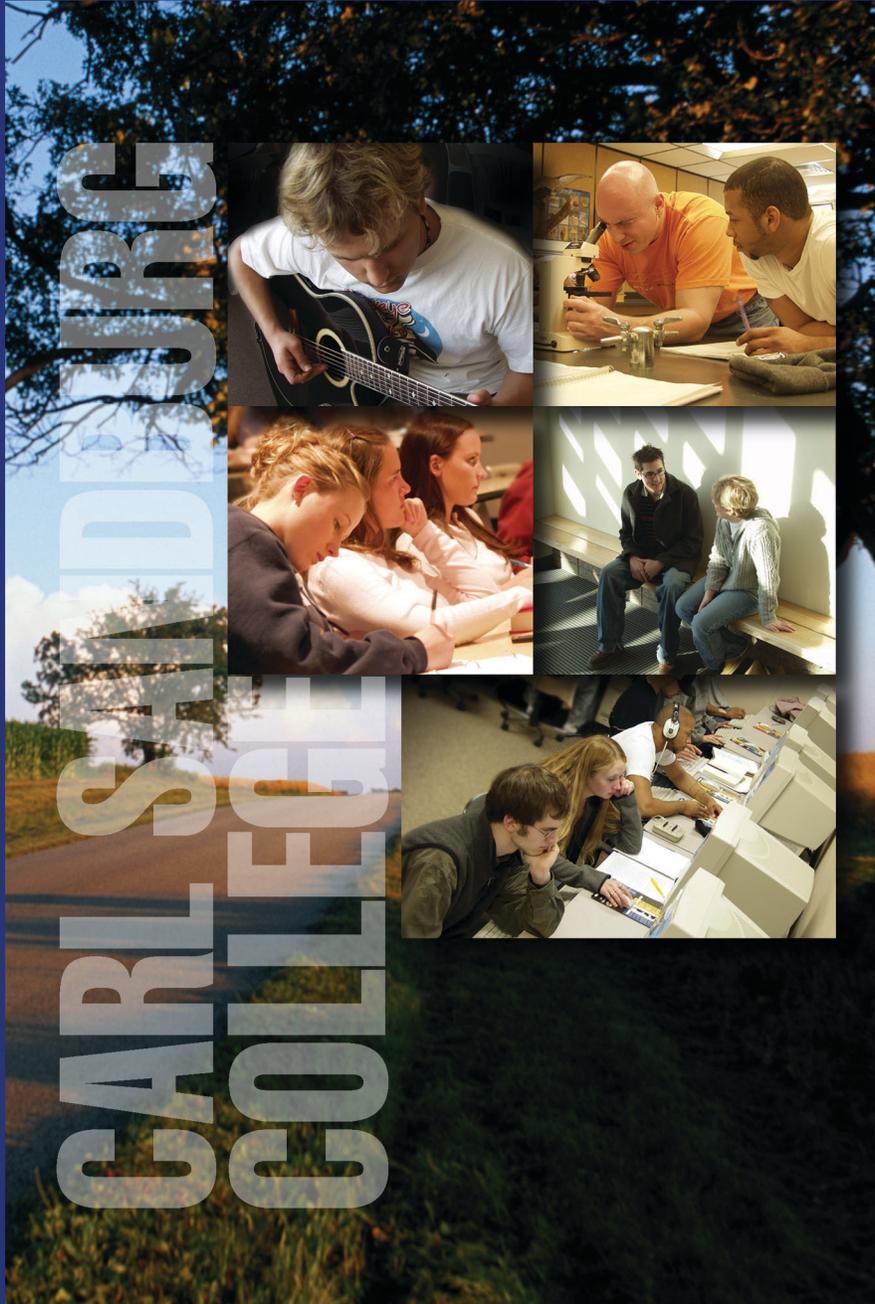




Carl Sandburg
College

2004 Comprehensive Annual Financial Report



**Fiscal year ended June 30, 2004 • Community College District 518
2400 Tom L. Wilson Blvd., Galesburg, IL 61401**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2004 and 2003**

Prepared by:

Finance Office
Lora L. Wright, Chief Financial Officer and Treasurer

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

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President's Letter

October 15, 2004

Ladies and Gentlemen of the Board:

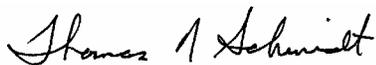
I am pleased to submit to you and the residents of District 518 the Comprehensive Annual Financial Report for Fiscal Year 2004. This document presents the record of the College's financial operations for the year just ended.

This past year, the College received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association as well as the Meritorious Budget Award from the Association of School Business Officials International. We are proud of these achievements as both awards were received the first year in which submitted. In fiscal year 2004, we also began the implementation of new administrative software (Colleague) which will provide further improvements to our decision making process, as well as the presentation of information to all constituents of the College.

Our students are young and old, traditional and non-traditional, credit and non-credit seeking, pursuing degrees, retraining, upgrading their skills, maintaining certification, advancing in their profession or just taking a class or two. Forty-two percent of the college-bound students in District #518 attend Carl Sandburg College. The average class size is ten students. Carl Sandburg College's typical student is 30 years of age, nine percent are an ethnic minority, 64 percent are women and 59 percent attend part-time. What they all have in common is that they come to Carl Sandburg College to learn. As the community's college, Carl Sandburg College is far more than a place where students can and do spend a year or two before moving on to four-year institutions both in Illinois and across the country. Students most commonly describe Carl Sandburg College as comfortable, reasonably priced, academic, and career oriented. Approximately 500 degrees and certificates are awarded every year. More than 12,626 degrees and certificates have been awarded since the College's inception.

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

Respectfully,



Thomas A. Schmidt
President

Illinois Community College District 518

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

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

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

Transmittal Letter

October 15, 2004

To President Schmidt,
Members of the Board of Trustees, and
Citizen 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, 2004, 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.

FINANCIAL STATEMENTS

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (pages 3-11), which focuses on current activities, accounting changes and currently known facts.

In 2003, the College was required to implement a dramatic change in governmental financial reporting. The format of these new statements is described in the notes. We believe this new presentation will provide better information to the user of the Comprehensive Annual Financial Report (CAFR).

Illinois Community College District 518

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

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

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

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

VISION, MISSION AND VALUES

The College's mission is as follows:

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

The Institutional Focal Points are Learning, Caring Environment, Technology, Cooperative Alliances, Stability and Assessment.

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

GENERAL

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

ECONOMIC CONDITION AND OUTLOOK

The College's district 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 in Bushnell.

The following table illustrates enrollments over the last six years.

<u>Enrollment</u>	FALL					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>
College headcount	2739	3220	3341	3441	3554	4880
Full-time equivalents	1541	1661	1781	1999	2251	2079
Continuing Education	2025	1976	2423	1773	949	982
<u>Total Credit Hours</u>	46230	49830	53430	59970	67534	62356

* Projected

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

MAJOR INITIATIVES

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

- I. Learning
 - A. Promote and support student learning at the classroom, program, and school levels.
 - B. Provide and maintain resources, which enable and enhance student retention and learning.
 - C. Promote and support local research on the learning process.
- II. Caring Environment
 - A. Shape an environment that recognizes the need for diversity.
 - B. Create opportunities for all within the College community to interact with understanding, tolerance, and respect for others.
 - C. Promote sensitivity to individual needs and aspirations of those throughout the College community.
 - D. Promote organizational development as a long-range effort to improve the College's problem-solving and renewal process.
- III. Technology
 - A. Establish and maintain effective technology in academic programs and support functions.
 - B. Upgrade employee skills in use of technology.
- IV. Cooperative Alliances
 - A. Develop programs in cooperation with neighboring institutions.
 - B. Maintain and expand alliances within and beyond the College district.
 - C. Support economic development activities

- V. Stability
 - A. Establish/maintain an operating fund balance equal to 5-6 percent of the previous year's adopted budget.
 - B. Develop institutional shape/make-up that best addresses long-range fiscal concerns.
 - C. Maintain the College comprehensive Risk Management Program.
 - D. Maintain a competitive compensation program to enable the College to attract and retain a quality workforce.
 - E. Promote operating efficiencies to accommodate growth.
 - F. Promote the development of human resources.
 - G. Promote and develop information management systems that facilitate decision-making.
- VI. Assessment
 - A. Promote and support local research on the assessment process.
 - B. Promote student assessment at the course, program, and school levels.
 - C. Promote assessment as an institutional way of life.

The College will be implementing a new software system over the next two years in order to satisfy part of III.A. and III.B. Technology enhancement and training.

FINANCIAL INFORMATION

Internal Control. Management of the College is responsible for establishing and maintaining an internal control structure designed to protect the assets of the College, 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.

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

Fund Group

Current Unrestricted

Fund

Education

Operations and Maintenance

Enterprise

Capital Endowment

Current Restricted

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

Plant

Operations and Maintenance (Restricted)

The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

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

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

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

<u>Fund Type</u>	<u>Maximum Authority</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>State Avg. 2001</u>
Current:							
Education	0.2054	0.2054	0.2057	0.2021	0.1801	0.1841	.2108
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	.0566
Liability, Protection and Settlement	none	0.1010	0.0872	0.0680	0.0683	0.0696	.0496
Audit	0.0050	0.0041	0.0041	0.0023	0.0017	0.0030	.0019
Working Cash	none	0.0000	0.0000	0.0000	0.0000	0.0000	.0051
Social Security/Medicare	none	0.0076	0.0076	0.0074	0.0074	0.0077	
Bond and Interest	none	0.1458	0.1425	0.1423	0.1171	0.0982	.0276
Plant:							
Operations and Maintenance (Restricted) - Life Safety	0.0500	0.0000	0.0071	0.0087	0.0500	0.0425	.0183
Total		0.5139	0.5042	0.4808	0.4746	0.4551	.3580

Estimated assessed value of taxable property for 2003, for taxes collectible in 2004, is \$1,287,419,979.

The College's average collection rate over the past five years, including collection of back taxes, has been 100 percent.

PROSPECTS FOR THE FUTURE

The College's financial outlook for the future continues to be positive, albeit with some caution. As illustrated in an earlier discussion, the College's student and adult continuing education enrollments fluctuated over the past five years and have shown a 20% decline in the last year.

The College's capital improvement plan for fiscal year 2005 is designated primarily for investment in a new mainframe computer environment. The College's funding for this project will come from the Strategic Technology Endowment Fund interest income. The STEF fund was increased temporarily in fiscal year 2004 for this computer purchase as well as our Xerox environment lease payments.

DEBT ADMINISTRATION

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.

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 have delegated this function to the Treasurer of the College as permitted by the Illinois Public Community College Act.

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

In the fiscal year ending June 30, 2004, the College's investments from current accounts generated \$99,612 in investment income.

The College invests funds in an Operating Checking account at Wells Fargo Bank. The College's average rate on these funds was 1.11 percent. As of June 30, 2004, investments were as follows:

Investments	\$ Amount	Percent
Wells Fargo Money Market	\$ 10,000	.06
Wells Fargo Operating Checking	\$4,373,206	24.07
Liquid Asset Fund	\$ 16,553	.09
Liquid Asset Fund-MAX	\$ 417,644	2.30

ABN-AMRO	\$ 9,915,516	58.38
Certificates of Deposit	<u>\$ 2,743,100</u>	<u>15.10</u>
	\$17,476,019	100.00

RISK MANAGEMENT

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

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

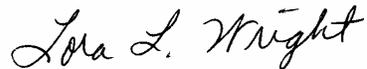
1. To shield the college from fortuitous losses caused by injury, death, damage, destruction, depletion, or undermining of its human, physical, mechanical, and intangible assets.
2. To minimize the long range cost of controlling fortuitous losses through the reduction or elimination of claims, suits,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

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Clifton Gunderson LLP was selected by the College's Board of Trustees. The auditors' report on the financial statements and schedules is included in the financial section of this report.

