(1,146)	(1,060)	(1,436)	(1,163)	(1,235)	(1,161)	(1,193)	(1,111)	(1,159)	(1,556)
Other nonoperating revenues	2,902	2,569	2,858	1,627	1,385	1,145	614	754	633	838
State capital grants	0	0	0	0	0	0	0	0	0	3,735
Net nonoperating revenues	23,186	22,851	23,413	21,594	20,440	19,901	25,527	24,502	23,962	24,948
Residual equity transfer							(106)			
Change in net assets	\$1,826	\$1,841	\$2,420	\$2,642	\$1,390	\$732	\$45	(\$252)	(\$1,183)	\$3,006

**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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General fund:										
Reserved	\$4	\$4	\$11	\$4	\$10	\$7	\$1	\$1	\$12	\$1
Unreserved	4,322	4,199	3,394	2,974	1,924	1,617	1,316	1,374	792	730
Total general fund	\$4,326	\$4,203	\$3,405	\$2,978	\$1,934	\$1,624	\$1,317	\$1,375	\$804	\$731
All other governmental funds:										
Reserved	\$4,316	\$4,326	\$4,340	\$4,335	\$5,324	\$5,331	\$5,429	\$3,723	\$3,745	\$4,339
Unreserved, reported in:										
Special revenue funds	(324)	(506)	(292)	(399)	(1,525)	(1,509)	(1,317)	(47)	(91)	181
Debt service funds	239	559	374	235	136	205	97	1,762	4,797	598
Capital projects funds	8,996	8,709	8,659	10,730	6,380	5,642	5,545	5,886	5,112	5,724
Total all other governmental funds	\$13,227	\$13,088	\$13,081	\$14,901	\$10,315	\$9,669	\$9,754	\$11,324	\$13,563	\$10,842

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Property taxes	\$9,307	\$9,023	\$8,664	\$8,066	\$7,471	\$7,159	\$7,006	\$6,838	\$6,727	\$6,410
Government grants	13,951	13,953	14,671	13,315	12,742	12,600	19,499	18,203	18,538	18,793
Student tuition and fees	6,796	6,976	7,059	6,425	5,123	5,152	5,428	5,441	5,133	4,472
Sales and service fees	9							283	787	549
Interest	414	351	474	521	690	671	615	593	474	587
Net increase (decrease) in fair value of investments	158	(24)	22	18	106	(50)	(335)	99	(438)	423
Other	201	336	732	550	362	349	642	610	497	710
Total revenues	30,836	30,615	31,622	28,895	26,494	25,881	32,855	32,067	31,718	31,944
Expenditures:										
Instruction	6,364	6,168	6,824	6,646	6,986	7,452	14,896	13,549	10,231	11,195
Academic support	404	349	348	324	325	355	364	382	377	517
Student services	2,305	2,214	2,126	2,257	1,857	1,772	1,828	1,644	1,524	1,300
Public services	449	549	618	690	657	828	1,032	914	938	1,184
General administration							374	649	715	471
Operation and maintenance of plant	1,680	1,425	1,472	1,327	1,345	1,213	1,164	1,190	1,094	953
Institutional support	8,374	8,052	8,753	7,152	6,796	6,540	6,187	7,152	11,818	6,727
Scholarships, student grants, and waivers	7,025	7,187	6,858	5,129	4,588	4,836	4,536	4,543	4,214	4,095
Debt service:										
Principal	2,500	2,000	1,777	6,973	4,735	1,035	975	735	660	605
Interest and issuance costs	1,111	1,088	1,060	1,269	1,217	1,147	1,285	1,313	1,167	1,187
Capital outlay	415	843	3,507	1,342	3,146	478	1,863	1,607	1,856	6,535
Total expenditures	30,627	29,875	33,343	33,109	31,652	25,656	34,504	33,678	34,594	34,769
Excess of revenues over (under) expenditures	209	740	(1,721)	(4,214)	(5,158)	225	(1,649)	(1,611)	(2,876)	(2,825)
Other financing sources (uses):										
Proceeds from issuance of long-term debt		4,110	7,895	8,875	6,550		44	9,690	4,335	
Premium (discount) on bond issuance		6	(21)	(35)	13			(151)		
Payment to refunding bond escrow agent		(1,577)	(5,878)					(9,451)		
Proceeds from issuance of capital leases								157	1,344	
Residual equity transfer							(106)			
Transfers in	155	469	663	6,139	3,822	56	2,816	3,859	854	2,750
Transfers out	(104)	(2,943)	(2,331)	(5,754)	(3,653)	(58)	(2,733)	(4,161)	(863)	(2,686)
Total other financing sources (uses)	51	65	328	9,225	6,732	(2)	21	(57)	5,670	64
Net change in fund balances	\$260	\$805	(\$1,393)	\$5,011	\$1,574	\$223	(\$1,628)	(\$1,668)	\$2,794	(\$2,761)
Debt service as a percentage of noncapital expenditures	11.95%	10.64%	9.51%	25.95%	20.88%	8.67%	6.92%	6.39%	5.58%	6.35%

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

TABLE E

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2011	\$488,503,803	\$710,972,443	\$231,155,952	\$13,391,155	\$56,980,047	\$1,501,003,400	\$4,503,010,200	0.6175
2010	455,125,203	709,365,274	232,398,947	14,408,616	48,507,941	1,459,805,981	4,379,417,943	0.6187
2009	422,967,267	710,540,769	235,181,036	14,766,284	43,602,404	1,427,057,760	4,281,173,280	0.6115
2008	388,086,823	705,307,888	230,806,544	14,488,324	36,186,986	1,374,876,565	4,124,629,695	0.6140
2007	366,114,462	685,531,667	217,675,204	15,337,689	33,242,770	1,317,901,792	3,953,705,376	0.6205
2006	353,713,202	627,785,603	206,387,886	14,700,023	31,039,414	1,233,626,128	3,700,878,384	0.6039
2005	370,911,761	587,047,230	199,895,676	16,308,829	29,315,785	1,203,479,281	3,610,437,843	0.5759
2004	385,139,723	585,377,052	200,479,506	19,448,129	30,515,095	1,220,959,504	3,662,878,512	0.5530
2003	409,399,553	623,111,270	204,699,777	20,598,720	29,610,660	1,287,419,979	3,862,259,937	0.5139
2002	411,201,967	626,728,154	197,819,165	19,344,460	26,354,805	1,281,448,552	3,844,345,656	0.5042

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

Source: Knox County Clerk's Office

See Accompanying Independent Auditor's Report.

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

TABLE F

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2011	2012	\$9,337,450	\$3,190,185	34.17%		\$3,190,185	34.17%
2010	2011	9,111,406	9,025,906	99.06%		9,025,906	99.06%
2009	2011	8,755,224	8,702,932	99.40%	(\$11,085)	8,691,847	99.28%
2008	2010	8,452,772	8,425,007	99.67%	3,037	8,428,044	99.71%
2007	2009	7,940,586	8,016,081	100.95%	496	8,016,577	100.96%
2006	2008	7,508,428	7,380,245	98.29%	(13,760)	7,366,485	98.11%
2005	2007	7,088,319	6,932,067	97.80%	(2,258)	6,929,809	97.76%
2004	2006	6,751,906	6,759,972	100.12%	2,869	6,762,841	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%

Source: Knox County Treasurer's Office

See Accompanying Independent Auditor's Report.

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

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

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

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

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

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

TABLE G

Taxing Bodies	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
City of Galesburg	1.4157	1.4420	1.4055	1.4353	1.4638	1.6952	1.7196	1.6099	1.8674	1.8900
Township of the City of Galesburg	0.1624	0.1757	0.1932	0.2075	0.2166	0.2221	0.2147	0.2015	0.1852	0.1829
Galesburg Unit School District 205	4.2048	4.1994	4.2039	4.063	4.137	4.2769	4.2761	4.1220	3.9452	3.9287
Knox County	1.1625	1.1472	1.1282	1.108	1.0826	1.0838	1.0799	1.0392	0.936	1.0176
Galesburg City Fire	1.0498	1.0063	0.9927	0.9254	0.8782	0.5875	0.5833	0.5464	0.3456	0.3874
Galesburg Sanitary District	0.3005	0.2873	0.3063	0.304	0.3075	0.3141	0.3052	0.2906	0.2672	0.2635
Total Overlapping Rate	8.2957	8.2579	8.2298	8.0432	8.0857	8.1796	8.1788	7.8096	7.5466	7.6701
Carl Sandburg College Dist. 518										
Educational	0.2021	0.2000	0.2013	0.1953	0.2020	0.2063	0.2015	0.1989	0.2054	0.2057
Building	0.0500	0.0500	0.0500	0.0500	0.0495	0.0500	0.0500	0.0500	0.0500	0.0500
Bond and Interest	0.2195	0.2244	0.2262	0.2193	0.2106	0.1943	0.1833	0.1813	0.1458	0.1425
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0041	0.0041
Tort Immunity	0.1240	0.1225	0.1099	0.1070	0.1167	0.1168	0.1191	0.1095	0.1010	0.0872
Protection, health, and safety	0.0061	0.0060	0.0062	0.0264	0.0239	0.0149	0.0000	0.0000	0.0000	0.0071
Social security and medicare	0.0108	0.0108	0.0129	0.0110	0.0128	0.0167	0.0170	0.0083	0.0076	0.0076
Total	0.6175	0.6187	0.6115	0.6140	0.6205	0.6040	0.5759	0.5530	0.5139	0.5042
Total rate	8.9132	8.8766	8.8413	8.6572	8.7062	8.7836	8.7547	8.3626	8.0605	8.1743
Carl Sandburg College Percentage of Total	6.93%	6.97%	6.92%	7.09%	7.13%	6.88%	6.58%	6.61%	6.38%	6.17%

See Accompany Independent Auditor's Report.