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,



Lora L. Wright
Chief Financial Officer

CARL SANDBURG COLLEGE
Illinois Community College District No. 518
FY 2004-2005

Principal Officials as of July 1, 2004

Board of Trustees

	Position	Term Expires
Mr. Thomas H. Colclasure	Chairperson	2009
Dr. D. Wayne Green	Vice Chairperson	2009
Mr. John A. Kraus	Secretary	2009
Mr. John T. Huston	Trustee	2005
Mr. Bruce A. Lauerman	Trustee	2007
Ms. Gayla J. Pacheco	Trustee	2005
Ms. Nancy L. Youngquist	Trustee	2005
Ms. Meghan Kennedy	Student Representative	2005
Ms. Diana Billeter	Faculty Representative	2005
Ms. Angela Strom	Staff Representative	2005

Officers of the College

Mr. Thomas A. Schmidt	President
Mr. Larry Benne	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Technology Services
Dr. Lori Sundberg	Dean of Human Resources/Organizational Development

Administrative Staff

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

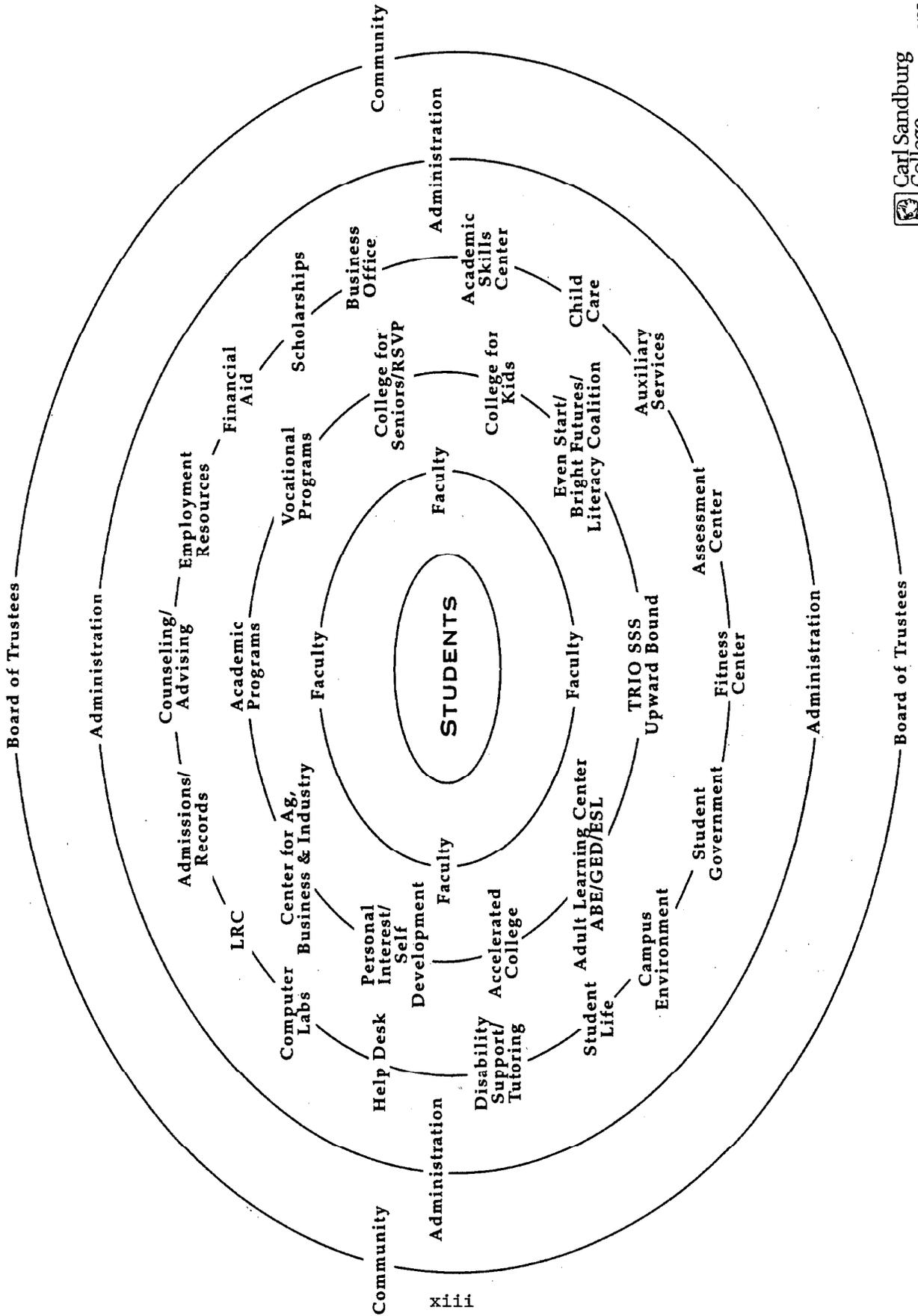
Official Issuing Report

Ms. Lora L. Wright	Chief Financial Officer/Treasurer
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Department Issuing Report

Finance Office

COMMUNITY COLLEGE DISTRICT 518 CARL SANDBURG COLLEGE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Carl Sandburg College
Community College District 518,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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



President

Executive Director

FINANCIAL SECTION

Independent Auditor's Report

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

We have audited the accompanying basic financial statements of Carl Sandburg College - Community College District No. 518 (the College) as of and for the years ended June 30, 2004 and 2003, and of its discretely presented component unit, Carl Sandburg College Foundation, as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Carl Sandburg College - Community College District No. 518 as of June 30, 2004 and 2003, and of its discretely presented component unit, Carl Sandburg College Foundation, as of June 30, 2004, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the College adopted the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, during the year ended June 30, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2004 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Clifton Gunderson LLP

Peoria, Illinois
October 13, 2004

Management's Discussion and Analysis

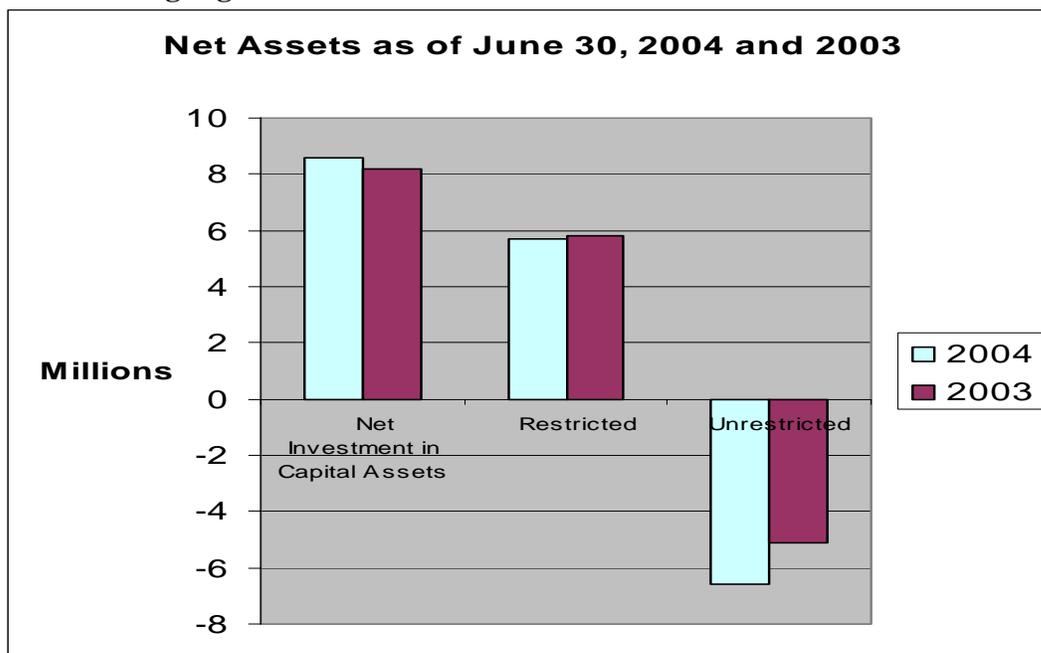
This section of Carl Sandburg College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2004 and 2003. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter (pages v-xi), the College's basic financial statements (pages 12-15), and the footnotes (pages 20-39). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The new financial statement format (implemented in the fiscal year ended June 30, 2003) focuses on the College as a whole. A comparative analysis is presented in this second year of reporting under this model. The College financial statements (see pages 12-15) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Assets is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Assets focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

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

Financial Highlights



Net Assets As of June 30, (in millions)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Current Assets	16.7	13.5	3.2	23.7%
Non-current Assets				
Capital Assets, Net of Depreciation	18.6	18.0	0.5	2.8%
Other	9.3	9.4	0.0	0.0%
Total Assets	44.6	40.9	3.7	9.0%
Current Liabilities	10.2	9.5	0.7	7.4%
Non-current Liabilities	26.7	22.5	4.2	18.7%
Total Liabilities	36.9	32.0	4.9	15.3%
Net Assets				
Investment in Capital Assets	8.6	8.2	0.4	4.9%
Restricted for				
Debt Service	0.5	0.6	-0.1	-16.7%
Insurance	5.2	5.2	0.0	0.0%
Unrestricted	-6.6	-5.1	-1.5	-29.4%
Total	7.7	8.9	-1.2	-13.5%

This schedule is prepared from the College's statements of net assets (page 12) which are presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

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

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

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

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

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Revenue				
Tuition and Fees	\$5.2	\$4.6	\$0.7	15.2%
Auxiliary	0.5	0.4	\$0.1	25.0%
Other	0.3	0.2	\$0.0	0.0%
Total	<u>6.0</u>	<u>5.2</u>	<u>0.8</u>	<u>15.4%</u>
Less Operating Expenses	<u>31.1</u>	<u>27.1</u>	<u>\$4.0</u>	<u>14.8%</u>
	(25.1)	(21.9)	(3.2)	-14.6%
Non-operating Revenue				
State Grants and Contracts	10.2	5.8	\$4.4	75.9%
Federal Grants and Contracts	7.3	8.5	(\$1.2)	-14.1%
Property Taxes	6.4	6.0	\$0.4	6.7%
Investment Income	0.1	1.1	(\$1.0)	-90.9%
Other	1.1	1.4	(\$0.3)	-21.4%
Total	<u>25.1</u>	<u>22.8</u>	<u>2.3</u>	<u>10.1%</u>
Non-operating Expense				
Interest Expense	<u>1.2</u>	<u>1.6</u>	<u>(\$0.4)</u>	<u>-25.0%</u>
Loss before state capital grants	(1.2)	(0.7)	(\$0.5)	71.4%
State capital grants	<u>0.0</u>	<u>3.7</u>	<u>(\$3.7)</u>	<u>-100.0%</u>
Increase (Decrease) in Net Assets	(1.2)	3.0	(\$4.2)	-140.0%
Net Assets, Beginning of Year	<u>8.9</u>	<u>5.9</u>	<u>\$3.0</u>	<u>50.8%</u>
Net Assets, End of Year	<u>\$7.7</u>	<u>\$8.9</u>	<u>(\$1.2)</u>	<u>-13.5%</u>
Total Revenues	<u>\$31.1</u>	<u>\$31.7</u>	<u>(\$0.6)</u>	<u>-1.9%</u>

Operating revenue increased \$.8 million as a result of increased enrollment and higher tuition and fee rates.

Operating expenses as of June 30, 2004, increased \$4 million largely due to an increase in the area of Institutional Support. The State University Retirement System (SURS) on-behalf payment from the state increased \$4 million from a catch-up for previously under-funded years.

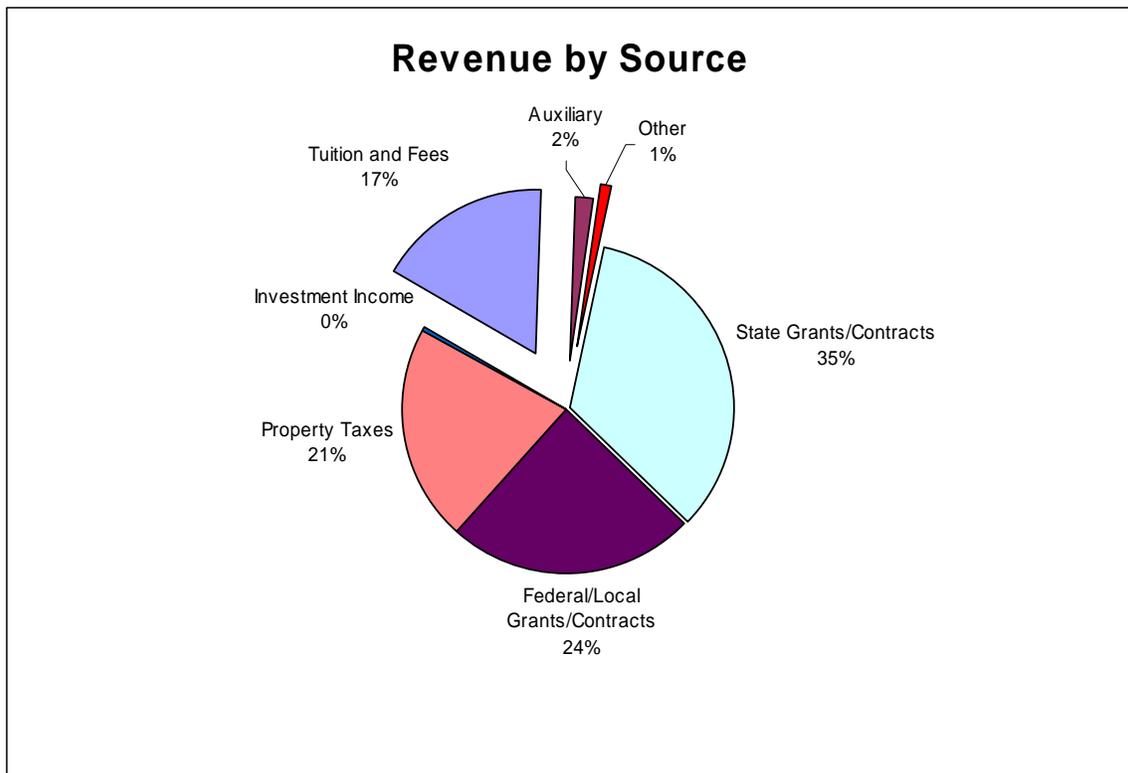
Non-operating revenue increased \$2.3 million. The SURS on-behalf payment of \$4 million is reflected as both Operating expense and non-operating revenue which results in

these funds being shown as state grants. Some federal grants are now paid through state agencies. Interest income is down \$1 million primarily due to the unrealized losses recorded in the investments held in capital endowment and insurance reserve funds.