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

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

Source: Knox County Clerk's Office

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

TABLE H

Taxpayer	Type of Business	2012		2003	
		Taxable Assessed Value (approx.)	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV
Burlington Northern Santa Fe	Railroad	\$36,350,606	1 2.42%	\$19,940,000	1 1.56%
Union Electric Co	Utilities	13,080,586	2 0.87%	12,574,270	2 0.98%
Galesburg Hospital Corporation	Hospital	7,081,990	3 0.47%		
Wal-Mart Stores	Retailer	4,096,420	4 0.27%	2,500,000	9 0.20%
Nauvoo Restoration Inc	Real property holdings	4,381,911	5 0.29%		
Twomey Company	Grain	3,889,780	6 0.26%	2,865,830	7 0.22%
Menard Inc.	Retailer	3,066,470	7 0.20%		
Hy Vee Food Stores Inc.	Retailer	2,414,620	8 0.16%	2,640,000	8 0.21%
OSF St. Francis Inc.	Hospital	2,356,660	9 0.16%		
Lowe's Home Centers, Inc.	Retailer	2,272,810	10 0.15%	2,210,000	10 0.17%
Admiral-Maytag Co.	Manufacturer			6,370,000	3 0.50%
Galesburg Cottage Hospital	Hospital			5,360,000	4 0.42%
First Property Management Corp	Mall			4,560,000	5 0.36%
United Facilities, Inc.	Shipping			3,650,000	6 0.28%
		\$78,991,853	5.26%	\$62,670,100	4.89%

See Accompany Independent Auditor's Report.

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

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

TABLE I

Fiscal Year	General Bonded Debt	Capital Leases	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Net Bonded Debt Per Capita	Personal Income (amounts expressed in thousands)	Ratio of Total Outstanding Debt to Personal Income
2012	\$27,325,000		\$27,325,000	\$4,503,010,200	0.607%	105,835	258	\$2,215,656	1.23%
2011	29,825,000		29,825,000	4,379,417,943	0.681%	105,835	282	2,204,225	1.35%
2010	29,255,000		29,255,000	4,281,173,280	0.683%	120,186	243	2,226,085	1.31%
2009	28,610,000	\$7,288	28,617,288	4,124,629,695	0.694%	120,877	237	2,063,975	1.39%
2008	26,610,000	105,200	26,715,200	3,953,705,376	0.648%	121,300	219	2,071,198	1.28%
2007	24,795,000	180,861	24,975,861	3,700,878,384	0.632%	121,300	204	2,087,816	1.19%
2006	25,830,000	834,901	26,664,901	3,610,437,843	0.739%	121,986	212	2,099,623	1.23%
2005	26,805,000	919,899	27,724,899	3,662,878,517	0.757%	123,180	218	2,120,174	1.26%
2004	26,600,000	1,155,838	27,755,838	3,862,259,937	0.719%	124,778	213	2,147,679	1.24%
2003	22,960,000	183,136	23,143,136	3,844,345,656	0.602%	125,828	182	2,165,752	1.06%

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

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

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

TABLE J

Fiscal Year	Net General Bonded Debt	Estimated Actual Taxable Value of Property	Estimated Population	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	\$27,325,000	\$4,503,010,200	105,835	0.607%	258
2011	29,825,000	4,379,417,943	105,835	0.681%	282
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	121,986	0.715%	235
2005	26,805,000	3,662,878,512	123,180	0.732%	242
2004	26,600,000	3,862,259,937	124,778	0.689%	239
2003	22,960,000	3,844,345,656	125,828	0.597%	205

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, 2012**

TABLE K

Overlapping Agencies	Outstanding Debt	Percent (1)	Amount
Fulton County	\$115,000	3.36%	\$3,864
Knox County	885,000	94.97%	840,485
Hamilton Park District	615,000	100.00%	615,000
Carthage Park District	0	100.00%	0
Monmouth Park District	215,000	100.00%	215,000
City of Monmouth	26,689,921	100.00%	26,689,921
City of Galesburg	17,140,000	100.00%	17,140,000
Spoon River Valley CUSD #4	710,000	27.28%	193,688
Wyoming CUSD #100	7,465,000	2.80%	209,020
Bushnell-Prairie City CUSD #170	815,000	86.54%	705,301
Avon CUSD #176	550,000	5.13%	28,215
Knoxville CUSD #202	3,435,000	100.00%	3,435,000
Galesburg CUSD #205	13,055,000	97.14%	12,681,627
Abingdon CUSD #217	2,439,993	89.88%	2,193,066
Galva CUSD #224	610,000	8.39%	51,179
Alwood CUSD #225	3,010,000	7.16%	215,516
West Central CUSD #235	1,005,000	2.66%	26,733
Monmouth-Roseville CUSD #238	1,765,000	100.00%	1,765,000
Farmington CUSD #265	6,218,364	18.39%	1,143,557
Alexis CUSD #304	8,095,000	0.13%	10,524
Warsaw CUSD #316	2,009,046	100.00%	2,009,046
Elmwood CUSD #322	2,510,000	0.20%	5,020
Nauvoo-Colusa CUSD #325	380,000	100.00%	380,000
Hamilton CUSD #328	575,000	100.00%	575,000
LaHarpe CUSD #335	75,000	100.00%	75,000
Dallas City CUSD #336	445,000	100.00%	445,000
			<u>\$71,651,761</u>
 Community College Dist. #518	 27,325,000	 100.00%	 <u>27,325,000</u>
 Total Direct & Overlapping General Obligation Bonded Debt			 <u><u>\$98,976,761</u></u>

Source: Office of the 10 counties in the Carl Sandburg College District
(1) Debt percentage applicable to the College is calculated by applying the ratio of assessed value of the governmental unit applicable to the College district compared to the total assessed value of the governmental unit.

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

TABLE L

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
2012	\$43,153,848	\$27,325,000	\$15,828,848	63.320%
2011	41,969,422	29,825,000	12,144,422	71.064%
2010	41,027,911	29,255,000	11,772,911	71.305%
2009	39,527,701	28,617,288	10,910,413	72.398%
2008	37,889,677	26,715,200	11,174,477	70.508%
2007	35,467,875	24,975,861	10,492,014	70.418%
2006	34,600,029	26,664,901	7,935,128	77.066%
2005	35,102,586	27,724,899	7,377,687	78.982%
2004	37,013,324	27,755,838	9,257,486	74.989%
2003	36,841,646	23,143,136	13,698,510	62.818%
Assessed valuation - 2011 levy			<u>\$1,501,003,400</u>	
Debt limit (2.875% of total assessed value)			<u>\$43,153,848</u>	
Debt applicable to limit:				
General obligation bonds			27,325,000	
Capital leases			<u>0</u>	
Total net debt applicable to limit			<u>27,325,000</u>	
Legal debt margin			<u>\$15,828,848</u>	

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

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

TABLE M

Fiscal Year	Estimated Population*	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2012	105,835	\$2,215,656	\$20,935	40.1	37,858	7.6%	2,383	17
2011	105,835	2,204,225	20,827	39.2	39,111	7.1%	2,538	17
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17
2009	120,877	2,063,975	17,075	36.6	36,897	6.4%	2,615	12
2008	121,300	2,071,198	17,075	36.6	36,897	7.2%	2,693	12
2007	121,300	2,087,816	17,212	36.6	36,897	4.6%	2,490	10
2006	121,986	2,099,623	17,212	36.6	36,897	5.6%	2,930	10
2005	123,180	2,120,174	17,212	36.6	36,897	5.8%	3,260	10
2004	124,778	2,147,679	17,212	36.6	36,897	6.7%	3,575	12
2003	125,828	2,165,752	17,212	36.6	36,897	7.0%	3,554	12

Sources: K U.S. Census Bureau
2006-2010 American Community Survey 5-Year Estimates
College records
IL Dept. of Employment Security, Economic Information & Analysis Division

See Accompanying Independent Auditor's Report.

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

TABLE N

Employer	2012			2003		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Farmland Foods	1,400	1	1.96%	1,100	3	1.47%
Burlington Northern Santa Fe Railroad	850	2	1.19%	850	4	1.13%
OSF (Galesburg, Monmouth)	858	3	1.20%	525	7	0.70%
School District Number 205	700	4	0.98%	800	5	1.07%
Monmouth College	679	5	0.95%			
Galesburg Cottage Hospital	643	6	0.90%	700	6	
Hy-Vee	574	7	0.81%			0.00%
Dick Blick Company	450	8	0.63%			
Knox County	447	9	0.63%	447	9	
Bridgeway/Bridgeway Training	350	10	0.49%			0.00%
Maytag-Galesburg Refrigeration				2,400	1	3.20%
Methode Electronics				1,200	2	1.60%
Butler Manufacturing				500	8	0.67%
Gates Rubber Company				340	10	0.45%
Total	6,951		9.75%	8,862		11.83%

Source: 2012 Principal Employers

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

Source: 2003 Principal Employers

Illinois Department of Commerce and Economic Opportunity Community Profiles
http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support
College records

Source: Labor Force Population

<http://www.ides.illinois.gov/Custom/Library/Statistic/QCEW/LWA14.pdf>

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

TABLE O

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction-Faculty	113	112	119	110	112	143	134	135	135	136
Full-time	56	55	64	62	64	68	64	65	65	66
Part-time	57	57	55	48	48	75	70	70	70	70
Administrative Staff	19	20	20	20	21	21	22	28	25	26
Full-time	19	20	20	20	21	21	22	28	25	26
Part-time	0	0	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	70	75	75	73	73	71	74	86	94	69
Full-time	66	67	70	69	69	70	74	86	94	69
Part-time	4	5	5	4	4	1	0	0	0	0
Classified Staff	56	52	52	54	58	63	56	53	56	78
Full-time	53	53	49	51	55	60	56	53	56	78
Part-time	3	2	3	3	3	3	0	0	0	0
Total	258	259	266	257	264	298	286	302	310	309