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

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

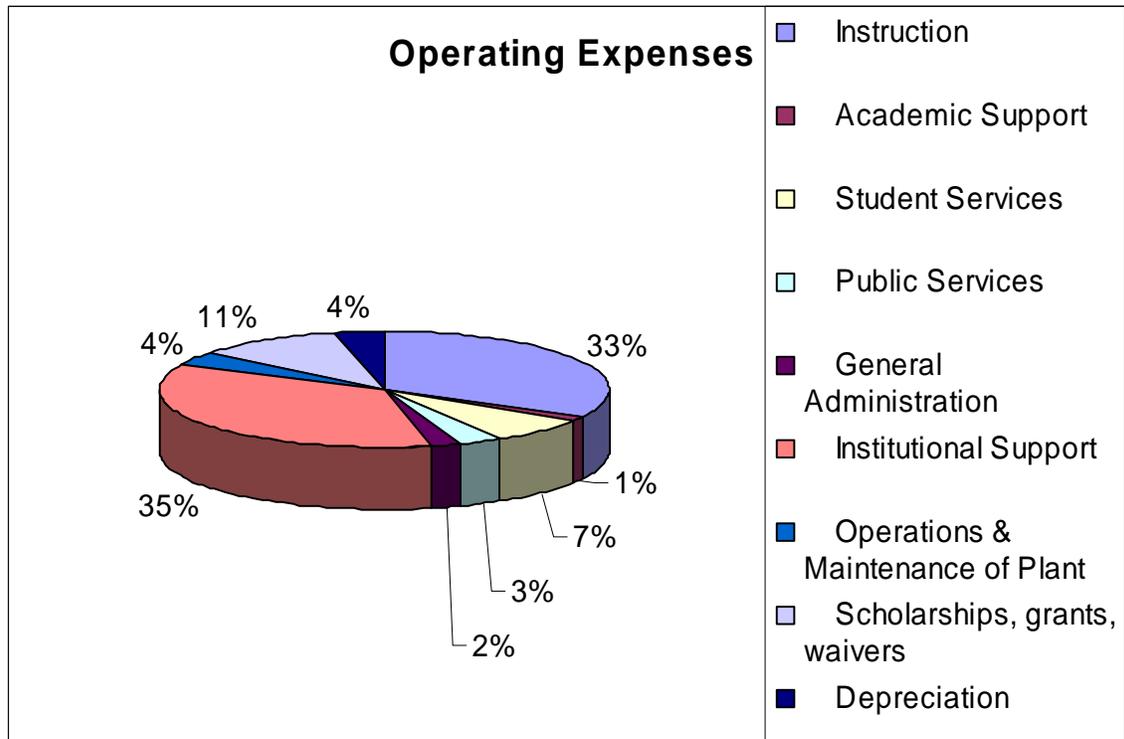
The following is a graphic illustration of revenues by source.



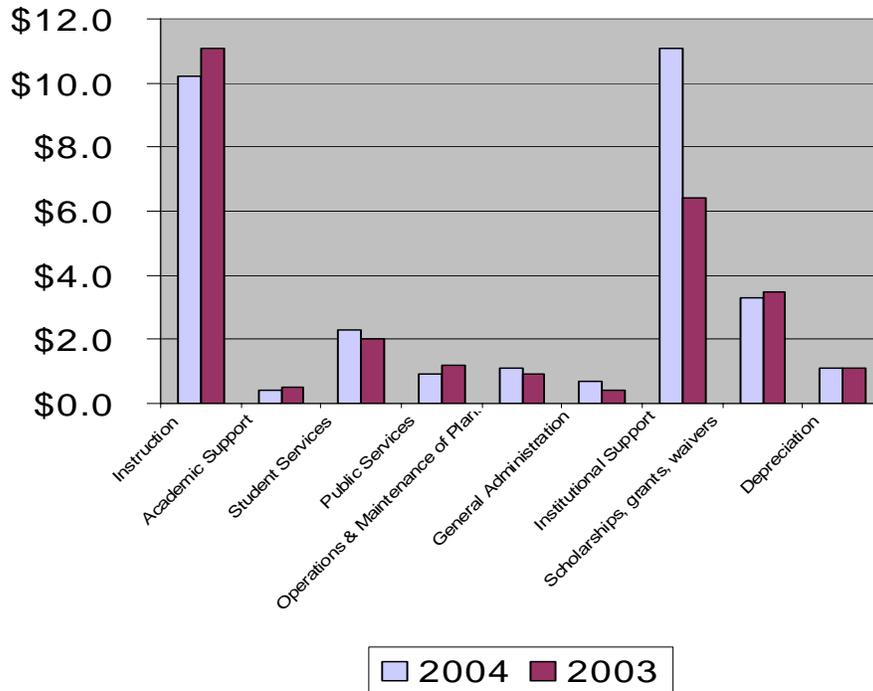
Operating Expenses
For the Year Ended June 30,
(in millions)

Operating Expense	<u>2004</u>	<u>2003</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$10.2	\$11.1	(\$0.9)	-8.1%
Academic Support	0.4	0.5	(0.1)	-20.0%
Student Services	2.3	2.0	0.3	15.0%
Public Services	0.9	1.2	(0.3)	-25.0%
General Administration	0.7	0.4	0.3	75.0%
Institutional Support	11.1	6.4	4.7	73.4%
Operations & Maintenance of Plant	1.1	0.9	0.2	22.2%
Scholarships, grants, waivers	3.3	3.5	(0.2)	-5.7%
Depreciation	1.1	1.1	0.0	0.0%
Total	\$31.1	\$27.1	\$4.0	14.8%

The following is a graphic illustration of operating expenses.



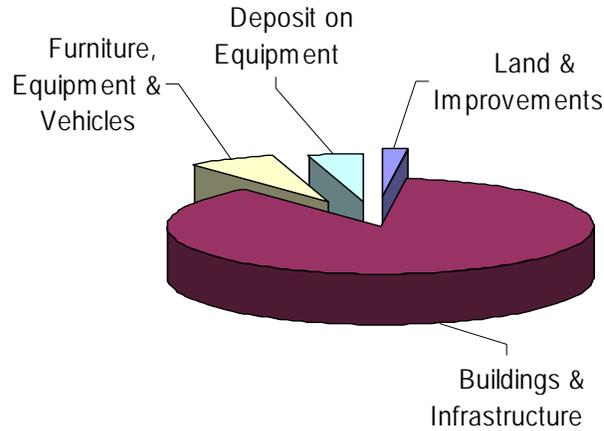
Comparison of Operating Expenses Fiscal Years 2004 and 2003



Capital Assets, Net June 30, (in millions)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Capital Assets				
Land & Improvements	\$0.6	\$0.6	\$0.0	0.0%
Buildings & Infrastructure	25.8	25.6	0.2	0.8%
Furniture, Equipment & Vehicles	2.0	1.7	0.3	17.6%
Deposit on Equipment	1.2	0.0	1.2	N/A
Total	29.6	27.9	1.7	6.1%
Less Accumulated Depreciation	(11.1)	(9.9)	(1.2)	12.1%
Net Capital Assets	\$18.5	\$18.0	\$0.5	2.8%

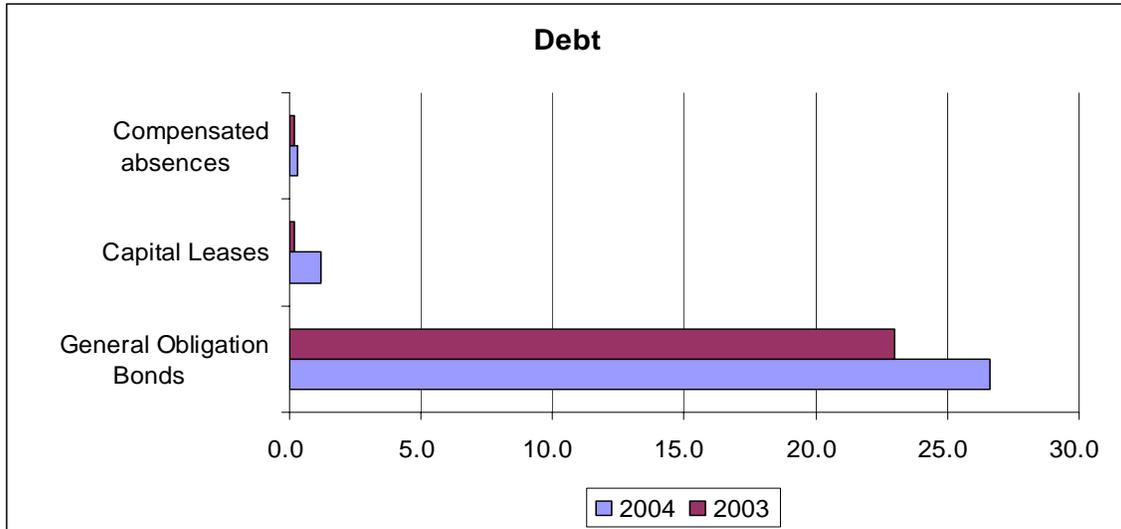
Capital Assets



As of June 30, 2004, the College had recorded \$29.6 million invested in capital assets, \$11.1 million in accumulated depreciation, and \$18.5 million in net capital assets. In the past, the College has made significant investments in computer technology in order to operate as efficiently and effectively as possible. For more information, refer to the Notes to the Basic Financial Statements on pages 20-39.

Debt June 30, (in millions)

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
General Obligation Bonds	26.6	23.0	\$3.6	15.7%
Capital Leases	1.2	0.2	\$1.0	500.0%
Compensated absences	0.3	0.2	\$0.1	50.0%
Total	<u>28.1</u>	<u>23.4</u>	<u>\$4.7</u>	<u>20.1%</u>



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

Economic Conditions in the communities served by Carl Sandburg College District 518 are such that many industries are leaving the area. Employees of these industries, which have become accustomed to earning comfortable wages are now left without many options. Many are choosing to return to the community college for a career change or further specialized training. The administration believes this will result in increased credit hours as well as increased need for vocational, technical and remedial courses in the next year followed by a decline in credit hours as these individuals return to the workforce or leave the area to seek other employment. The loss of industry could also affect our tax base negatively. However, a transportation employer recently announced it will be bringing more jobs to the area. State funds have been cut for the upcoming fiscal year, although the College will benefit from an increase in the equalization grant. The administration will have to look inward for efficiencies while serving the needs of the community.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF NET ASSETS
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,936,621	\$ 1,982,009
Restricted cash	3,196,888	632,648
Short-term investments	2,965,759	2,120,191
Restricted short-term investments	799,473	743,927
Property taxes receivable	6,608,303	6,430,432
Other receivables	1,044,681	1,396,954
Due from Foundation	4,782	5,763
Prepaid items	110,283	153,379
Inventories	15,750	17,650
Other assets	37,020	18,730
Total current assets	<u>16,719,560</u>	<u>13,501,683</u>
NONCURRENT ASSETS		
Long-term investments	5,117,410	5,380,905
Restricted long-term investments	4,250,107	4,069,241
Capital assets	29,590,360	27,917,003
Less accumulated depreciation	<u>(11,046,990)</u>	<u>(9,942,026)</u>
Total noncurrent assets	<u>27,910,887</u>	<u>27,425,123</u>
TOTAL ASSETS	<u>\$ 44,630,447</u>	<u>\$ 40,926,806</u>
TOTAL LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 517,082	\$ 583,689
Accrued liabilities	1,079,970	800,505
Deferred tuition and fees	284,060	248,843
Deferred property taxes	6,616,051	6,461,063
Other deferred revenue	341,368	469,445
Accrued compensated absences, current portion	166,779	175,031
Bonds payable, current portion	735,000	660,000
Other long-term obligations, current portion	413,397	124,348
Total current liabilities	<u>10,153,707</u>	<u>9,522,924</u>
NONCURRENT LIABILITIES		
Accrued compensated absences, noncurrent	83,390	87,515
Bonds payable, noncurrent	25,865,000	22,300,000
Other long-term obligations, noncurrent	787,671	92,684
Total noncurrent liabilities	<u>26,736,061</u>	<u>22,480,199</u>
Total liabilities	<u>36,889,768</u>	<u>32,003,123</u>
NET ASSETS		
Invested in capital assets, net of related debt	8,595,943	8,218,944
Restricted - expendable:		
Debt service	547,427	598,434
Insurance	5,190,904	5,195,278
Unrestricted	<u>(6,593,595)</u>	<u>(5,088,973)</u>
Total net assets	<u>7,740,679</u>	<u>8,923,683</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 44,630,447</u>	<u>\$ 40,926,806</u>

These financial statements should be read only in connection with
the accompanying 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, 2004 and 2003