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

TABLE P

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction: ¹										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,784	3,270	2,965	2,844	2,731	2,972	2,349	2,289	2,240	2,230
Vocational	2	19	23	26	85	101	1,281	1,209	1,541	1,411
Occupational	1,101	1,055	1,220	1,206	1,311	1,536	1,880	2,572	2,645	2,444
ABE	196	225	266	201	153	146	43	50	43	62
ASE	140	142	182	209	206	226	226	382	493	439
ESL	84	74	67	71	39	46	14	61	45	35
General Studies	0	0	1	0	2	3	1	1	1	0
General Associates	85	83	80	71	88	170	241	55	33	19
Total	4,392	4,868	4,804	4,628	4,615	5,200	6,035	6,619	7,041	6,640
Annual FTE Students ²	1,644	1,737	1,772	1,641	1,682	1,914	2,283	2,443	2,392	2,251
Total Reimbursable Credit Hours ³	49,316	52,113	53,174	49,219	50,471	57,435	68,499	73,314	71,756	67,530
Degrees awarded: ⁴										
Associate (transfer)	129	118	106	108	102	98	109	130	105	147
Associate in applied science	140	119	122	118	123	181	295	190	175	181
Career & technical certificates	176	152	137	141	139	187	157	123	170	205
Average annual faculty salary ⁵	\$55,771	\$49,897	\$49,074	\$47,889	\$48,158	\$47,731	\$45,867	\$44,921	\$44,922	\$44,263
Students per faculty ⁶	16	17	17	16	11	13	17	18	18	17
Institutional support: ⁷										
Operation and maintenance of plant:										
Utility cost per gross square feet	1.45	1.80	1.85	1.71	1.69	1.30	1.50	1.34	1.30	1.16

¹Source: ICCB A1 Annual Student Enrollment and Completion

²Source: Total Reimbursable Credit Hours / 15 / 2

³Source: ICCB SU SR for each semester

⁴Source: ICCB A1 Annual Student Enrollment and Completion

⁵Source: ICCB C1 Faculty, Staff, Salary Data

⁶Source: ICCB C1, E1 Reports

⁷Source: ICCB Tax Revenue and Budget Information Survey

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

TABLE Q

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Building - acres	6.9	6.9	6.9	6.9	6.6	6.6	6.4	6.4	6.4	6.4
Classroom - sq. ft.	47,128	47,128	46,167	45,938	46,327	42,489	38,455	38,538	37,288	40,761
Lab - sq. ft.	71,526	70,124	70,124	71,505	71,505	64,704	65,743	67,128	64,341	66,114
Academic support:										
Support - sq. ft.	3,530	3,530	3,385	3,385	3,385	3,736	3,980	2,678	1,967	1,967
Study - sq. ft.	18,784	18,784	18,784	19,349	19,349	19,056	17,945	15,483	15,483	13,162
Student services:										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	11,694	11,694	18,133	18,133	18,133	18,133	18,133
General administration:										
Office - sq. ft.	37,154	37,154	37,025	39,963	39,574	30,666	29,464	31,306	33,367	31,867
Institutional support:										
Landscaped grounds - acres	37.9	37.9	37.9	37.9	36.5	36.5	36.7	36.7	36.7	36.7
Parking lots - acres	9.9	9.9	9.9	9.9	9.0	9.0	9.0	9.0	9.0	9.0
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Acres - ICCB Table 2

Source: Sq.ft. - ICCB R3

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SPECIAL REPORTS SECTION

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

June 30, 2012 with comparative totals at June 30, 2011

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2012	Total June 30, 2011
	Unrestricted	Restricted		Operations and Maintenance Restricted	Capital Endowment Fund		
Cash and cash equivalents	\$2,208,563	\$3,945,167				\$6,153,730	\$10,534,833
Deposits	1,000,000	899,000				1,899,000	899,000
Investments	3,105,529	7,006,838		\$36,594	\$9,544,328	19,693,289	16,923,492
Receivables:							
Property taxes	2,491,961	3,551,613		60,297		6,103,871	4,554,643
Government claims and grants	643,398	467,804				1,111,202	1,319,313
Other	776,115	39,260			52,170	867,545	921,767
Due from other funds	1,119,719	3,104,555	\$80,511			4,304,785	5,347,491
Prepaid items	199,129					199,129	199,066
Inventories	9,951					9,951	9,750
Property and equipment, net	24,102					24,102	33,307
Total assets	\$11,578,467	\$19,014,237	\$80,511	\$96,891	\$9,596,498	\$40,366,604	\$40,742,662
LIABILITIES AND FUND EQUITY (DEFICIT)							
Liabilities:							
Accounts payable	\$378,328	\$750	\$80,511			\$459,589	\$270,831
Accrued liabilities	82,517					82,517	76,667
Unearned revenue:							
Property taxes	3,788,838	5,399,960		\$91,678		9,280,476	9,043,362
Other	324,578	62,003				386,581	419,104
Due to other funds	2,562,924	1,136,338		584,297	\$21,226	4,304,785	5,347,491
Total liabilities	7,137,185	6,599,051	80,511	675,975	\$21,226	14,513,948	15,157,455
FUND EQUITY (DEFICIT)							
Retained earnings (deficit):							
Unreserved	115,681					115,681	109,506
Fund balance (deficit):							
Reserved for encumbrances	3,964	75				4,039	14,934
Reserved for insurance		4,316,004				4,316,004	4,316,004
Unreserved	4,321,637	8,099,107		(579,084)	9,575,272	21,416,932	21,144,763
Total fund equity (deficit)	4,441,282	12,415,186	0	(579,084)	9,575,272	25,852,656	25,585,207
Total liabilities and fund equity (deficit)	\$11,578,467	\$19,014,237	\$80,511	\$96,891	\$9,596,498	\$40,366,604	\$40,742,662

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, 2012 with comparative totals for fiscal year ended June 30, 2011

	Current Funds		Agency Fund	Plant Funds		Total June 30, 2012	Total June 30, 2011
	Unrestricted	Restricted		Operations and Maintenance Restricted	Capital Endowment Fund		
Revenues:							
Local government	\$3,910,331	\$5,309,052		\$87,570		\$9,306,953	\$9,023,140
State government	5,475,996	1,461,062		50,919		6,987,977	6,643,200
Federal government	24,833	6,957,129		5,964		6,987,926	7,330,601
Student tuition and fees	7,067,398					7,067,398	7,254,518
Sales and service fees	656,000			9,084		665,084	683,037
Interest	75,353	195,022		573	\$256,929	527,877	434,543
Net increase (decrease) in fair value of investments		7,668			151,390	159,058	(16,492)
Other	254,411	89,740		9,000		353,151	496,444
Total revenues	17,464,322	14,019,673	\$0	163,110	408,319	32,055,424	31,848,991
Expenditures/expenses:							
Current:							
Instruction	5,974,796	388,772				6,363,568	6,167,704
Academic support	404,506	0				404,506	349,217
Student services	1,786,792	517,843				2,304,635	2,214,109
Public services	140,522	308,462				448,984	549,519
Auxiliary services	1,160,244					1,160,244	1,165,037
Operation and maintenance of plant	1,393,915	213,821		72,280		1,680,016	1,424,681
Institutional support	6,392,622	1,899,570		81,100	1,375	8,374,667	8,051,783
Scholarships, student, grants, and waivers		7,025,368				7,025,368	7,186,645
Debt service:							
Principal retirement		2,500,000				2,500,000	2,000,000
Interest		1,110,781				1,110,781	1,050,534
Bond issuance costs						0	37,358
Capital outlay:							
Building construction, building improvement and equipment	147,209	89,241		178,756		415,206	843,162
Total expenditures/expenses	17,400,606	14,053,858	0	332,136	1,375	31,787,975	31,039,749
Excess (deficiency) of revenues over expenditures/expenses	63,716	(34,185)	0	(169,026)	406,944	267,449	809,242
Other financing sources (uses):							
Issuance of refunding bonds and serial bonds						0	4,110,000
Net (discount) premium on bonds sold						0	6,087
Payment to refunded bonds escrow agent						0	(1,577,112)
Transfers in	66,461			153,754		220,215	3,011,461
Transfers out	(2,000)	(114,051)			(104,164)	(220,215)	(3,011,461)
Total other financing sources (uses)	64,461	(114,051)	0	153,754	(104,164)	0	2,538,975
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	128,177	(148,236)		(15,272)	302,780	267,449	3,348,217
Fund equity (deficit) at beginning of year	4,313,105	12,563,422		(563,812)	9,272,492	25,585,207	22,236,990
Fund equity (deficit) at end of year	\$4,441,282	\$12,415,186	\$0	(\$579,084)	\$9,575,272	\$25,852,656	\$25,585,207

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, 2012 with comparative totals for year ended June 30, 2011