	<u>2004</u>	<u>2003</u>
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of \$866,038 and \$612,099, respectively	\$ 5,237,224	\$ 4,556,793
Chargeback revenue	25,815	38,808
Auxiliary enterprises revenue	463,745	387,125
Other operating revenues	225,957	202,301
Total operating revenue	<u>5,952,741</u>	<u>5,185,027</u>
OPERATING EXPENSES		
Instruction	10,230,012	11,108,456
Academic support	377,591	516,749
Student services	2,308,639	2,035,528
Public services	937,695	1,184,265
General administration	645,397	419,031
Institutional support	11,051,913	6,370,760
Operation and maintenance of plant	1,093,949	952,691
Scholarships, student grants, and waivers	3,347,666	3,482,752
Depreciation	1,104,964	1,057,268
Total operating expenses	<u>31,097,826</u>	<u>27,127,500</u>
Operating loss	<u>(25,145,085)</u>	<u>(21,942,473)</u>
NONOPERATING REVENUES		
State grants	10,179,634	5,811,875
Property taxes	6,444,426	6,044,239
Personal property replacement tax	170,542	151,663
Federal grants	7,337,512	8,495,096
Local grants	256,708	326,923
Investment income	99,612	1,101,335
Other nonoperating revenues	633,094	838,223
Nonoperating revenues	<u>25,121,528</u>	<u>22,769,354</u>
NONOPERATING EXPENSES		
Interest expense	1,159,447	1,556,332
Net nonoperating revenues	<u>23,962,081</u>	<u>21,213,022</u>
Loss before capital items	<u>(1,183,004)</u>	<u>(729,451)</u>
STATE CAPITAL GRANTS	<u>-</u>	<u>3,735,826</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(1,183,004)</u>	<u>3,006,375</u>
NET ASSETS		
Beginning of year	<u>8,923,683</u>	<u>5,917,308</u>
End of year	<u>\$ 7,740,679</u>	<u>\$ 8,923,683</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 5,286,490	\$ 4,636,695
Payments to suppliers	(8,304,429)	(8,931,896)
Payments to employees	(12,572,473)	(12,609,079)
Payments to students for scholarships	(3,347,666)	(3,482,752)
Auxiliary enterprise charges	466,966	387,125
Other	<u>1,232,223</u>	<u>131,962</u>
Net cash used in operating activities	<u>(17,238,889)</u>	<u>(19,867,945)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from property taxes	6,421,543	4,655,939
Proceeds from grants	<u>12,337,598</u>	<u>14,231,489</u>
Net cash provided by noncapital financing activities	<u>18,759,141</u>	<u>18,887,428</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(329,514)	(2,893,544)
Proceeds from issuance of long-term debt	6,678,896	-
Principal paid on bonds payable	(3,060,000)	(605,000)
Interest paid on bonds payable and other long-term obligations	(1,166,872)	(1,187,057)
Principal paid on other long-term obligations	<u>(405,037)</u>	<u>(96,931)</u>
Net cash provided by (used in) capital and related financing activities	<u>1,717,473</u>	<u>(4,782,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	566,816	691,042
Proceeds from maturities of investment securities	3,092,000	4,363,000
Purchases of investment securities	<u>(4,377,689)</u>	<u>(3,218,000)</u>
Net cash provided by (used in) investing activities	<u>(718,873)</u>	<u>1,836,042</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,518,852	(3,927,007)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,614,657</u>	<u>6,541,664</u>
End of year	<u>\$ 5,133,509</u>	<u>\$ 2,614,657</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (25,145,085)	\$ (21,942,473)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,104,964	1,057,268
State on-behalf payments for fringe benefits	5,467,348	815,733
Loss on disposal of capital assets	-	7,398
Changes in assets and liabilities:		
Receivables	997,721	(63,851)
Other assets	47,810	(13,886)
Accounts payable	(66,607)	219,739
Accrued liabilities	332,120	(48,665)
Accrued compensated absences	(12,377)	59,698
Deferred tuition and fees	<u>35,217</u>	<u>41,094</u>
 NET CASH USED IN OPERATING ACTIVITIES	 <u><u>\$ (17,238,889)</u></u>	 <u><u>\$ (19,867,945)</u></u>
 NONCASH INVESTING, CAPITAL, AND FINANCIAL		
Increase (decrease) in fair value of investments	<u><u>\$ (429,318)</u></u>	<u><u>\$ 410,293</u></u>
Purchase of equipment under capital leases	<u><u>\$ 1,343,843</u></u>	<u><u>\$ -</u></u>
 STATE CAPITAL GRANTS	 <u><u>\$ -</u></u>	 <u><u>\$ 3,735,826</u></u>
 STATE ON-BEHALF PAYMENTS	 <u><u>\$ 5,467,348</u></u>	 <u><u>\$ 815,733</u></u>

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

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

ASSETS

Cash	\$ 208,752
Investments:	
Restricted endowments	1,357,742
Unrestricted	974,002
Other receivables	<u>100</u>
 TOTAL ASSETS	 <u>\$ 2,540,596</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Scholarships payable	\$ 41,450
Accounts payable - College	4,782
Other payables	<u>2,606</u>
Total liabilities	 <u>48,838</u>

NET ASSETS

Unrestricted	121,519
Temporarily restricted	966,265
Permanently restricted	<u>1,403,974</u>
Total net assets	 <u>2,491,758</u>

TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,540,596</u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions	\$ 29,843	\$ 139,913	\$ 153,050	\$ 322,806
Donated goods and facilities	88,516	-	-	88,516
Donated services	63,855	-	-	63,855
Income on investments	13,299	52,154	12,270	77,723
Special events, net of direct costs in the amount of \$18,820	73,484	-	-	73,484
Net unrealized gains on investments	<u>30,396</u>	<u>123,593</u>	<u>29,280</u>	<u>183,269</u>
	299,393	315,660	194,600	809,653
Net assets released from restrictions: Satisfaction of program restrictions	<u>11,759</u>	<u>(11,759)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>311,152</u>	<u>303,901</u>	<u>194,600</u>	<u>809,653</u>
EXPENSES AND LOSSES				
Program	151,240	-	-	151,240
Management and general	131,654	-	-	131,654
Fund raising	<u>70,282</u>	<u>-</u>	<u>-</u>	<u>70,282</u>
Total expenses and losses	<u>353,176</u>	<u>-</u>	<u>-</u>	<u>353,176</u>
CHANGE IN NET ASSETS	(42,024)	303,901	194,600	456,477
NET ASSETS AT BEGINNING OF YEAR	<u>163,543</u>	<u>662,364</u>	<u>1,209,374</u>	<u>2,035,281</u>
NET ASSETS AT END OF YEAR	<u>\$ 121,519</u>	<u>\$ 966,265</u>	<u>\$ 1,403,974</u>	<u>\$ 2,491,758</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPONENT UNIT - CARL SANDBURG COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 456,477
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net unrealized gains on investments	(183,269)
Changes in operating assets and liabilities:	
Decrease in pledges and other receivables	2,497
Increase (decrease) in scholarships payable	(59,913)
Increase (decrease) in accounts payable - College and other payables	<u>1,625</u>
Net cash provided by operating activities	<u>217,417</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	<u>(76,205)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on note payable to bank	<u>(16,787)</u>
 NET INCREASE IN CASH	 124,425
 CASH AT BEGINNING OF YEAR	 <u>84,327</u>
 CASH AT END OF YEAR	 <u><u>\$ 208,752</u></u>

SUPPLEMENTAL DISCLOSURE OF INTEREST PAID

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Adoption of New Accounting Standard

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

Reporting Entity

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Cash and Cash Equivalents

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

Investments

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

Property Taxes and Other Revenue

Property taxes attach as an enforceable lien on property as of January 1. The College's property tax is levied no later than the last Tuesday of December prior to the ensuing budget year and is extended against the assessed valuation of the College on January 1. Taxes are due and payable in two installments in June and September. Pursuant to the Board of Trustees resolution, property tax levies passed in December 2003 are allocated and will be recognized as revenue in fiscal year 2005.

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Capital Assets

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

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

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

Deferred Tuition and Fee Revenue

Tuition and fee revenues received and related to the period after June 30, 2004 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. Bond issuance costs are reported as deferred charges.

Compensated Absences

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues and Expenses

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

Federal Financial Assistance Programs

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Workforce Development programs. Federal programs are audited in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A-133 Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

On-Behalf Payments for Fringe Benefits and Salaries

The College recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement Systems on behalf of the College's employees. In fiscal years 2004 and 2003, the State made contributions of \$5,568,204 and \$913,100, respectively.

Net Assets

The College's net assets are classified as follows:

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

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts from 2003 have been reclassified to conform to the 2004 financial statements.

NOTE 2 - CASH AND INVESTMENTS

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

Deposits

At June 30, 2004 and 2003, the entire amount of bank balances of the College's deposits (includes checking, savings, and money market accounts) was covered by federal depository insurance or by collateral held by the College's agent in the College's name.

Investments

Investments at June 30, 2004 and 2003 comprise the following at fair value:

	<u>2004</u>	<u>2003</u>
Certificates of deposit	\$ 2,743,100	\$ 1,844,000
Municipal bonds	9,248,394	9,662,786
U.S. Government agency securities	1,141,260	807,478
Illinois Funds	640,734	491,151
Illinois School District Liquid Asset Fund	<u>433,902</u>	<u>430,912</u>
	<u>\$ 14,207,390</u>	<u>\$ 13,236,327</u>

Certificates of deposit are covered by federal depository insurance or by collateral held by the College's agent in the College's name.

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

	<u>2004</u>	<u>2003</u>
Petty cash	\$ 1,017	\$ 2,530
Carrying amount of cash deposits	4,057,851	1,690,064
Carrying amount of cash equivalents and investments	<u>14,207,390</u>	<u>13,236,327</u>
	<u>\$ 18,266,258</u>	<u>\$ 14,928,921</u>
Cash and cash equivalents	\$ 5,133,509	\$ 2,614,657
Short-term investments	3,765,232	2,864,118
Long-term investments	<u>9,367,517</u>	<u>9,450,146</u>
	<u>\$ 18,266,258</u>	<u>\$ 14,928,921</u>

NOTE 3 - CAPITAL ASSETS

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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

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

Changes in the various capital asset categories during the year ended June 30, 2003 were as follows:

	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Deletions Due to Change in Capitalization Policy</u>	<u>Transfers</u>	<u>Balance at June 30, 2003</u>
Nondepreciable:						
Land	\$ 399,483	\$ -	\$ -	\$ -	\$ -	\$ 399,483
Depreciable:						
Buildings and additions	17,974,187	6,195,111	-	(745,708)	-	23,423,590
Infrastructure assets	-	29,414	-	284,394	1,867,669	2,181,477
Furniture and equipment	7,139,056	176,755	-	(4,259,658)	(1,564,644)	1,491,509
Furniture and equipment - WIA	238,607	-	(7,400)	(231,207)	-	-
Land improvements	368,313	142,027	-	1,287	(303,025)	208,602
Leasehold improvements	1,858	-	-	(1,858)	-	-
Vehicles	<u>100,252</u>	<u>86,065</u>	<u>-</u>	<u>26,025</u>	<u>-</u>	<u>212,342</u>
Total cost	<u>\$ 26,221,756</u>	<u>\$ 6,629,372</u>	<u>\$ (7,400)</u>	<u>\$ (4,926,725)</u>	<u>\$ -</u>	<u>\$ 27,917,003</u>

Accumulated depreciation for the year ended June 30, 2003 was as follows:

	<u>Balance at July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Buildings and additions	\$ 6,742,866	\$ 548,146	\$ -	\$ 7,291,012
Infrastructure assets	1,164,392	216,694	-	1,381,086
Furniture and equipment	823,896	259,314	-	1,083,210
Land and improvements	55,375	2,584	-	57,959
Vehicles	<u>98,229</u>	<u>30,530</u>	<u>-</u>	<u>128,759</u>
Total accumulated depreciation	<u>\$ 8,884,758</u>	<u>\$ 1,057,268</u>	<u>\$ -</u>	<u>\$ 9,942,026</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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

NOTE 4 - DEBT

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

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

The following is a summary of the College's long-term debt transactions (there were no short-term debt transactions) for the year ended June 30, 2003:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2003</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
General obligation bonds and certificates	\$ 23,565,000	\$ -	\$ 605,000	\$ 22,960,000	\$ 660,000	\$ 22,300,000
Capital leases	264,126	-	80,990	183,136	90,452	92,684
Compensated absences	202,848	59,698	-	262,546	175,031	87,515
Early retirement payouts	<u>49,837</u>	<u>-</u>	<u>15,941</u>	<u>33,896</u>	<u>33,896</u>	<u>-</u>
Totals	<u>\$ 24,081,811</u>	<u>\$ 59,698</u>	<u>\$ 701,931</u>	<u>\$ 23,439,578</u>	<u>\$ 959,379</u>	<u>\$ 22,480,199</u>

Details on the debt as of June 30, 2004 are as follows:

- a. The general obligation bonds, Series 1996, bear interest at 5.10 to 6.25 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2007. The annual debt service requirements on these bonds are due as follows:

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ 140,000	\$ 23,600	\$ 163,600
2006	150,000	16,320	166,320
2007	<u>155,000</u>	<u>8,370</u>	<u>163,370</u>
Totals	<u>\$ 445,000</u>	<u>\$ 48,290</u>	<u>\$ 493,290</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ 260,000	\$ 139,030	\$ 399,030
2006	425,000	125,118	550,118
2007	440,000	107,165	547,165
2008	460,000	88,035	548,035
2009	480,000	67,585	547,585
2010-2011	<u>1,290,000</u>	<u>75,463</u>	<u>1,365,463</u>
Totals	<u>\$ 3,355,000</u>	<u>\$ 602,396</u>	<u>\$ 3,957,396</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ -	\$ 345,320	\$ 345,320
2006	35,000	344,480	379,480
2007	45,000	342,538	387,538
2008	215,000	336,168	551,168
2009	260,000	324,400	584,400
2010-2014	3,475,000	1,243,313	4,718,313
2015-2016	<u>2,480,000</u>	<u>139,777</u>	<u>2,619,777</u>
Totals	<u>\$ 6,510,000</u>	<u>\$ 3,075,996</u>	<u>\$ 9,585,996</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ -	\$ 394,040	\$ 394,040
2006	-	394,040	394,040
2007	55,000	394,040	449,040
2008	70,000	390,878	460,878
2009	80,000	386,853	466,853
2010-2014	695,000	1,852,613	2,547,613
2015-2019	4,580,000	1,407,665	5,987,665
2020	<u>1,620,000</u>	<u>89,909</u>	<u>1,709,909</u>
Totals	<u>\$ 7,100,000</u>	<u>\$ 5,310,038</u>	<u>\$ 12,410,038</u>

- e. The general obligation refunding bonds, Series 2001A, bear interest at 2.25 to 3.00 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2004. The annual debt service requirements on these certificates are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	<u>\$ 150,000</u>	<u>\$ 2,250</u>	<u>\$ 152,250</u>