	Unrestricted	Restricted	Total June 30, 2012	Total June 30, 2011
Revenues:				
Local government	\$3,910,331	\$5,309,052	\$9,219,383	\$8,934,815
State government	5,475,996	1,461,062	6,937,058	6,643,200
Federal government	24,833	6,957,129	6,981,962	7,330,601
Student tuition and fees	7,067,398		7,067,398	7,254,518
Sales and service fees	656,000		656,000	683,037
Interest	75,353	195,022	270,375	222,003
Net increase (decrease) in fair value of investments		7,668	7,668	7,127
Other	254,411	89,740	344,151	437,066
Total revenues	17,464,322	14,019,673	31,483,995	31,512,367
Expenditures/expenses:				
Current:				
Instruction	5,974,796	388,772	6,363,568	6,167,704
Academic support	404,506		404,506	349,217
Student services	1,786,792	517,843	2,304,635	2,214,109
Public services	140,522	308,462	448,984	549,519
Auxiliary services	1,160,244		1,160,244	1,165,037
Operation and maintenance of plant	1,393,915	213,821	1,607,736	1,424,681
Institutional support	6,392,622	1,899,570	8,292,192	8,041,871
Scholarships, student, grants, and waivers		7,025,368	7,025,368	7,186,645
Debt service:				
Principal retirement		2,500,000	2,500,000	2,000,000
Interest		1,110,781	1,110,781	1,050,534
Bond issuance costs			0	37,358
Capital outlay:				
Building construction, building improvements, and equipment	147,209	89,241	236,450	184,910
Total expenditures/expenses	17,400,606	14,053,858	31,454,464	30,371,585
Excess (deficiency) of revenues over expenditures/expenses	63,716	(34,185)	29,531	1,140,782
Other financing sources (uses):				
Issuance of refunding bonds and serial bonds			0	4,110,000
Net (discount) premium on bonds sold			0	6,087
Payment to refunded bonds escrow agent			0	(1,577,112)
Transfers in	66,461		66,461	2,548,242
Transfers out	(2,000)	(114,051)	(116,051)	(2,928,594)
Total other financing sources (uses)	64,461	(114,051)	(49,590)	2,158,623
Net increase (decrease) in fund balance	\$128,177	(\$148,236)	(\$20,059)	\$3,299,405

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**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
BALANCE SHEET - CURRENT FUNDS
June 30, 2012**

ASSETS	Current Unrestricted Funds			
	Education Fund	Operations and Maintenance Fund	Auxiliary Enterprise Fund	Total Current Unrestricted Funds
Cash and cash equivalents	\$2,207,713		\$850	\$2,208,563
Deposits	1,000,000			1,000,000
Investments	3,105,529			3,105,529
Receivables:				
Property taxes	1,997,720	\$494,241		2,491,961
Government claims and grants	547,624	95,774		643,398
Other	772,191		3,924	776,115
Due from other funds		858,469	261,250	1,119,719
Prepaid items	194,951	4,178		199,129
Inventories			9,951	9,951
Property and equipment, net			24,102	24,102
Total assets	\$9,825,728	\$1,452,662	\$300,077	\$11,578,467
LIABILITIES AND FUND EQUITY (DEFICIT)				
Liabilities:				
Accounts payable	\$376,711		\$1,617	\$378,328
Accrued liabilities	38,813		43,704	82,517
Unearned revenue:				
Property taxes	3,037,383	\$751,455		3,788,838
Other		185,503	139,075	324,578
Due to other funds	2,562,924			2,562,924
Total liabilities	6,015,831	936,958	184,396	7,137,185
FUND EQUITY (DEFICIT)				
Retained earnings (deficit):				
Unreserved			115,681	115,681
Fund balance (deficit):				
Reserved for encumbrances	2,075	1,889		3,964
Reserved for insurance				0
Unreserved	3,807,822	513,815		4,321,637
Total fund equity (deficit)	3,809,897	515,704	115,681	4,441,282
Total liabilities and fund equity (deficit)	\$9,825,728	\$1,452,662	\$300,077	\$11,578,467

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

Current Restricted Funds

Restricted Purpose	Nonexpendable Trust	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Bond and Interest	Total Current Restricted Funds
	\$3,945,167					\$3,945,167
	899,000					899,000
	2,788,443		\$4,211,676		\$6,719	7,006,838
\$467,804		\$49,424	1,332,473		2,169,716	3,551,613
	15,413		23,847			467,804
4,367	536,779		85,812	\$1,116,302	1,361,295	39,260
						3,104,555
						0
						0
						0
\$472,171	\$8,184,802	\$49,424	\$5,653,808	\$1,116,302	\$3,537,730	\$19,014,237
\$750						\$750
						0
		\$75,146	\$2,025,924		\$3,298,890	5,399,960
62,003						62,003
		98,671	1,037,667			1,136,338
62,753	\$0	173,817	3,063,591	\$0	3,298,890	6,599,051
						0
75			4,316,004			75
409,343	8,184,802	(124,393)	(1,725,787)	1,116,302	238,840	4,316,004
409,418	8,184,802	(124,393)	2,590,217	1,116,302	238,840	8,099,107
\$472,171	\$8,184,802	\$49,424	\$5,653,808	\$1,116,302	\$3,537,730	\$19,014,237

**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, 2012

	Current Unrestricted Funds			Total Current Unrestricted Funds
	Education	Operations and Maintenance	Auxiliary Enterprise	
Revenues:				
Local government	\$3,002,634	\$907,697		\$3,910,331
State government	5,230,867	245,129		5,475,996
Federal government			\$24,833	24,833
Student tuition and fees	6,269,759	526,840	270,799	7,067,398
Sales and service fees			656,000	656,000
Interest	66,883	8,470		75,353
Net increase (decrease) in fair value of investments				0
Other	93,386	8,699	152,326	254,411
Total revenues	14,663,529	1,696,835	1,103,958	17,464,322
Expenditures/expenses:				
Current:				
Instruction	5,974,796			5,974,796
Academic support	404,506			404,506
Student services	1,786,792			1,786,792
Public services	140,522			140,522
Auxiliary services			1,160,244	1,160,244
Operation and maintenance of plant		1,393,915		1,393,915
Institutional support	6,274,480	118,142		6,392,622
Scholarships, student grants, and waivers				0
Debt service:				
Principal retirement				0
Interest				0
Capital outlay:				
Building construction, building improvements, and equipment	125,751	21,458		147,209
Total expenditures/expenses	14,706,847	1,533,515	1,160,244	17,400,606
Excess (deficiency) of revenues over expenditures/expenses	(43,318)	163,320	(56,286)	63,716
Other financing sources (uses):				
Issuance of refunding bonds and serial bonds				
Net premium (discount) on bonds sold				
Payment to refunded bonds escrow agent				
Transfers in	2,000		64,461	66,461
Transfers out			(2,000)	(2,000)
Total other financing sources (uses)	2,000	0	62,461	64,461
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(41,318)	163,320	6,175	128,177
Fund equity (deficit) at beginning of year	3,851,215	352,384	109,506	4,313,105
Fund equity (deficit) at end of year	\$3,809,897	\$515,704	\$115,681	\$4,441,282

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

Current Restricted Funds

Restricted Purpose	Nonexpendable Trust	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Bond and Interest	Total Current Restricted Funds
\$15,442		\$72,975	\$1,945,515		\$3,275,120	\$5,309,052
1,461,062						1,461,062
6,957,129						6,957,129
						0
						0
	\$114,050	452	37,236	\$22,471	20,813	195,022
	1,062		6,606			7,668
84,957			4,783			89,740
8,518,590	115,112	73,427	1,994,140	22,471	3,295,933	14,019,673
388,772						388,772
						0
517,843						517,843
308,462						308,462
						0
213,821						213,821
11,725	155	66,917	1,815,386		5,387	1,899,570
7,025,368						7,025,368
					2,500,000	2,500,000
					1,110,781	1,110,781
59,767			29,474			89,241
8,525,758	155	66,917	1,844,860	0	3,616,168	14,053,858
(7,168)	114,957	6,510	149,280	22,471	(320,235)	(34,185)
						0
						0
						0
						0
	(114,051)					(114,051)
0	(114,051)	0	0	0	0	(114,051)
(7,168)	906	6,510	149,280	22,471	(320,235)	(148,236)
416,586	8,183,896	(130,903)	2,440,937	1,093,831	559,075	12,563,422
\$409,418	\$8,184,802	(\$124,393)	\$2,590,217	\$1,116,302	\$238,840	\$12,415,186

**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, 2012

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$2,942,572	\$2,919,002	(\$23,570)
Corporate personal property replacement tax	96,000	83,632	(12,368)
Total local government	3,038,572	3,002,634	(35,938)
State government:			
ICCB base operating grant	1,524,235	1,578,400	54,165
ICCB equalization grant	1,170,288	975,065	(195,223)
ICCB career and technical education formula grant	100,000	137,942	37,942
State of Illinois SURS on-behalf payments	800,000	2,539,460	1,739,460
Total state government	3,594,523	5,230,867	1,636,344
Student tuition and fees	6,585,465	6,269,759	(315,706)
Interest	50,600	66,883	16,283
Miscellaneous - other	78,196	93,386	15,190
Total revenues	13,347,356	14,663,529	1,316,173
Expenditures:			
Instruction:			
Salaries	5,297,798	5,158,256	139,542
Employee benefits	15,000	5,694	9,306
Contractual services	355,861	406,692	(50,831)
General materials and supplies	360,624	142,813	217,811
Conference and meeting expense	120,702	109,678	11,024
Fixed charges	500	0	500
Capital Outlay	170,000	238,728	(68,728)
Other	102,376	12,255	90,121
Total instruction	6,422,861	6,074,116	348,745