- f. The general obligation bonds, Series 2001A, bear interest at 4.50 to 4.95 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2017. The annual debt service requirements on these bonds are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ 185,000	\$ 224,960	\$ 409,960
2006	215,000	216,635	431,635
2007	215,000	206,960	421,960
2008	265,000	197,285	462,285
2009	290,000	185,360	475,360
2010-2014	1,955,000	696,140	2,651,140
2015-2017	<u>1,615,000</u>	<u>161,315</u>	<u>1,776,315</u>
Totals	<u>\$ 4,740,000</u>	<u>\$ 1,888,655</u>	<u>\$ 6,628,655</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ -	\$ 183,892	\$ 183,892
2006	-	191,888	191,888
2007	125,000	189,816	314,816
2008	275,000	182,653	457,653
2009	375,000	169,893	544,893
2010-2014	1,785,000	585,577	2,370,577
2015-2017	<u>1,740,000</u>	<u>119,045</u>	<u>1,859,045</u>
Totals	<u>\$ 4,300,000</u>	<u>\$ 1,622,764</u>	<u>\$ 5,922,764</u>

- h. In April 2004, the College issued \$2,400,000 debt certificates as a short-term financing instrument, Series 2004, which were paid off with the proceeds of the Series 2004A & B general obligation bonds.
- i. 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, 2004, the College has \$1,645,000 of the debt certificates outstanding which are considered defeased.
- j. The College has capital lease agreements, discounted at rates ranging from 5.0 to 7.5 percent, financing copiers with a total cost of \$386,129. These agreements are due in monthly installments, with the final maturity on February 15, 2009, and the annual debt service requirements are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ 75,616	\$ 12,187	\$ 87,803
2006	68,360	7,236	75,596
2007	40,271	4,052	44,323
2008	35,266	2,188	37,454
2009	<u>24,508</u>	<u>462</u>	<u>24,970</u>
Totals	<u>\$ 244,021</u>	<u>\$ 26,125</u>	<u>\$ 270,146</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 4 - DEBT (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
During the year ending June 30:			
2005	\$ 292,551	\$ 28,797	\$ 321,348
2006	46,257	30,231	76,488
2007	58,068	27,688	85,756
2008	65,017	24,643	89,660
2009	72,513	21,239	93,752
2010-2013	<u>377,411</u>	<u>42,701</u>	<u>420,112</u>
Totals	<u>\$ 911,817</u>	<u>\$ 175,299</u>	<u>\$ 1,087,116</u>

The annual requirements to amortize all debt outstanding as of June 30, 2004, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	<u>Capital Lease Obligations</u>	<u>Compensated Absences</u>	<u>Early Retirement Payouts</u>	<u>Total Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2005	\$ 735,000	\$ 368,167	\$ 166,779	\$ 45,230	\$ 1,315,176	\$ 1,354,076	\$ 2,669,252
2006	825,000	114,617	83,390	-	1,023,007	1,325,948	2,348,955
2007	1,035,000	98,339	-	-	1,133,339	1,280,629	2,413,968
2008	1,285,000	100,283	-	-	1,385,283	1,221,850	2,607,133
2009	1,485,000	97,021	-	-	1,582,021	1,155,792	2,737,813
2010-2014	9,200,000	377,411	-	-	9,577,411	4,495,807	14,073,218
2015-2019	10,415,000	-	-	-	10,415,000	1,827,802	12,242,802
2020	1,620,000	-	-	-	1,620,000	89,909	1,709,909
Total	<u>\$ 26,600,000</u>	<u>\$ 1,155,838</u>	<u>\$ 250,169</u>	<u>\$ 45,230</u>	<u>\$ 28,051,237</u>	<u>\$ 12,751,813</u>	<u>\$ 40,803,050</u>

The College's legal debt limit of \$37,013,324 is based on a statutory limit of 2.875 percent of assessed valuation of \$1,287,419,979.

NOTE 5 - RETIREMENT COMMITMENTS - STATE UNIVERSITY RETIREMENT SYSTEM

Plan Description

The College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SURS, 1901 Fox Drive, Champaign, Illinois 61820 or by calling 1-800-275-7877.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 5 - RETIREMENT COMMITMENTS - STATE UNIVERSITY RETIREMENT SYSTEM (CONTINUED)

Funding Policy

Plan members are required to contribute 8.0 percent of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 9.65 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions made by the State on behalf of the College to SURS for the years ended June 30, 2004, 2003, and 2002, were \$5,568,204, \$913,100, and \$783,017, respectively, equal to the required contributions for each year.

NOTE 6 - COMMITMENTS

The College leases the Cosmetology School and Mortuary Science facilities in Galesburg under an agreement which expires December 15, 2006. The lease requires monthly rentals in various amounts ranging from \$4,969 to \$5,274.

Minimum annual rental commitments under this lease are as follows:

	<u>Amount</u>
Year ending June 30:	
2005	\$ 61,890
2006	62,820
2007	<u>31,644</u>
Total	<u><u>\$ 156,354</u></u>

Rental expense for the years ended June 30, 2004 and 2003 was \$61,020 and \$60,078, respectively.

NOTE 7 - RISK MANAGEMENT

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 7 - RISK MANAGEMENT (CONTINUED)

The College maintains a comprehensive self-insurance plan through a third party administrator as an option for its employees' health coverage. Under this plan, the College has coverage for medical claims when individual claims exceed \$70,000 and aggregate claims exceed \$1,409,698 over an annual liability period. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amounts.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Claims payable is included in accrued liabilities on the statement of net assets. The changes in the aggregate liabilities for claims for the years ended June 30, 2004, 2003, and 2002 are as follows:

	Employee Health Insurance		
	2004	2003	2002
Claims payable including IBNR, beginning of year	\$ 298,742	\$ 316,051	\$ 194,892
Claims expense	1,426,642	1,219,732	1,089,485
Claim payments	(1,199,293)	(1,237,041)	(968,326)
Claims payable including IBNR, end of year	\$ 526,091	\$ 298,742	\$ 316,051

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

NOTE 8 - CONTINGENT LIABILITIES

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 9 - COMPONENT UNIT DISCLOSURES

Carl Sandburg College Foundation

Organization

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

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

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

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

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

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

Student scholarships currently available	\$ 532,663
For periods after June 30, 2015	<u>433,602</u>
	<u>\$ 966,265</u>

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

Contributions and Revenues

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

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

Investments and Investment Earnings

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

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

Investments and Investment Earnings (Continued)

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

Description

Mutual funds - equity	\$ 1,562,181
Mutual funds - bond	<u>769,563</u>
Total investments	<u>\$ 2,331,744</u>

Investment income for the year ended June 30, 2004 is as follows:

Interest income	\$ 72,470
Realized gains on investments	<u>5,253</u>
Total investment income	<u>\$ 77,723</u>

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis.

Cash Equivalents

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There are no cash equivalents at June 30, 2004.

Use of Estimates

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

Donated Services

The Foundation received contributed services, goods, and facilities of \$68,525 from the College during the year ended June 30, 2004. This amount includes the Foundation's director's salary.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004 and 2003

NOTE 9 - COMPONENT UNIT DISCLOSURES (CONTINUED)

Carl Sandburg College Foundation (Continued)

U.S. Department of Education - Endowment Challenge Grant

Carl Sandburg College Foundation received a \$200,000 Endowment Challenge Grant from the U.S. Department of Education during the year ended June 30, 1995. To receive this award, Carl Sandburg College Foundation had to raise \$100,000 from corporate and individual contributions which would be matched by the Department of Education on a two-for-one basis up to \$200,000. These funds must be placed in a separate endowment trust for a period of twenty years. In addition, half of the annual earnings on this account must be added to the principal of this grant for the next twenty years. The other half of the earnings could be distributed as student scholarships. There are eleven years remaining in the twenty-year period at June 30, 2004. The Endowment Challenge Grant has \$600,732 of investments as of June 30, 2004.

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

Debt

The Foundation had a note payable to bank which was a \$700,000 revolving line of credit that was payable on August 24, 2003 and bore interest at the Wall Street rate less .50 percent. The line of credit was collateralized by all accounts and other rights to payment and all general intangibles of the Foundation. Interest expense incurred during the year ended June 30, 2004 was approximately \$100.

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
BALANCE SHEET - ALL FUND TYPES
June 30, 2004

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
ASSETS						
Cash and cash equivalents	\$ 501,737	\$ 343,901	\$ 110,052	\$ 2,788	\$ 31,755	\$ -
Investments	-	-	21,101	-	-	2,992,759
Receivables:						
Property taxes	2,641,227	642,947	-	52,723	-	-
Government claims and grants	374,915	-	170,601	-	154,694	-
Other	163,508	-	-	-	-	19,660
Due from other funds	1,478,666	522,519	367,041	-	-	2,356,889
Prepaid items	110,283	-	-	-	-	-
Inventories	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 5,270,336</u>	<u>\$ 1,509,367</u>	<u>\$ 668,795</u>	<u>\$ 55,511</u>	<u>\$ 186,449</u>	<u>\$ 5,369,308</u>
LIABILITIES AND FUND EQUITY (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 204,233	\$ 3,574	\$ 58,075	\$ 7,105	\$ 163,904	\$ -
Accrued liabilities	104,546	3,460	24,803	372	-	-
Deferred revenue:						
Property taxes	2,644,361	643,710	-	52,784	-	-
Other	14,650	-	98,023	-	102	-
Due to other funds	1,834,370	522,519	595,689	-	526	1,697,071
Total liabilities	<u>4,802,160</u>	<u>1,173,263</u>	<u>776,590</u>	<u>60,261</u>	<u>164,532</u>	<u>1,697,071</u>
FUND EQUITY (DEFICIT)						
Retained earnings (deficit):						
Reserved for insurance	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Fund balance (deficit):						
Reserved for encumbrances	11,764	358	-	-	-	-
Unreserved	456,412	335,746	(107,795)	(4,750)	21,917	3,672,237
Total fund equity (deficit)	<u>468,176</u>	<u>336,104</u>	<u>(107,795)</u>	<u>(4,750)</u>	<u>21,917</u>	<u>3,672,237</u>
TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)	<u>\$ 5,270,336</u>	<u>\$ 1,509,367</u>	<u>\$ 668,795</u>	<u>\$ 55,511</u>	<u>\$ 186,449</u>	<u>\$ 5,369,308</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 3,107,766	\$ 478,465	\$ 396,241	\$ 71,619	\$ 63	\$ -	\$ 89,122	\$ 5,133,509
-	-	4,946,309	-	-	123,000	5,049,580	13,132,749
1,874,886	-	-	-	-	1,396,520	-	6,608,303
-	-	-	-	-	-	-	700,210
-	-	68,464	4,601	55,797	937	36,286	349,253
1,697,071	-	-	-	37,127	10,757	-	6,470,070
-	-	-	-	-	-	-	110,283
-	-	-	15,750	-	-	-	15,750
-	-	-	52,920	-	-	-	52,920
-	-	-	-	-	-	15,916	15,916
<u>\$ 6,679,723</u>	<u>\$ 478,465</u>	<u>\$ 5,411,014</u>	<u>\$ 144,890</u>	<u>\$ 92,987</u>	<u>\$ 1,531,214</u>	<u>\$ 5,190,904</u>	<u>\$ 32,588,963</u>
\$ 1,971	\$ -	\$ 22,830	\$ 6,641	\$ -	\$ 48,749	\$ -	\$ 517,082
3,267	24	-	46,916	526,091	8,641	-	718,120
1,877,058	-	-	-	-	1,398,138	-	6,616,051
-	-	228,593	-	-	-	-	341,368
-	522,519	4,004	204,469	286,523	802,380	-	6,470,070
<u>1,882,296</u>	<u>522,543</u>	<u>255,427</u>	<u>258,026</u>	<u>812,614</u>	<u>2,257,908</u>	<u>-</u>	<u>14,662,691</u>
-	-	-	-	-	-	5,190,904	5,190,904
-	-	-	(113,136)	(719,627)	(726,694)	-	(1,559,457)
-	-	-	-	-	-	-	12,122
<u>4,797,427</u>	<u>(44,078)</u>	<u>5,155,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,282,703</u>
<u>4,797,427</u>	<u>(44,078)</u>	<u>5,155,587</u>	<u>(113,136)</u>	<u>(719,627)</u>	<u>(726,694)</u>	<u>5,190,904</u>	<u>17,926,272</u>
<u>\$ 6,679,723</u>	<u>\$ 478,465</u>	<u>\$ 5,411,014</u>	<u>\$ 144,890</u>	<u>\$ 92,987</u>	<u>\$ 1,531,214</u>	<u>\$ 5,190,904</u>	<u>\$ 32,588,963</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES
For the Year Ended June 30, 2004

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
REVENUES						
Local government	\$ 2,661,095	\$ 640,564	\$ 241,688	\$ 52,526	\$ -	\$ -
State government	9,094,090	246,553	1,009,533	-	-	-
Federal government	-	-	4,946,184	-	3,144,416	-
Student tuition and fees	4,616,041	241,353	275,164	-	-	-
Sales and service fees	-	-	-	-	-	-
Interest	7,900	5,384	1,785	153	143	61,865
Net increase (decrease) in fair value of investments	-	-	-	-	-	1,686
Other	<u>43,953</u>	<u>11,232</u>	<u>97,664</u>	<u>-</u>	<u>4,445</u>	<u>-</u>
Total revenues	<u>16,423,079</u>	<u>1,145,086</u>	<u>6,572,018</u>	<u>52,679</u>	<u>3,149,004</u>	<u>63,551</u>
EXPENDITURES/ EXPENSES						
Current:						
Instruction	6,620,480	-	1,174,957	-	2,435,618	-
Academic support	372,662	-	4,929	-	-	-
Student services	957,914	-	566,319	-	-	-
Public services	35,000	-	902,695	-	-	-
General administration	-	-	-	-	714,742	-
Institutional support	8,542,429	146,961	55,461	71,596	-	-
Operation and maintenance of plant	-	1,093,949	-	-	-	-
Scholarships, student grants, and waivers	-	-	4,213,749	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Building construction, building improvements, and equipment	<u>303,350</u>	<u>11,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures/ expenses	<u>16,831,835</u>	<u>1,252,681</u>	<u>6,918,110</u>	<u>71,596</u>	<u>3,150,360</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures/ expenses	<u>(408,756)</u>	<u>(107,595)</u>	<u>(346,092)</u>	<u>(18,917)</u>	<u>(1,356)</u>	<u>63,551</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 1,825,607	\$ 90,960	\$ -	\$ -	\$ -	\$ 1,214,509	\$ -	\$ 6,726,949
-	-	-	-	-	-	-	10,350,176
-	-	97,553	15,442	-	-	-	8,203,595
-	-	-	209,228	-	-	-	5,341,786
-	-	-	463,745	787,117	-	-	1,250,862
15,658	4,325	250,819	10	62	2,191	185,571	535,866
-	-	(250,142)	-	-	-	(187,798)	(436,254)
-	63,837	-	135,647	276,316	-	-	633,094
<u>1,841,265</u>	<u>159,122</u>	<u>98,230</u>	<u>824,072</u>	<u>1,063,495</u>	<u>1,216,700</u>	<u>(2,227)</u>	<u>32,606,074</u>
-	-	-	-	-	-	-	10,231,055
-	-	-	-	-	-	-	377,591
-	-	-	818,268	-	-	-	2,342,501
-	-	-	-	-	-	-	937,695
-	-	-	-	-	-	-	714,742
69,647	59,367	772	-	1,426,042	1,444,359	2,147	11,818,781
-	-	-	-	-	-	-	1,093,949
-	-	-	-	-	-	-	4,213,749
660,000	-	-	-	-	-	-	660,000
1,166,872	-	-	-	-	-	-	1,166,872
<u>1,343,843</u>	<u>197,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,856,396</u>
<u>3,240,362</u>	<u>256,799</u>	<u>772</u>	<u>818,268</u>	<u>1,426,042</u>	<u>1,444,359</u>	<u>2,147</u>	<u>35,413,331</u>
<u>(1,399,097)</u>	<u>(97,677)</u>	<u>97,458</u>	<u>5,804</u>	<u>(362,547)</u>	<u>(227,659)</u>	<u>(4,374)</u>	<u>(2,807,257)</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES
For the Year Ended June 30, 2004

	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from issuance of capital lease	-	-	-	-	-	-
Transfers in	518,952	101,726	152,347	-	-	-
Transfers out	-	(30,915)	(58,000)	-	-	(39,135)
	<u>518,952</u>	<u>70,811</u>	<u>94,347</u>	<u>-</u>	<u>-</u>	<u>(39,135)</u>
Total other financing sources (uses)	<u>518,952</u>	<u>70,811</u>	<u>94,347</u>	<u>-</u>	<u>-</u>	<u>(39,135)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	110,196	(36,784)	(251,745)	(18,917)	(1,356)	24,416
FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR	<u>357,980</u>	<u>372,888</u>	<u>143,950</u>	<u>14,167</u>	<u>23,273</u>	<u>3,647,821</u>
FUND EQUITY (DEFICIT) AT END OF YEAR	<u>\$ 468,176</u>	<u>\$ 336,104</u>	<u>\$ (107,795)</u>	<u>\$ (4,750)</u>	<u>\$ 21,917</u>	<u>\$ 3,672,237</u>

<u>Bond and Interest</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ 4,334,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,334,637
1,343,843	-	-	-	-	-	-	1,343,843
-	80,795	-	48,135	-	-	-	901,955
<u>(80,390)</u>	<u>(132,537)</u>	<u>(560,978)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(901,955)</u>
<u>5,598,090</u>	<u>(51,742)</u>	<u>(560,978)</u>	<u>48,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,678,480</u>
4,198,993	(149,419)	(463,520)	53,939	(362,547)	(227,659)	(4,374)	2,871,223
<u>598,434</u>	<u>105,341</u>	<u>5,619,107</u>	<u>(167,075)</u>	<u>(357,080)</u>	<u>(499,035)</u>	<u>5,195,278</u>	<u>15,055,049</u>
<u>\$ 4,797,427</u>	<u>\$ (44,078)</u>	<u>\$ 5,155,587</u>	<u>\$ (113,136)</u>	<u>\$ (719,627)</u>	<u>\$ (726,694)</u>	<u>\$ 5,190,904</u>	<u>\$ 17,926,272</u>

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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local government:			
Property taxes	\$ 2,627,300	\$ 2,635,280	\$ 7,980
Chargeback revenue	45,000	25,815	(19,185)
Total local government	<u>2,672,300</u>	<u>2,661,095</u>	<u>(11,205)</u>
State government:			
ICCB base operating grant	1,746,520	1,763,054	16,534
ICCB equalization grant	1,439,660	1,484,194	44,534
ICCB small college grant	54,710	56,400	1,690
ICCB funding formula impact grant	-	46,585	46,585
Corporate personal property replacement tax	150,000	163,038	13,038
Board of Vocational Education and Rehabilitation	106,210	113,471	7,261
State of Illinois SURS on-behalf payments	<u>827,970</u>	<u>5,467,348</u>	<u>4,639,378</u>
Total state government	<u>4,325,070</u>	<u>9,094,090</u>	<u>4,769,020</u>
Student tuition and fees	<u>4,686,350</u>	<u>4,616,041</u>	<u>(70,309)</u>
Interest	<u>17,000</u>	<u>7,900</u>	<u>(9,100)</u>
Miscellaneous - other	<u>72,780</u>	<u>43,953</u>	<u>(28,827)</u>
Total revenues	<u>11,773,500</u>	<u>16,423,079</u>	<u>4,649,579</u>
EXPENDITURES			
Instruction:			
Salaries	5,253,780	5,190,915	62,865
Employee benefits	4,500	4,981	(481)
Contractual services	1,015,390	1,050,965	(35,575)
General materials and supplies	247,270	216,969	30,301
Conference and meeting expense	137,750	149,130	(11,380)
Fixed charges	480	384	96
Utilities	50	-	50
Other	<u>1,720</u>	<u>7,136</u>	<u>(5,416)</u>
Total instruction	<u>6,660,940</u>	<u>6,620,480</u>	<u>40,460</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Academic support:			
Salaries	\$ 243,820	\$ 250,111	\$ (6,291)
Contractual services	36,820	32,122	4,698
General materials and supplies	92,610	88,786	3,824
Conference and meeting expense	3,160	1,535	1,625
Other	<u>360</u>	<u>108</u>	<u>252</u>
Total academic support	<u>376,770</u>	<u>372,662</u>	<u>4,108</u>
Student services:			
Salaries	732,210	686,175	46,035
Employee benefits	8,000	-	8,000
Contractual services	13,210	4,224	8,986
General materials and supplies	29,200	31,015	(1,815)
Conference and meeting expense	21,870	9,185	12,685
Fixed charges	370	326	44
Other	<u>172,770</u>	<u>226,989</u>	<u>(54,219)</u>
Total student services	<u>977,630</u>	<u>957,914</u>	<u>19,716</u>
Public services:			
Salaries	27,930	23,959	3,971
Contractual services	550	1,087	(537)
General materials and supplies	14,590	9,617	4,973
Conference and meeting expense	360	237	123
Fixed charges	170	100	70
Other	<u>250</u>	<u>-</u>	<u>250</u>
Total public services	<u>43,850</u>	<u>35,000</u>	<u>8,850</u>
Institutional support:			
Salaries	1,146,420	1,191,356	(44,936)
Employee benefits	1,912,740	6,485,103	(4,572,363)
Contractual services	86,250	107,661	(21,411)
General materials and supplies	715,420	467,957	247,463
Conference and meeting expense	77,060	63,641	13,419
Fixed charges	192,680	180,110	12,570
Other	<u>153,370</u>	<u>46,601</u>	<u>106,769</u>
Total institutional support	<u>4,283,940</u>	<u>8,542,429</u>	<u>(4,258,489)</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Capital outlay	\$ 36,560	\$ 303,350	\$ (266,790)
Total expenditures	<u>12,379,690</u>	<u>16,831,835</u>	<u>(4,452,145)</u>
Deficiency of revenues over expenditures	(606,190)	(408,756)	197,434
OTHER FINANCING SOURCES			
Transfers in	<u>606,190</u>	<u>518,952</u>	<u>(87,238)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	110,196	<u>\$ 110,196</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>357,980</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 468,176</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local government:			
Property taxes	\$ 638,620	\$ 640,564	\$ 1,944
State government:			
ICCB base operating grant	135,930	137,740	1,810
ICCB equalization grant	91,900	94,736	2,836
ICCB small college grant	3,500	3,600	100
ICCB funding formula impact grant	-	2,973	2,973
Corporate personal property replacement tax	<u>6,900</u>	<u>7,504</u>	<u>604</u>
Total state government	<u>238,230</u>	<u>246,553</u>	<u>8,323</u>
Student tuition and fees	<u>255,300</u>	<u>241,353</u>	<u>(13,947)</u>
Interest	<u>3,000</u>	<u>5,384</u>	<u>2,384</u>
Other:			
Rent	13,880	5,580	(8,300)
Miscellaneous	<u>7,000</u>	<u>5,652</u>	<u>(1,348)</u>
Total other revenue	<u>20,880</u>	<u>11,232</u>	<u>(9,648)</u>
Total revenues	<u>1,156,030</u>	<u>1,145,086</u>	<u>(10,944)</u>
EXPENDITURES			
Institutional support:			
Salaries	8,370	8,055	315
Contractual services	20,220	6,075	14,145
General materials and supplies	570	123	447
Conference and meeting expense	470	-	470
Utilities	<u>115,660</u>	<u>132,708</u>	<u>(17,048)</u>
Total institutional support	<u>145,290</u>	<u>146,961</u>	<u>(1,671)</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED)			
Operation and maintenance of plant:			
Salaries	\$ 472,350	\$ 465,825	\$ 6,525
Contractual services	40,740	85,176	(44,436)
General materials and supplies	58,820	53,188	5,632
Conference and meeting expense	12,400	6,322	6,078
Fixed charges	73,180	52,108	21,072
Utilities	356,900	407,119	(50,219)
Other	<u>101,590</u>	<u>24,211</u>	<u>77,379</u>
Total operation and maintenance of plant	<u>1,115,980</u>	<u>1,093,949</u>	<u>22,031</u>
Capital outlay	<u>19,900</u>	<u>11,771</u>	<u>8,129</u>
Total expenditures	<u>1,281,170</u>	<u>1,252,681</u>	<u>28,489</u>
Deficiency of revenues over expenditures	<u>(125,140)</u>	<u>(107,595)</u>	<u>17,545</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	125,140	101,726	(23,414)
Transfers out	<u>-</u>	<u>(30,915)</u>	<u>(30,915)</u>
Total other financing sources	<u>125,140</u>	<u>70,811</u>	<u>(54,329)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>(36,784)</u>	<u>\$ (36,784)</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>372,888</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 336,104</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 52,370	\$ 52,526	\$ 156
Interest	<u>120</u>	<u>153</u>	<u>33</u>
Total revenues	<u>52,490</u>	<u>52,679</u>	<u>189</u>
 EXPENDITURES			
Institutional support:			
Salaries	23,330	24,583	(1,253)
Contractual services	27,160	46,525	(19,365)
General materials and supplies	620	456	164
Conference and meeting expense	<u>710</u>	<u>32</u>	<u>678</u>
Total expenditures	<u>51,820</u>	<u>71,596</u>	<u>(19,776)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 670</u>	(18,917)	<u>\$ (19,587)</u>
 FUND BALANCE AT BEGINNING OF YEAR		<u>14,167</u>	
 FUND DEFICIT AT END OF YEAR		<u>\$ (4,750)</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 1,820,080	\$ 1,825,607	\$ 5,527
Interest	<u>27,950</u>	<u>15,658</u>	<u>(12,292)</u>
Total revenues	<u>1,848,030</u>	<u>1,841,265</u>	<u>(6,765)</u>
EXPENDITURES			
Institutional support:			
Other	<u>26,160</u>	<u>69,647</u>	<u>(43,487)</u>
Debt service:			
Principal retirement	660,000	660,000	-
Interest	<u>1,180,930</u>	<u>1,166,872</u>	<u>14,058</u>
Total debt service	<u>1,840,930</u>	<u>1,826,872</u>	<u>14,058</u>
Capital outlay	<u>-</u>	<u>1,343,843</u>	<u>(1,343,843)</u>
Total expenditures	<u>1,867,090</u>	<u>3,240,362</u>	<u>(1,373,272)</u>
Deficiency of revenues over expenditures	<u>(19,060)</u>	<u>(1,399,097)</u>	<u>(1,380,037)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of long-term debt	-	4,334,637	4,334,637
Proceeds from issuance of capital leases	-	1,343,843	1,343,843
Transfers out	<u>(285,570)</u>	<u>(80,390)</u>	<u>205,180</u>
Total other financing sources (uses)	<u>(285,570)</u>	<u>5,598,090</u>	<u>5,883,660</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (304,630)</u>	4,198,993	<u>\$ 4,503,623</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>598,434</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 4,797,427</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 90,680	\$ 90,960	\$ 280
ICCB grants	37,830	-	(37,830)
Interest	5,730	4,325	(1,405)
Other	<u>-</u>	<u>63,837</u>	<u>63,837</u>
Total revenues	<u>134,240</u>	<u>159,122</u>	<u>24,882</u>
EXPENDITURES			
Institutional support:			
Contractual services	64,060	40,556	23,504
General materials and supplies	-	1,232	(1,232)
Other	<u>18,470</u>	<u>17,579</u>	<u>891</u>
Total institutional support	<u>82,530</u>	<u>59,367</u>	<u>23,163</u>
Operation and maintenance of plant:			
Salaries	<u>11,340</u>	<u>-</u>	<u>11,340</u>
Capital outlay - building construction and building improvements			
	<u>393,500</u>	<u>197,432</u>	<u>196,068</u>
Total expenditures	<u>487,370</u>	<u>256,799</u>	<u>230,571</u>
Deficiency of revenues over expenditures	<u>(353,130)</u>	<u>(97,677)</u>	<u>255,453</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	246,070	80,795	(165,275)
Transfers out	<u>(170,780)</u>	<u>(132,537)</u>	<u>38,243</u>
Total other financing sources (uses)	<u>75,290</u>	<u>(51,742)</u>	<u>(127,032)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (277,840)</u>	<u>(149,419)</u>	<u>\$ 128,421</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>105,341</u>	
FUND DEFICIT AT END OF YEAR		<u>\$ (44,078)</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, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal government grant	\$ 344,070	\$ 97,553	\$ (246,517)
Interest	281,040	250,819	(30,221)
Net decrease in fair value of investments	<u>-</u>	<u>(250,142)</u>	<u>(250,142)</u>
Total revenues	<u>625,110</u>	<u>98,230</u>	<u>(526,880)</u>
 EXPENDITURES			
Institutional support:			
Fixed charges	680	672	8
Other	<u>40</u>	<u>100</u>	<u>(60)</u>
Total expenditures	<u>720</u>	<u>772</u>	<u>(52)</u>
Excess of revenues over expenditures	624,390	97,458	(526,932)
 OTHER FINANCING USES			
Transfers out	<u>(536,050)</u>	<u>(560,978)</u>	<u>(24,928)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	<u>\$ 88,340</u>	(463,520)	<u>\$ (551,860)</u>
 FUND BALANCE AT BEGINNING OF YEAR		<u>5,619,107</u>	
 FUND BALANCE AT END OF YEAR		<u>\$ 5,155,587</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED DEFICIT - BUDGET AND ACTUAL
For the Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES			
Federal government grants	\$ 13,500	\$ 15,442	\$ 1,942
Student tuition and fees	200,870	209,228	8,358
Sales and service fees	417,300	463,745	46,445
Interest	500	10	(490)
Other	<u>124,950</u>	<u>135,647</u>	<u>10,697</u>
Total operating revenues	<u>757,120</u>	<u>824,072</u>	<u>66,952</u>
OPERATING EXPENSES			
Salaries	369,110	390,511	(21,401)
Employee benefits	10,000	10,000	-
Contractual services	136,970	134,275	2,695
General materials and supplies	134,040	158,092	(24,052)
Conference and meetings	26,650	26,920	(270)
Depreciation	-	33,862	(33,862)
Other	<u>133,850</u>	<u>64,608</u>	<u>69,242</u>
Total operating expenses	<u>810,620</u>	<u>818,268</u>	<u>(7,648)</u>
Operating income (loss) before transfers in	(53,500)	5,804	59,304
TRANSFERS IN	<u>53,500</u>	<u>48,135</u>	<u>(5,365)</u>
NET INCOME	<u>\$ -</u>	53,939	<u>\$ 53,939</u>
RETAINED DEFICIT AT BEGINNING OF YEAR		<u>(167,075)</u>	
RETAINED DEFICIT AT END OF YEAR		<u>\$ (113,136)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
AUXILIARY ENTERPRISE FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES, BY PROGRAM
For the Year Ended June 30, 2004