**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, 2012

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Academic support:			
Salaries	288,078	293,208	(5,130)
Contractual services	39,140	35,386	3,754
General materials and supplies	97,639	73,580	24,059
Conference and meeting expense	5,071	2,332	2,739
Total academic support	429,928	404,506	25,422
Student services:			
Salaries	1,145,421	1,122,599	22,822
Contractual services	20,772	4,802	15,970
General materials and supplies	46,446	22,325	24,121
Conference and meeting expense	30,252	21,575	8,677
Other	544,074	615,491	(71,417)
Total student services	1,786,965	1,786,792	173
Public services:			
Salaries	90,960	61,127	29,833
Contractual services	59,220	37,028	22,192
General materials and supplies	25,250	16,202	9,048
Conference and meeting expense	28,250	25,227	3,023
Fixed charges	400	0	400
Utilities	1,000	0	1,000
Other	6,730	938	5,792
Total public services	211,810	140,522	71,288
Institutional support:			
Salaries	1,499,414	1,352,139	147,275
Employee benefits	2,535,889	3,904,515	(1,368,626)
Contractual services	171,774	169,592	2,182
General materials and supplies	557,770	538,431	19,339
Conference and meeting expense	77,220	57,132	20,088
Fixed charges	148,294	135,685	12,609
Capital outlay	27,700	22,858	4,842
Other	107,903	120,559	(12,656)
Total institutional support	5,125,964	6,300,911	(1,174,947)

**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, 2012

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Total expenditures	13,977,528	14,706,847	(729,319)
Excess (deficiency) of revenues over expenditures	(630,172)	(43,318)	586,854
Other financing sources:			
Transfers in	651,241	2,000	(649,241)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$21,069</u>	(41,318)	<u>(\$62,387)</u>
Fund balance at beginning of year		3,851,215	
Fund balance at end of year		<u>\$3,809,897</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, 2012**

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$730,892	\$729,751	(\$1,141)
Corporate personal property replacement tax	144,000	177,946	33,946
Total local government	874,892	907,697	32,805
State government:			
ICCB base operating grant	122,149	160,341	38,192
ICCB equalization grant	101,764	84,788	(16,976)
Total state government	223,913	245,129	21,216
Student tuition and fees	540,626	526,840	(13,786)
Interest	5,740	8,470	2,730
Other:			
Rent	14,400	8,360	(6,040)
Miscellaneous	500	339	(161)
Total other revenue	14,900	8,699	(6,201)
Total revenues	1,660,071	1,696,835	36,764
Expenditures:			
Operation and maintenance of plant:			
Salaries	614,925	544,858	70,067
Contractual services	160,068	108,079	51,989
General materials and supplies	95,790	86,467	9,323
Conference and meeting expense	5,696	1,857	3,839
Fixed charges	27,029	25,474	1,555
Utilities	582,022	503,086	78,936
Capital outlay	48,496	30,381	18,115
Other	127,586	115,171	12,415
Total operation and maintenance of plant	1,661,612	1,415,373	246,239

**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, 2012

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	7,915	6,836	1,079
General materials and supplies	616	450	166
Conference and meeting expense	514	0	514
Utilities	121,830	110,856	10,974
Total institutional support	130,875	118,142	12,733
Total expenditures	1,792,487	1,533,515	258,972
Excess (deficiency) of revenues over expenditures	(132,416)	163,320	295,736
Other financing sources (uses) -			
Transfers in	180,000	0	(180,000)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$47,584</u>	163,320	<u>\$115,736</u>
Fund balance at beginning of year		<u>352,384</u>	
Fund balance at end of year		<u>\$515,704</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, 2012**

	Budget	Actual	Variance With Budget
Revenues:			
Local government - Property taxes	\$73,089	\$72,975	(\$114)
Interest	325	452	127
Total revenues	73,414	73,427	13
Expenditures -			
Institutional support:			
Salaries	7,412	7,412	0
Contractual services	60,250	59,505	745
General materials and supplies	650	0	650
Conference and meeting expense	4,600	0	4,600
Total expenditures	72,912	66,917	5,995
Excess of revenues over expenditures	<u>\$502</u>	6,510	<u>\$6,008</u>
Fund balance (deficit) at beginning of year		<u>(130,903)</u>	
Fund balance (deficit) at end of year		<u>(\$124,393)</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, 2012

	Budget	Actual	Variance With Budget
Revenues -			
Interest	\$19,162	\$22,471	\$3,309
Other financing sources -			
Transfers out	(116,941)	0	116,941
Excess of revenues and other financing sources	<u>(\$97,779)</u>	22,471	<u>\$120,250</u>
Fund balance at beginning of year		<u>1,093,831</u>	
Fund balance at end of year		<u><u>\$1,116,302</u></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, 2012**

	Budget	Actual	Variance With Budget
Revenues:			
Local government - Property taxes	\$3,257,605	\$3,275,120	\$17,515
Interest	15,580	20,813	5,233
Total revenues	3,273,185	3,295,933	22,748
Expenditures -			
Institutional support - Other	6,900	5,387	1,513
Debt service:			
Principal retirement	2,500,000	2,500,000	0
Interest	1,147,096	1,110,781	36,315
Total debt service	3,647,096	3,610,781	36,315
Total expenditures	3,653,996	3,616,168	37,828
 Excess (deficiency) of revenues and other financing sources over expenditures	 <u>(\$380,811)</u>	 <u>(320,235)</u>	 <u>\$60,576</u>
 Fund balance at beginning of year		 <u>559,075</u>	
 Fund balance at end of year		 <u>\$238,840</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, 2012

	Budget	Actual	Variance With Budget
Revenues:			
Local government - Property taxes	\$86,800	\$87,570	\$770
State government	0	50,919	50,919
Federal government	0	5,964	5,964
Sales and service fees	10,950	9,084	(1,866)
Interest	410	573	163
Other	0	9,000	9,000
Total revenues	98,160	163,110	64,950
Expenditures:			
Operation and maintenance of plant - Contractual services	71,274	72,280	(1,006)
Institutional support:			
Contractual services	7,425	57,598	(50,173)
Capital outlay	139,375	202,258	(62,883)
Total institutional support	146,800	259,856	(113,056)
Total expenditures	218,074	332,136	(114,062)
Excess (deficiency) of revenues over expenditures	(119,914)	(169,026)	(49,112)
Other financing sources -			
Transfers in	50,000	153,754	103,754
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$69,914)</u>	<u>(15,272)</u>	<u>(\$85,186)</u>
Fund balance (deficit) at beginning of year		(563,812)	
Fund balance (deficit) at end of year		<u>(\$579,084)</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, 2012

	Budget	Actual	Variance With Budget
Revenues:			
Interest	\$304,910	\$256,929	(\$47,981)
Net increase (decrease) in fair value of investments	0	151,390	151,390
Total revenues	304,910	408,319	103,409
Expenditures:			
Institutional support:			
Fixed charges	1,250	1,250	0
Other	0	125	(125)
Total expenditures	1,250	1,375	(125)
Excess of revenues over expenditures	303,660	406,944	103,284
Other financing sources -			
Transfers out	(571,300)	(104,164)	(467,136)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$267,640)</u>	302,780	<u>\$35,140</u>
Fund balance at beginning of year		<u>9,272,492</u>	
Fund balance at end of year		<u><u>\$9,575,272</u></u>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL
For the year ended June 30, 2012**

	Budget	Actual	Variance With Budget
Operating revenues:			
State government	\$130	\$0	(\$130)
Federal government	20,400	24,833	4,433
Student tuition and fees	272,870	270,799	(2,071)
Sales and service fees	737,688	656,000	(81,688)
Other	190,895	152,326	(38,569)
Total operating revenues	1,221,983	1,103,958	(118,025)
Operating expenses:			
Salaries	624,071	556,286	67,785
Employee benefits	13,789	13,666	123
Contractual services	182,469	196,669	(14,200)
General materials and supplies	269,868	233,050	36,818
Conference and meeting expense	52,569	49,511	3,058
Capital outlay	18,180	24,716	(6,536)
Depreciation	14,957	22,689	(7,732)
Other	112,260	63,657	48,603
Total operating expenses	1,288,163	1,160,244	127,919
Operating income before transfers in (out)	(66,180)	(56,286)	9,894
Transfers in	65,800	64,461	(1,339)
Transfers out	0	(2,000)	(2,000)
Net income	<u>(\$380)</u>	<u>6,175</u>	<u>\$5,795</u>
Retained earnings at beginning of year		<u>109,506</u>	
Retained earnings at end of year		<u><u>\$115,681</u></u>	

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**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES, BY PROGRAM
For the year ended June 30, 2012**

	Message Therapy	Auto Mechanics
Operating revenues:		
Federal government grants		
Student tuition and fees		
Sales and service fees	\$25,263	\$28,879
Other		
Total operating revenues	25,263	28,879
Operating expenses:		
Salaries		
Employee benefits		
Contractual services		
General materials and supplies	1,647	36,721
Conference and meetings		
Capital outlay		
Depreciation		
Other		
Total operating expenses	1,647	36,721
Operating income (loss)	\$23,616	(\$7,842)

Bookstore	Child Care Center	Cosmetology	Dental Hygiene	Food Service	Athletics	Student Activities - Other Services	Totals
	\$24,833						\$24,833
	427,812	\$28,605	\$29,932			\$270,799	270,799
\$126,621	670			\$14,606		115,509	656,000
						10,429	152,326
126,621	453,315	28,605	29,932	14,606	\$0	396,737	1,103,958
	403,641				91,158	61,487	556,286
	13,666						13,666
	43,917	1,025		35,264	36,612	79,851	196,669
	3,288	1,675	23,048	175	41,907	124,589	233,050
	191				49,320	0	49,511
			2,078			22,638	24,716
						22,689	22,689
	919			1,306	15,208	46,224	63,657
0	465,622	2,700	25,126	36,745	234,205	357,478	1,160,244
\$126,621	(\$12,307)	\$25,905	\$4,806	(\$22,139)	(\$234,205)	\$39,259	(\$56,286)

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
COMBINING BALANCE SHEET - LIABILITY PROTECTION FUNDS
June 30, 2012**

A S S E T S	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments			\$4,211,676	\$4,211,676
Receivables:				
Property taxes		\$1,332,473		1,332,473
Other			23,847	23,847
Due from other funds	\$5,331		80,481	85,812
Total assets	\$5,331	\$1,332,473	\$4,316,004	\$5,653,808
LIABILITIES AND FUND BALANCE (DEFICIT)				
Liabilities:				
Unearned revenue -				
Property taxes		\$2,025,924		\$2,025,924
Due to other funds		1,037,667		1,037,667
Total liabilities	\$0	3,063,591	\$0	3,063,591
Fund balance (deficit):				
Reserved for insurance			4,316,004	4,316,004
Unreserved	5,331	(1,731,118)		(1,725,787)
Total fund balance (deficit)	5,331	(1,731,118)	4,316,004	2,590,217
Total liabilities and fund balance	\$5,331	\$1,332,473	\$4,316,004	\$5,653,808

**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, 2012**

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government		\$1,945,515		\$1,945,515
Interest		11,191	\$26,045	37,236
Net (decrease) in fair value of investments			6,606	6,606
Other	\$4,783			4,783
Total revenues	4,783	1,956,706	32,651	1,994,140
Expenditures -				
Current -				
Institutional support	5,813	1,838,922	125	1,844,860
Excess (deficiency) of revenues over expenditures	(1,030)	117,784	32,526	149,280
Other financing sources -				
Transfers in (out)		32,526	(32,526)	0
Excess (deficiency) of revenues and other financing sources over expenditures	(1,030)	150,310	0	149,280
Fund balance (deficit) at beginning of year	6,361	(1,881,428)	4,316,004	2,440,937
Fund balance (deficit) at end of year	\$5,331	(\$1,731,118)	\$4,316,004	\$2,590,217

**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, 2012**

	Budget	Actual	Variance With Budget
Revenues -			
Other	\$16,626	\$4,783	(\$11,843)
Expenditures -			
Employee benefits	16,626	5,813	10,813
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$0</u>	<u>(1,030)</u>	<u>(\$1,030)</u>
Fund balance (deficit) at beginning of year		<u>6,361</u>	
Fund balance at end of year		<u>\$5,331</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, 2012**

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	\$1,780,823	\$1,945,515	\$164,692
Interest income	0	11,191	11,191
Total revenues	1,780,823	1,956,706	175,883
Expenditures:			
Salaries	1,262,654	1,221,272	41,382
Employee benefits	162,592	162,807	(215)
Contractual services	228,808	183,244	45,564
General materials and supplies	14,373	9,372	5,001
Conference and meetings	4,466	1,502	2,964
Fixed charges	263,025	250,102	12,923
Other	3,731	10,623	(6,892)
Total expenditures	1,939,649	1,838,922	100,727
Excess (deficiency) of revenues over expenditures	(158,826)	117,784	276,610
Other financing sources (uses) -			
Transfer in	0	32,526	32,526
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(\$158,826)</u>	150,310	<u>\$309,136</u>
Fund balance (deficit) at beginning of year		<u>(1,881,428)</u>	
Fund balance (deficit) at end of year		<u>(\$1,731,118)</u>	

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

For the year ended June 30, 2012

	Budget	Actual	Variance With Budget
Revenues:			
Interest income	\$158,826	\$26,045	(\$132,781)
Net increase in fair value of investments	0	6,606	6,606
Total revenues	158,826	32,651	(126,175)
Expenditures -			
Other	0	125	(125)
Excess (deficiency) of revenues over expenditures	158,826	32,526	(126,300)
Other financing sources (uses) -			
Transfers out	0	(32,526)	(32,526)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$158,826</u>	<u>0</u>	<u>(\$158,826)</u>
Fund balance at beginning of year		<u>4,316,004</u>	
Fund balance at end of year		<u>\$4,316,004</u>	

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE BALANCE SHEET - ALL FUND TYPES
TO THE STATEMENT OF NET ASSETS**
For the year ended June 30, 2012

Fund equity - all fund types (page 62)	\$25,852,656
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	20,279,718
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	219,705
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(36,757)
Long-term liabilities not reported in the governmental funds	(27,573,812)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(356,186)</u>
Net assets (Page 13)	<u><u>\$18,385,324</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, 2012**

Net increase in fund equity - all fund types (page 63)	\$267,449
<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	415,206
Depreciation expense	(1,352,471)
<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	2,500,000
Compensated absences	37,802
<p>The costs associated with issuing long-term debt are an expenditure of governmental funds, but increase other assets (unamortized debt issuance costs and bond discounts) in the Statements of Net Assets.</p>	
	(36,825)
<p>Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.</p>	
	1,146
<p>The net effect of various transactions involving capital assets (i.e., disposals and sales) is to decrease net assets</p>	
	(2,878)
<p>Revenue for student tuition is recognized in the governmental funds when substantially received.</p>	
	(3,661)
Increase in net assets (page 14)	\$1,825,768

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, 2012**

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, 2012**

	Education Fund **	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2011	\$3,851,215	\$352,384	(\$563,812)	\$9,272,492
Revenue:				
Local taxes	3,002,634	907,697	87,570	
All other local government				
ICCB grants	2,691,407	245,129	50,919	
All other state revenue				
Federal revenue			5,964	
Student tuition and fees	6,269,759	526,840		
All other revenue	160,269	17,169	18,657	408,319
Total revenue	12,124,069	1,696,835	163,110	408,319
Expenditures:				
Instruction	5,974,796			
Academic support	404,506			
Student services	1,786,792			
Public service	140,522			
Auxiliary services				
Operation and maintenance		1,393,915	72,280	
Institutional support	3,735,020	118,142	81,100	1,375
Scholarships, student grants, and waivers				
Principal retirement				
Interest, service charges, and issuance costs				
Building construction, building improvements, and equipment	125,751	21,458	178,756	
Total expenditures	12,167,387	1,533,515	332,136	1,375
Transfers in	2,000		153,754	
Transfers out				(104,164)
	2,000	0	153,754	(104,164)
Fund balance (deficit) at June 30, 2012	\$3,809,897	\$515,704	(\$579,084)	\$9,575,272

** 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
\$559,075	\$109,506	\$416,586	(\$130,903)	\$2,440,937	\$1,093,831	\$8,183,896	\$25,585,207
3,275,120		15,442	72,975	1,945,515			9,291,511
		263,277					15,442
		1,197,785					3,250,732
	24,833	6,957,129					1,197,785
	270,799						6,987,926
20,813	808,326	84,957	452	48,625	22,471	115,112	7,067,398
							1,705,170
3,295,933	1,103,958	8,518,590	73,427	1,994,140	22,471	115,112	29,515,964
		388,772					6,363,568
		517,843					404,506
		308,462					2,304,635
	1,160,244						448,984
		213,821					1,160,244
5,387		11,725	66,917	1,815,386		155	1,680,016
		7,025,368					5,835,207
2,500,000							7,025,368
1,110,781							2,500,000
		59,767		29,474			1,110,781
							415,206
3,616,168	1,160,244	8,525,758	66,917	1,844,860	0	155	29,248,515
	64,461					0	220,215
	(2,000)					(114,051)	(220,215)
0	62,461	0	0	0	0	(114,051)	0
\$238,840	\$115,681	\$409,418	(\$124,393)	\$2,590,217	\$1,116,302	\$8,184,802	\$25,852,656

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT***
For the year ended June 30, 2012

	Fixed Assets/ Debt Account Groups July 1, 2011	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2012
Fixed assets:					
Land	\$405,483				\$405,483
Work in progress	24,044	\$80,806	\$2,878	(\$29,659)	72,313
Furniture and equipment	4,176,512	234,744	10,685	14,166	4,414,737
Land improvements	289,339			15,493	304,832
Buildings and additions	32,548,993	102,640			32,651,633
Vehicles	312,151	10,500			322,651
Infrastructure	2,420,338				2,420,338
Total fixed assets	40,176,860	428,690	13,563	0	40,591,987
Accumulated depreciation	18,923,692	1,375,160	10,685		20,288,167
Total net fixed assets	\$21,253,168	(\$946,470)	\$2,878	\$0	\$20,303,820
Fixed debts:					
Bonds payable	\$29,825,000		\$2,500,000		\$27,325,000
Other fixed liabilities	400,909	\$276,243	311,221		365,931
Total fixed debts	\$30,225,909	\$276,243	\$2,811,221	\$0	\$27,690,931

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2012.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES**
For the year ended June 30, 2012

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$2,919,002	\$729,751	\$3,648,753
Corporate personal property replacement tax	83,632	177,946	261,578
Tuition chargeback revenue	0	0	0
Total local government	3,002,634	907,697	3,910,331
State government:			
ICCB base operating grant	1,578,400	160,341	1,738,741
ICCB equalization grant	975,065	84,788	1,059,853
ICCB career and technical education	137,942		137,942
Other state sources	0		0
Total state government	2,691,407	245,129	2,936,536
Total federal government	0	0	0
Student tuition and fees:			
Tuition	6,152,744	526,840	6,679,584
Fees	117,015	0	117,015
Total tuition and fees	6,269,759	526,840	6,796,599
Other sources:			
Interest	66,883	8,470	75,353
Other	93,386	8,699	102,085
Total other sources	160,269	17,169	177,438
Total revenue	12,124,069	1,696,835	13,820,904
Less nonoperating items -			
Tuition chargeback revenue	0	0	0
Adjusted revenue	\$12,124,069	\$1,696,835	\$13,820,904