	Student Activities - Other <u>Services</u>	Food <u>Service</u>
OPERATING REVENUES		
Federal government grants	\$ -	\$ -
Student tuition and fees	209,228	-
Sales and service fees	86,774	-
Interest	10	-
Other	<u>21,923</u>	<u>13,395</u>
Total operating revenues	<u>317,935</u>	<u>13,395</u>
OPERATING EXPENSES		
Salaries	65,880	-
Employee benefits	-	-
Contractual services	4,506	27,215
General materials and supplies	89,998	901
Conference and meetings	4,026	-
Depreciation	33,862	-
Other	<u>54,546</u>	<u>-</u>
Total operating expenses	<u>252,818</u>	<u>28,116</u>
OPERATING INCOME (LOSS)	<u>\$ 65,117</u>	<u>\$ (14,721)</u>

<u>Bookstore</u>	<u>Athletics</u>	<u>Cosmetology</u>	<u>Child Care Center</u>	<u>Dental Hygiene</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 15,442	\$ -	\$ 15,442
-	-	-	-	-	209,228
-	6,924	45,123	296,555	28,369	463,745
-	-	-	-	-	10
98,289	-	-	1,583	457	135,647
<u>98,289</u>	<u>6,924</u>	<u>45,123</u>	<u>313,580</u>	<u>28,826</u>	<u>824,072</u>
-	55,859	-	268,772	-	390,511
-	-	-	10,000	-	10,000
-	21,406	2,952	36,294	41,902	134,275
-	27,168	8,747	4,865	26,413	158,092
-	21,334	1,159	401	-	26,920
-	-	-	-	-	33,862
-	6,866	-	2,039	1,157	64,608
<u>-</u>	<u>132,633</u>	<u>12,858</u>	<u>322,371</u>	<u>69,472</u>	<u>818,268</u>
<u>\$ 98,289</u>	<u>\$ (125,709)</u>	<u>\$ 32,265</u>	<u>\$ (8,791)</u>	<u>\$ (40,646)</u>	<u>\$ 5,804</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
LIABILITY, PROTECTION, AND SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED DEFICIT - BUDGET AND ACTUAL
For the Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Salaries	783,600	773,963	9,637
Employee benefits	241,460	183,955	57,505
Contractual services	271,920	317,544	(45,624)
General materials and supplies	16,670	11,018	5,652
Conference and meetings	9,050	5,915	3,135
Fixed charges	106,690	146,408	(39,718)
Other	6,000	5,556	444
	<u>1,435,390</u>	<u>1,444,359</u>	<u>(8,969)</u>
Total operating expenses			
	<u>(1,435,390)</u>	<u>(1,444,359)</u>	<u>(8,969)</u>
Operating loss			
NONOPERATING REVENUES			
Property taxes	1,210,830	1,214,509	3,679
Interest income	5,480	2,191	(3,289)
	<u>1,216,310</u>	<u>1,216,700</u>	<u>390</u>
Total nonoperating revenues			
	<u>(219,080)</u>	<u>(227,659)</u>	<u>(8,579)</u>
Loss before transfers			
TRANSFERS IN	<u>204,410</u>	<u>-</u>	<u>(204,410)</u>
NET LOSS	<u>\$ (14,670)</u>	<u>(227,659)</u>	<u>\$ (212,989)</u>
RETAINED DEFICIT AT BEGINNING OF YEAR		<u>(499,035)</u>	
RETAINED DEFICIT AT END OF YEAR		<u>\$ (726,694)</u>	

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
INSURANCE RESERVE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL
For the Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Other	<u>2,170</u>	<u>2,147</u>	<u>23</u>
Operating loss	<u>(2,170)</u>	<u>(2,147)</u>	<u>23</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	206,580	185,571	(21,009)
Net decrease in fair value of investments	<u>-</u>	<u>(187,798)</u>	<u>(187,798)</u>
Total nonoperating revenues (expenses)	<u>206,580</u>	<u>(2,227)</u>	<u>(208,807)</u>
Income (loss) before transfers	<u>204,410</u>	<u>(4,374)</u>	<u>(208,784)</u>
TRANSFERS			
Transfers in	-	-	-
Transfers out	<u>(204,410)</u>	<u>-</u>	<u>204,410</u>
Total transfers	<u>(204,410)</u>	<u>-</u>	<u>204,410</u>
NET LOSS	<u>\$ -</u>	(4,374)	<u>\$ (4,374)</u>
RETAINED EARNINGS AT BEGINNING OF YEAR		<u>5,195,278</u>	
RETAINED EARNINGS AT END OF YEAR		<u>\$ 5,190,904</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, 2004

Fund equity - all fund types (page 40)	\$ 17,926,272
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,490,450
Bond issuance costs are not financial resources and, therefore, are not reported in the governmental funds	21,104
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(361,850)
Long-term liabilities not reported in the governmental funds	(28,051,237)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(284,060)</u>
Net assets (page 12)	<u>\$ 7,740,679</u>

See accompanying independent auditor's report.

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
SCHEDULE OF MANAGEMENT INFORMATION
RECONCILIATION OF THE SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES, AND CHANGES IN FUND EQUITY (DEFICIT) -
ALL FUND TYPES TO THE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2004

Net increase in fund equity - all fund types (page 44)	\$ 2,871,223
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:	
Capital outlay	1,635,222
Depreciation expense	(1,071,102)
Repayment of bond principal and changes in other long-term debt obligations is an expenditure of governmental funds, but reduces long-term liabilities in the Statements of Net Assets:	
Bond and certificate principal repayments	660,000
Capital leases	371,141
Compensated absences	12,377
Early retirement payouts	(11,334)
Proceeds from the issuance of debt is a revenue of governmental funds, but increases long-term liabilities in the Statements of Net Assets:	
Issuance of General Obligation Bonds and Certificates	(4,334,637)
Issuance of capital leases	(1,343,843)
The costs associated with issuing long-term debt are an expenditure of governmental funds, but increase other assets (unamortized debt issuance costs) in the Statements of Net Assets.	55,741
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date.	7,425
Revenue for student tuition is recognized in the governmental funds when substantially received.	(35,217)
Revenue recognized as financial aid which is applied to student tuition and fees is double counted in the governmental funds:	
Reduction in federal grants	(866,083)
Reduction in financial aid	866,083
Revenue is recognized as student tuition that is waived for employees and their dependents in the governmental funds:	
Reduction in student tuition and fees	(69,345)
Reduction in employee benefits	69,345
Increase in net assets (page 13)	<u>\$ (1,183,004)</u>

See accompanying independent auditor's report.

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

STATISTICAL SECTION

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

(Unaudited)

<u>Year of Levy</u>	<u>Assessed Value (1)</u>	<u>Estimated Actual Value</u>
2003	\$ 1,287,419,979	\$ 3,862,259,937
2002	1,281,448,552	3,844,345,656
2001	1,259,152,240	3,777,456,720
2000	1,229,609,983	3,688,829,949
1999	1,189,634,012	3,568,902,036
1998	1,083,613,429	3,250,840,287
1997	997,151,829	2,991,455,487
1996	956,173,695	2,868,521,085
1995	925,643,236	2,776,929,708
1994	871,945,548	2,615,836,644

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

Source: Knox County Clerk's Office

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

(Unaudited)

<u>Year of Levy</u>	<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Taxes Collected</u>	<u>Percent of Levy Collected</u>
2002	2004	\$ 6,461,063	\$ 6,444,426	99.74%
2001	2003	6,054,003	6,044,239	99.84%
2000	2002	5,835,729	5,831,033	99.92%
1999	2001	5,342,102	5,345,820	100.07%
1998	2000	4,985,712	4,990,855	100.10%
1997	1999	4,690,602	4,701,108	100.22%
1996	1998	4,443,339	4,431,090	99.72%
1995	1997	3,846,969	3,865,326	100.48%
1994	1996	3,705,811	3,709,249	100.09%
1993	1995	3,449,868	3,459,408	100.28%

Source: Knox County Treasurer's Office

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

(Unaudited)

<u>Levy Year</u>	<u>(1) Property Value (in millions)</u>	<u>(2) Construction (in millions)</u>	<u>(3) Bank Deposits (in millions)</u>
2003	\$ 3,917		\$ 3,983
2002	3,832		3,883
2001	3,790		3,821
2000	3,689		3,713
1999	3,521		3,717
1998	3,251		3,612
1997	2,991		3,570
1996	2,869		3,470
1995	2,777		3,335
1994	2,616		3,292

(1) Source: County Clerks

(2) Information not available

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

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

(Unaudited)

<u>Taxing Bodies</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
City of Galesburg	1.867	1.890	1.975	1.994	2.039	2.059	2.081	2.113	2.100	2.104
Town of the City of Galesburg	0.185	0.183	0.180	0.183	0.189	0.180	0.179	0.175	0.175	0.178
Galesburg School District 205	3.945	3.929	3.919	3.877	3.707	3.770	3.895	3.905	4.072	4.149
Knox County	0.936	1.018	0.961	0.935	0.817	0.850	0.840	0.850	0.886	0.937
Galesburg City Fire	0.346	0.387	-	-	-	-	-	-	-	-
Galesburg Sanitary District	<u>0.267</u>	<u>0.264</u>	<u>0.262</u>	<u>0.264</u>	<u>0.281</u>	<u>0.280</u>	<u>0.287</u>	<u>0.291</u>	<u>0.288</u>	<u>0.287</u>
Total overlapping rate	7.546	7.671	7.297	7.253	7.033	7.139	7.282	7.334	7.521	7.655
Carl Sandburg College Dist. 518	<u>0.514</u>	<u>0.504</u>	<u>0.481</u>	<u>0.475</u>	<u>0.455</u>	<u>0.460</u>	<u>0.470</u>	<u>0.465</u>	<u>0.416</u>	<u>0.425</u>
Total Rate	<u>8.060</u>	<u>8.175</u>	<u>7.778</u>	<u>7.728</u>	<u>7.488</u>	<u>7.599</u>	<u>7.752</u>	<u>7.799</u>	<u>7.937</u>	<u>8.080</u>
Carl Sandburg College Percentage of Total	<u>6.38%</u>	<u>6.17%</u>	<u>6.18%</u>	<u>6.15%</u>	<u>6.08%</u>	<u>6.05%</u>	<u>6.06%</u>	<u>5.96%</u>	<u>5.24%</u>	<u>5.26%</u>