* 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, 2012

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$6,100,547	\$21,458	\$6,122,005
Academic support	404,506		404,506
Student services	1,786,792		1,786,792
Public services	140,522		140,522
Operation and maintenance of plant		1,393,915	1,393,915
Institutional support **	3,735,020	118,142	3,853,162
Scholarships, student grants, and waivers			0
Total expenditures	12,167,387	1,533,515	13,700,902
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	\$12,167,387	\$1,533,515	\$13,700,902
By object:			
Salaries	7,987,329	544,858	\$8,532,187
Employee benefits **	1,370,749		1,370,749
Contractual services	653,500	114,915	768,415
General materials and supplies	793,351	86,917	880,268
Conference and meeting expense	215,944	1,857	217,801
Fixed charges	135,685	25,474	161,159
Utilities		613,942	613,942
Capital outlay	261,586	30,381	291,967
Other	749,243	115,171	864,414
Total expenditures	12,167,387	1,533,515	13,700,902
Less nonoperating items -*			
Tuition chargeback	0	0	0
Adjusted expenditures	\$12,167,387	\$1,533,515	\$13,700,902

* 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, 2012**

Revenue by source:

Local government:

United Way	\$7,615
Galesburg Community Foundation	3,987
Great River Bend Grant	2,000
Quality Counts Child Care	1,840
Other	0

Total local government	15,442
------------------------	--------

State government:

ICCB:

Workforce Development Business/Industry Grant	53,901
State Adult Education Restricted Funds Grants	129,140
Program Improvement Grant	11,201
Perkins Postsecondary Innovation Grant	1,754
Student Success Grant	67,281
Illinois Student Assistance Commission	862,547
S.O.S. Family Literacy	98,781
Illinois Green Economy Network	213,821
RSVP	22,636

Total state government	1,461,062
------------------------	-----------

Federal government:

Department of Education:

College Work Study Grants	67,085
Pell Grants	5,247,819
Supplemental Educational Opportunity Grant	60,101
Direct Loans	770,089
Federal Adult Basic	68,762
Federal Adult EL/Civics	16,621
Tech Prep Education	0
Trio-Student Support services	182,180
Trio-Upward Bound	224,368
Perkins Postsecondary-Federal Allocation	185,989
Perkins Postsecondary Innovation Grant	2,633
Academic Competitive Grant	0
CTE Programs of Study	20,000
Map Plus	19,709
Title III	0

Department of Labor:

Illinois Green Economy Network	32,176
WIA CTE Bridge Implementation Grant	10,000
Other-RSVP	49,597

Total federal government	6,957,129
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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, 2012

Revenue by source (continued):	
Other sources	84,957
<hr/>	
Total restricted purposes fund revenues	\$8,518,590

Expenditures by program:	
Instruction	\$448,539
Academic support	0
Student services	517,843
Public services	308,462
Operations and maintenance	213,821
Institutional support	11,725
Scholarships, student grants, and waivers	7,025,368
<hr/>	
Total restricted purposes fund expenditures by program	\$8,525,758

Expenditures by object:	
Salaries	\$676,934
Employee benefits	121,129
Contractual services	144,032
General materials and supplies	300,735
Travel, conference and meeting expense	46,450
Student financial aid	7,025,368
Fixed charges	8,779
Utilities	900
Capital outlay	66,499
Other	134,932
<hr/>	
Total restricted purposes fund expenditures by object	\$8,525,758

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY**
For the year ended June 30, 2012

Instructional:	
Programs	\$5,791,644
Support	731,011
Total instructional	6,522,655
Academic support:	
Learning resource center	204,190
Instructional materials center	182,850
Educational media services	17,466
Total academic support	404,506
Student services:	
Admissions and records	215,824
Counseling and career guidance	433,043
Financial aid administration	174,403
Other student services	1,481,365
Total student services	2,304,635
Public service/continuing education:	
Community education	17,446
Customized training (instructional)	95,561
Community services	334,137
Other public service	1,840
Total public service/continuing education	448,984
Auxiliary services	1,160,244
Operations and maintenance of plant:	
Maintenance	516,243
Custodial	249,590
Grounds	146,454
Plant utilities	716,907
Other operations and maintenance	0
Total operations and maintenance of plant	1,629,194
Institutional support:	
Executive management	365,655
Fiscal operations **	359,845
Community relations	518,042
Administrative support services	1,684,930
Board of trustees	61,936
General institution	1,907,127
Institutional research	28,897
Administrative data processing	539,917
Other institutional support	336,746
Total institutional support	5,803,095
Scholarships, student grants, and waivers	7,025,368
Total current funds expenditures	\$25,298,681

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

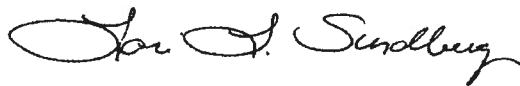
** Excludes State of Illinois SURS on-behalf payments.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)
FOR FISCAL YEAR 2013**

All fiscal year 2012 noncapital audited operating expenditures from the following funds:	
1 Education Fund	\$12,041,636
2 Operations and Maintenance Fund	1,512,057
3 Bond and Interest Fund	3,616,168
4 Restricted Purposes Fund	8,465,991
5 Audit Fund	66,917
6 Liability, Protection, and Settlement Fund	<u>1,815,386</u>
7 Total noncapital expenditures (sum of lines 1-6)	<u><u>\$27,518,155</u></u>
8 Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u><u>\$901,056</u></u>
9 Total costs included (line 7 plus line 8)	<u><u>\$28,419,211</u></u>
10 Total certified semester credit hours for FY 2012	<u><u>49,316</u></u>
11 Per capita cost (line 9 divided by line 10)	\$576.27
12 All FY 2012 state and federal operating grants for noncapital expenditures, except ICCB grants	<u><u>\$7,932,625</u></u>
13 FY 2012 state and federal grants per semester credit hour (line 12 divided by line 10)	160.85
14 District's average ICCB grant rate (excluding equalization grants) for FY 2013	71.05
15 District's student tuition and fee rate per semester credit hour for FY 2013	<u>138.00</u>
16 Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)	<u><u>\$206.37</u></u>

Approved: 
Chief Financial Officer

9/12/2012
Date


President

9/12/2012
Date

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

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

We have audited the accompanying balance sheets of the Workforce Development, Student Success, 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, 2012, 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, Student Success, 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, 2012, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Wipfli LLP

Sterling, Illinois
September 12, 2012

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
WORKFORCE DEVELOPMENT BUSINESS/INDUSTRY GRANT PROGRAM
BALANCE SHEET
June 30, 2012**

ASSETS

Cash	\$0
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LIABILITIES AND FUND BALANCE

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

Fund balance	0
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Total liabilities and fund balance	\$0
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See accompanying Notes to Financial Statements.

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, 2012

	Business/ Industry
<hr/>	
Revenues*	
State Sources	\$53,901
<hr/>	
Expenditures:*	
Salaries	47,392
Benefits	4,001
Rent	0
Other	2,508
<hr/>	
Total expenditures	53,901
<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.

See accompanying Notes to Financial Statements.

See Note to Financial Statements.

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

For the year ended June 30, 2012

	General	Operation of Workforce Devel. Office	Total
Expenditures:			
1. Personnel (salaries and benefits) **		\$51,393	\$51,393
2. Contractual services		2,508	2,508
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/workforce development offices			
a. Office equipment *			0
b. Utilities and telephone			0
c. Consumable supplies			0
d. Duplicating			0
e. Facility rental		0	0
10. Totals	\$0	\$53,901	\$53,901

* 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 plus year-end encumbrances.

See Note to Financial Statements.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
STATE ADULT EDUCATION RESTRICTED FUNDS GRANT
BALANCE SHEET
June 30, 2012**

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

See accompanying Notes to Financial Statements.

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, 2012

	State Basic	State Public Assistance	State Performance	Total
Revenues -				
Grant revenue	\$70,699	\$10,619	\$47,822	\$129,140
Expenditures:				
Instruction	48,646	5,180	19,000	72,826
Social work services				0
Guidance services	7,908		9,500	17,408
Assistive and adaptive equipment				0
Assessment and testing		5,439	12,885	18,324
Student transportatoin services			3,000	3,000
Literacy services	10,939		2,163	13,102
Child care services				0
Subtotal instructional and student services	67,493	10,619	46,548	124,660
Improvement of instructional services				0
General administration	3,206		1,274	4,480
Operation and maintenance of plant services				0
Workforce coordination				0
Data and information services				0
Indirect costs				0
Subtotal program support	3,206	0	1,274	4,480
Total expenditures	70,699	10,619	47,822	129,140
Excess of revenues over expenditures	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$0	\$0	\$0	\$0

See accompanying Notes to Financial Statements.

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, 2012

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$48,646	68.81%
General Administration (9% maximum allowed)	\$3,206	4.53%
State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	\$5,180	48.78%
General Administration (9% maximum allowed)	\$0	0.00%
State Performance	Audited Expenditure Amount	Actual Expenditure Percentage
General Administration (9% maximum allowed)	\$1,274	2.66%

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
CAREER AND TECHNICAL EDUCATION
PROGRAM IMPROVEMENT GRANT
BALANCE SHEET
June 30, 2012**

ASSETS

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

LIABILITIES AND FUND BALANCE

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

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

Total liabilities and fund balance	\$0
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See accompanying Notes 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, 2012**

Revenues -*	
State sources	\$11,201
<hr/>	
Expenditures -*	
General materials and supplies	11,201
<hr/>	
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0
<hr/>	

*Report ICCB grant funds only

See accompanying Notes to Financial Statements.

See Note to Financial Statements.

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
STUDENT SUCCESS GRANT
BALANCE SHEET
June 30, 2012**

ASSETS

Due from other funds	\$0
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LIABILITIES AND FUND BALANCE

Liabilities:	0
--------------	---

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

Total liabilities and fund balance	\$0
------------------------------------	-----

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

See accompanying Notes to Financial Statements.

See Note to Financial Statements.

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

For the year ended June 30, 2012

Revenues -*	
State sources	\$67,281
<hr/>	
Expenditures:*	
Salaries	39,907
General materials and supplies	27,374
<hr/>	
Total expenditures	67,281
<hr/>	
Excess of revenues over expenditures	0
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0

*Report ICCB grant funds only

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

See accompanying Notes to Financial Statements.

See Note to Financial Statements.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO 518
NOTES TO FINANCIAL STATEMENTS
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS
June 30, 2012**

(A) Summary of Significant Accounting Policies:

General

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

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2012. For all ICCB grants except Student Success Grant, funds obligated for goods prior to June 30, for which the goods and services are received prior to August 31, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15.

For the Student Success Grant, funds must be obligated and services rendered by December 31, 2012. Goods must be received and funds must be spent by February 28, 2013.

Fixed Assets

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

Unearned Revenue

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

(B) Payment of Prior Year's Encumbrances

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

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF ENROLLMENT DATA AND OTHER BASES UPON
WHICH CLAIMS ARE FILED**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Carl Sandburg College – Community College District No. 518 as of and for the year ended June 30, 2012, and have issued our report thereon dated September 12, 2012. 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, 2012. 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, 2012, 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 86-94 and 109-111 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 94 is not a required part of the basic financial statements or this schedule but is supplemental information required by the Illinois Community College Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

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

Wipfli LLP

Sterling, Illinois
September 12, 2012

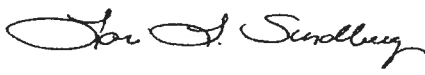
**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON
WHICH CLAIMS ARE FILED
For the year ended June 30, 2012**

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	3,202.0		11,926.0		11,868.0		26,996.0	0.0
Business Occupational	585.0		1,272.0		1,236.5		3,093.5	0.0
Technical Occupation	281.5		1,506.0		1,474.5		3,262.0	0.0
Health Occupational	1,357.0		3,793.0		3,428.0		8,578.0	0.0
Remedial Development	419.0		2,150.0		1,411.0		3,980.0	0.0
Adult Basis Education/ Adult Secondary Education	147.5	88.0	55.5	1,267.0	198.0	1,650.5	401.0	3,005.5
Total credit hours certified	5,992.0	88.0	20,702.5	1,267.0	19,616.0	1,650.5	46,310.5	3,005.5

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	44,131.0	0.0	44,131.0
Reimbursable semester credit hours (all terms)	3,125.0	0.0	
District equalized assessed valuation			\$1,501,003,400

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

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

Signatures 
President


Chief Financial Officer (CFO)

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

For the year ended June 30, 2012

Reconciliation of Total Semester Credit Hours For the year ended June 30, 2012						
	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit hours Certified to the ICCB	Difference
Categories:						
Baccalaureate	26,996.0	26,996.0	-	-	-	-
Business Occupational	3,093.5	3,093.5	-	-	-	-
Technical Occupation	3,262.0	3,262.0	-	-	-	-
Health Occupational	8,578.0	8,578.0	-	-	-	-
Remedial Development	3,980.0	3,980.0	-	-	-	-
Adult Basis Education/Adult Secondary Education	401.0	401.0	-	3,005.5	3,005.5	-
Total	46,310.5	46,310.5	-	3,005.5	3,005.5	-

Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours			
	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	44,131.0	44,131.0	-
Out-of-districts on chargeback or contractual agreement	0.0	0.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	3,125.0	3,125.0	-
Dual enrollment	0	0	-

Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2012			
	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupation	-	-	-
Remedial Development	-	-	-
Total	-	-	-

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

June 30, 2012

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 2011, 2010, and 2009**

	2011	2010	2009
Assessed Valuations:			
Knox County	\$691,839,527	\$680,739,185	\$678,622,871
Fulton County	13,058,063	12,863,319	12,256,160
Hancock County	263,098,933	255,682,422	248,853,952
Henderson County	118,677,416	114,246,717	107,931,669
Henry County	619,466	596,242	571,005
McDonough County	135,330,374	129,680,226	124,160,206
Mercer County	19,188,500	17,888,483	16,472,238
Schuyler County	2,474,496	2,313,882	2,128,348
Stark County	104,478	96,063	88,167
Warren County	256,612,147	245,699,442	235,973,144
Total assessed valuations	\$1,501,003,400	\$1,459,805,981	\$1,427,057,760
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.2021	0.2000	0.2013
Operations and Maintenance Accounts	0.0561	0.0560	0.0562
Bond and Interest Fund	0.2195	0.2244	0.2262
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1348	0.1333	0.1228
Total tax rate	0.6175	0.6187	0.6115
Tax Extensions:			
Educational Accounts	\$3,037,383	\$2,931,156	\$2,856,867
Operations and Maintenance Accounts	843,133	817,452	797,595
Bond and Interest Fund	3,298,890	3,275,645	3,210,250
Audit Fund	75,145	72,987	70,960
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,025,924	1,945,826	1,742,788
Total tax extensions	\$9,280,475	\$9,043,066	\$8,678,460

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

Levy Years 2011, 2010, and 2009

	2011	2010	2009
Tax Collections to June 30:			
Education Fund	\$1,044,107	\$2,917,700	\$2,864,923
Operations and Maintenance Fund	258,315	729,425	711,605
Bond and Interest Fund	1,134,001	3,273,660	3,219,302
Audit Fund	25,831	72,943	71,161
Protection, Health, Safety	31,514	87,531	88,239
Liability, Protection, and Settlement Fund	696,416	1,944,647	1,747,703
Total tax collections	\$3,190,184	\$9,025,906	\$8,702,933
Percent of extensions collected	34.38%	99.81%	100.28%

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ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

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

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

We have audited the financial statements of Carl Sandburg College – Community College District No. 518 (the College) and its discretely presented component unit, Carl Sandburg College Foundation, as of and for the years ended June 30, 2012, which collectively comprise Carl Sandburg College – Community College District No. 518's basic financial statements and have issued our report thereon dated September 12, 2012. 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

Management of Carl Sandburg College – Community College District No. 518 is responsible for establishing and maintaining effective 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 Carl Sandburg College – Community College District No. 518's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carl Sandburg College – Community College District No. 518's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain other matters that we reported to management of Carl Sandburg College – Community College District No. 518 in a separate letter dated September 12, 2012.

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

Wipfli LLP

Sterling, Illinois
September 12, 2012

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

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

Compliance

We have audited Carl Sandburg College – Community College District No. 518's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Carl Sandburg College – Community College District No. 518's major federal programs for the year ended June 30, 2012. Carl Sandburg College – Community College District No. 518's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Carl Sandburg College – Community College District No. 518's management. Our responsibility is to express an opinion on Carl Sandburg College – Community College District No. 518's compliance based on our audit.

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

In our opinion, Carl Sandburg College – Community College District No. 518 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Wipfli LLP

Sterling, Illinois
September 12, 2012

**CARL SANDBURG COLLEGE -
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture -			
Pass-through the Illinois State Board of Education:			
Child & Adult Care Food Program	10.558	XX-4226-00	\$25,114
U.S. Department of Labor:			
Pass-through Illinois Community College Board:			
WIA Incentive Grants			
CTE Bridge Implementation Program	17.267	WIABCTEBIG518	\$10,000
Pass-through College of Lake County			
Trade Adjustment Assistance Community College and Career Training			
Illinois Green Economy Network Department of Energy Program	17.282	TC-22517-11-60-A17	32,176
Total U.S. Department of Labor			\$42,176
U.S. Department of Education:			
Pass-through Illinois Community College Board:			
Adult Education:			
Federal Adult EL/Civics	84.002	51801	\$16,621
Federal Adult Basic	84.002	51801	68,762
Total CFDA 84.002			85,383
Direct awards:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grants	84.007	P007AXX1115	60,101
Federal Work Study Program	84.033	P033AXX1115	65,173
Federal Pell Grant Program	84.063	P063XXX0511	5,256,434
Federal Direct Loan Program	84.268	P268KXX0511	770,089
Total student financial assistance cluster			6,151,797
Pass-through Southeastern Community College -			
TRIO - Student Support Services	84.042	P042A100091	181,222
Direct awards -			
TRIO - Upward Bound -			
Crossing the Bridge to Success	84.047	P047A070128-XX	224,298
Total TRIO cluster			405,520
Pass-through Illinois Community College Board:			
Career and Technical Education Programs:			
Perkins Postsecondary Grants	84.048	CTE51812	189,344
Innovation Grant	84.048	CTE11518	2,633
Program of Study	84.048	CTELXXPOSPTR518	26,887
Total CFDA 84.048			218,864
Total U.S. Department of Education			\$6,861,564
Corporation for National and Community Services -			
Direct awards:			
Retired and Senior Volunteer Program	94.002	10SRNIL003	\$49,597
U.S. Department of Homeland Security -			
Pass-through Illinois Emergency Management Agency -			
Disaster Grants - Public Assistance			
Public Assistance Program - Severe Winter Storms	97.036	PW #648-0	\$5,964
Total federal awards expended			\$6,984,415

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012**

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

Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268, 84.375)	\$6,151,797
TRIO (84.042, 84.047)	\$405,520
- **Subrecipient Payments** - Carl Sandburg College – Community College District No. 518 did not provide any federal payments to subrecipients during the year ended June 30, 2012.
- **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, 2012.
- **Other Federal Award Information** - Carl Sandburg College – Community College District No. 518 did not receive or administer any insurance, loans or loan guarantees during fiscal year ended June 30, 2012.

**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
June 30, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

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

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

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

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>300,000</u>
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Auditee qualified as low-risk auditee?	_X_ yes	___ no
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**CARL SANDBURG COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
June 30, 2012

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, 2012

Prior Year Findings:

June 30, 2011:

None

June 30, 2010:

None