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

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

Source: A local taxpayer's property tax bill.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
PRINCIPAL TAXPAYERS
TAXABLE ASSESSED VALUATION \$1,287,419,979

(Unaudited)

(Dollars in Millions)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Value (Million)</u>	<u>Percentage of</u>
Burlington Northern Santa Fe	Railroad	19.94	1.55%
Galesburg Cottage Hospital	Hospital	5.36	0.42%
First Property Management Corp.	Mall	4.56	0.35%
United Facilities, Inc.	Shipping	3.65	0.28%
Maytag Corporation	Manufacturer	3.49	0.27%
Admiral-Maytag Co.	Manufacturer	2.88	0.22%
Hy-Vee Food Stores Inc.	Retailer	2.64	0.21%
Wal-Mart Stores #775	Retailer	2.50	0.19%
Lowes Home Centers, In	Retailer	2.21	0.17%
K-Mart Corporation	Retailer	2.13	0.17%
		<u>49.36</u>	<u>3.83%</u>

Source: Knox County Assessor's Office

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

(Unaudited)

(Dollars in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
OPERATING REVENUES					
Student tuition and fees, net of scholarships	\$ 5,263	\$ 4,596	\$ 3,735	\$ 3,286	\$ 3,278
Auxiliary enterprises revenue	464	387	366	335	323
Other operating revenues	<u>226</u>	<u>549</u>	<u>1,335</u>	<u>1,153</u>	<u>931</u>
Total operating revenues	<u>5,953</u>	<u>5,532</u>	<u>5,436</u>	<u>4,774</u>	<u>4,532</u>
NONOPERATING REVENUES					
State grants and contracts	10,180	9,548	6,021	5,954	5,629
Property taxes	6,444	6,044	5,888	5,393	5,016
Personal property replacement tax	170	152	177	203	210
Federal grants and contracts	7,337	8,495	7,607	5,316	4,758
Local grants and contracts	257	327	371	327	364
Investment income earned	100	1,101	947	1,224	676
Other nonoperating revenues	<u>633</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total nonoperating revenues	<u>25,121</u>	<u>26,505</u>	<u>21,011</u>	<u>18,417</u>	<u>16,658</u>
TOTAL REVENUES	<u>\$ 31,074</u>	<u>\$ 32,037</u>	<u>\$ 26,447</u>	<u>\$ 23,191</u>	<u>\$ 21,190</u>

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

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
GENERAL GOVERNMENT OPERATING EXPENDITURES BY FUNCTION (1)
For the years ended June 30,**

(Unaudited)

(Dollars in Thousands)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
OPERATING EXPENSES					
Instruction	\$ 10,230	\$ 11,108	\$ 10,453	\$ 8,331	\$ 8,721
Academic support	377	517	604	591	518
Student services	2,309	2,036	1,254	1,189	3,113
Public services	938	1,184	1,542	1,728	911
General administration	645	419			
Institutional support	11,052	6,371	17,547	11,782	11,746
Operations and maintenance	1,094	953	987	1,020	1,099
Scholarships, grants, and waivers	3,348	3,483	-	-	-
Depreciation	<u>1,105</u>	<u>1,057</u>	<u>25</u>	<u>23</u>	<u>22</u>
TOTAL OPERATING EXPENSES	<u>\$ 31,098</u>	<u>\$ 27,128</u>	<u>\$ 32,412</u>	<u>\$ 24,664</u>	<u>\$ 26,130</u>

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
HISTORIC REVENUES AND EXPENDITURES
Fiscal Years 1999 - 2003

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
GENERAL FUND REVENUES					
BY SOURCE					
Local government	\$ 2,323,572	\$ 2,534,949	\$ 2,797,356	\$ 2,883,830	\$ 3,208,011
State government	3,674,643	3,831,556	4,119,563	4,181,899	4,377,271
Tuition and fees	2,882,812	3,131,908	3,137,880	3,576,658	4,206,142
Other revenue	<u>73,273</u>	<u>129,378</u>	<u>100,701</u>	<u>84,660</u>	<u>49,949</u>
Total revenues	<u>8,954,300</u>	<u>9,627,791</u>	<u>10,155,500</u>	<u>10,727,047</u>	<u>11,841,373</u>
GENERAL FUND EXPENDITURES					
By program:					
Instruction	5,042,810	5,318,875	5,748,934	5,928,210	6,302,353
Academic support	357,476	343,176	381,300	371,936	347,216
Student services	591,252	567,413	576,907	636,357	705,159
Public services	12,036	13,082	13,273	25,866	37,988
Institutional support	2,893,310	3,289,205	3,130,374	3,675,510	3,933,959
Operations and maintenance	<u>884,551</u>	<u>1,089,459</u>	<u>1,008,301</u>	<u>974,533</u>	<u>941,355</u>
Total expenditures by program	<u>9,781,435</u>	<u>10,621,210</u>	<u>10,859,089</u>	<u>11,612,412</u>	<u>12,268,030</u>
By object:					
Salaries	5,469,105	5,835,135	6,345,839	6,566,495	7,099,944
Employee benefits	1,125,596	1,397,127	1,081,071	1,587,193	1,591,067
Contractual services	910,174	993,466	1,020,369	1,236,423	1,338,800
General materials and supplies	630,726	741,092	957,693	1,064,437	800,474
Travel and conference	196,054	184,308	209,024	207,203	213,331
Fixed charges	137,012	113,284	100,014	104,002	96,299
Utilities	358,514	444,652	526,011	499,517	532,228
Capital outlay	335,927	605,052	373,121	38,874	74,591
Other	<u>618,327</u>	<u>307,094</u>	<u>245,947</u>	<u>308,268</u>	<u>521,296</u>
Total expenditures by object	<u>9,781,435</u>	<u>10,621,210</u>	<u>10,859,089</u>	<u>11,612,412</u>	<u>12,268,030</u>
Revenues over (under) expenditures	(827,135)	(993,419)	(703,589)	(885,365)	(426,657)
NET OTHER FINANCING SOURCES					
	<u>188,432</u>	<u>1,385,760</u>	<u>834,452</u>	<u>705,948</u>	<u>796,535</u>
EXCESS (DEFICIT) REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES					
	<u>\$ (638,703)</u>	<u>\$ 392,341</u>	<u>\$ 130,863</u>	<u>\$ (179,417)</u>	<u>\$ 369,878</u>

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

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

(Unaudited)

<u>Fiscal Year</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Estimated Population</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2004	\$ 26,600,000	\$ 1,281,448,552	116,362	2.076%	228.60
2003	22,960,000	1,259,152,240	116,362	1.823%	197.32
2002	23,565,000	1,229,609,983	116,362	1.916%	202.51
2001	20,885,000	1,189,634,012	116,362	1.756%	179.48
2000	12,505,000	1,083,613,429	116,362	1.154%	107.47
1999	7,435,000	997,151,829	116,362	0.746%	63.90
1998	7,740,000	956,173,695	116,362	0.809%	66.52
1997	7,620,000	925,643,236	116,362	0.823%	65.49
1996	5,805,000	871,945,548	116,362	0.666%	49.89
1995	6,025,000	818,668,709	116,362	0.736%	51.78

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

(Unaudited)

<u>Fiscal Year</u>	<u>Total General Expenditures * (in thousands)</u>	<u>Retirement of Indebtedness Fund Expenditures (in thousands)</u>	<u>Retirement of Indebtedness Funds Expenditures to General Expenditures</u>
2004	\$ 32,779	\$ 4,227	12.90%
2003	32,133	1,792	5.58%
2002	29,374	4,917	16.74%
2001	21,783	1,216	5.58%
2000	23,473	4,364	18.59%
1999	20,829	1,004	4.82%
1998	17,417	1,079	6.20%
1997	17,619	608	3.45%
1996	15,266	638	4.18%
1995	15,247	581	3.81%

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

Sources: Knox County Clerk's Office
College records

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2004**

(Unaudited)

<u>Overlapping Agencies</u>	<u>Outstanding Debt</u>	<u>Applicable to College</u>	
		<u>Percent</u>	<u>Amount</u>
Fulton County	\$ 475,000	3.49%	\$ 16,578
Spoon River Valley Unit #4	1,475,000	2.79%	41,153
Bushnell Unit #170	750,000	4.42%	33,150
Avon Unit #176	340,000	99.31%	337,654
Village of Avon	360,000	100.00%	360,000
Community Unit School District No. 336	985,000	100.00%	985,000
City of Dallas City, Hancock and Henderson Counties	165,000	100.00%	165,000
LaHarpe Community Unit School District No. 335	735,000	100.00%	735,000
Hamilton Park District	1,200,000	100.00%	1,200,000
Hamilton Community Consolidated School District No. 328	545,000	100.00%	545,000
Carthage Park District	355,000	100.00%	355,000
Community Unit School District No. 316	2,060,000	100.00%	2,060,000
Gulfport-Gladstone Fire Protection District	129,919	100.00%	129,919
Dallas City School District #336	634,902	100.00%	634,902
LaHarpe School District #335	424,596	100.00%	424,596
Dallas City	62,069	100.00%	62,069
Union School District 115	1,801,053	100.00%	1,801,053
County of Henry	4,065,000	0.03%	1,016
McDonough County	936,268	38.33%	358,872
Bushnell Unit #170	764,979	82.12%	628,231
LaHarpe School District #335	764,260	1.03%	7,849
City of Bushnell	382,200	100.00%	382,200
Village of Prairie City	163,500	100.00%	163,500
Building Commission	3,242,924	38.94%	1,262,795
Monmouth School District #38	810,273	100.00%	810,273
Union School District 115	2,650,848	4.91%	130,157
Bushnell Unit #170	892,294	3.07%	27,418
Avon Unit #176	896,208	53.59%	480,266
Roseville Community Unit School District #200	394,253	100.00%	394,253
Community Unit School District #205	1,235,885	2.91%	36,024
Abingdon Unit 217	2,750,902	10.83%	297,991
Monmouth Park District	223,903	100.00%	223,903
City of Monmouth	447,273	100.00%	447,273
Knox County	9,830,000	100.00%	9,830,000
City of Abingdon	160,000	100.00%	160,000
City of Galesburg	12,905,291	100.00%	12,905,291
City of Knoxville	550,000	100.00%	550,000
CUSD #4	1,475,000	28.98%	427,455
CUSD #100	1,150,000	2.86%	32,890
CUSD #176	340,000	5.85%	19,890
CUSD #202	512,491	100.00%	512,491
CUSD #205	1,160,000	97.05%	1,125,780
CUSD #217	2,350,000	89.20%	2,096,200
CUSD #224	265,000	9.31%	24,672
CUSD #225	3,140,000	8.34%	261,876
CUSD #265	13,967,053	20.56%	2,871,626
CUSD #322	2,675,000	0.23%	6,153
Community College District #534	4,480,000	0.17%	7,616
Community College District #518	26,600,000	100.00%	26,600,000

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

\$ 72,970,030

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
Years 1994-2003**

(Unaudited)

<u>Year</u>	<u>Fall Enrollment Head Count</u>	<u>FTE</u>	<u>Gender</u>		<u>Attendance</u>		<u>Academic Class</u>		<u>Enrollment Status</u>				<u>In-District Residency</u>	<u>Ave. Age</u>
			<u>Male</u>	<u>Female</u>	<u>Full Time</u>	<u>Part Time</u>	<u>Freshman</u>	<u>Other</u>	<u>Continuing Student</u>	<u>New</u>	<u>Transfer</u>	<u>Readmit</u>		
2003	3554	2251	36%	64%	41%	59%	59%	41%	54%	27%	2%	17%	95%	30
2002	3441	1999	37%	63%	42%	58%	62%	38%	50%	29%	1%	20%	94%	30
2001	3341	1781	42%	58%	36%	64%	58%	40%	49%	22%	0%	18%	88%	30
2000	3220	1661	42%	58%	34%	66%	58%	42%	49%	24%	1%	18%	90%	30
1999	2739	1541	40%	60%	40%	60%	60%	40%	48%	22%	3%	19%	92%	30
1998	2906	1576	40%	60%	39%	61%	61%	39%	50%	23%	1%	16%	93%	30
1997	2635	1512	39%	61%	41%	59%	67%	33%	45%	32%	0%	16%	95%	30
1996	2689	1542	42%	58%	39%	61%	63%	37%	48%	30%	0%	15%	96%	30
1995	2765	1591	41%	59%	39%	61%	50%	48%	50%	35%	1%	15%	96%	29
1994	2541	1460	41%	59%	39%	61%	70%	30%	48%	36%	1%	16%	98%	29

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

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO.518
DEMOGRAPHIC STATISTICS BY STUDENT ENROLLMENT CATEGORIES
TOTAL CREDIT HOURS
Years 1994 - 2003**

(Unaudited)

<u>Fiscal Year</u>	<u>Baccalaureate</u>	<u>Business Occupational</u>	<u>Technical Occupational</u>	<u>General Associates</u>	<u>Adult Basic Secondary Education</u>	<u>General Studies</u>	<u>Total Enrollment</u>	<u>Total FTE</u>	<u>Total Credit Hours</u>
2003	1276	1599	455	17	156	0	3503	2251	67530
2002	1305	1207	343	14	164	0	3033	1999	59970
2001	1471	1294	368	8	200	0	3341	1781	53430
2000	1538	1115	389	10	167	1	3220	1661	49830
1999	1186	1042	400	12	99	0	2739	1541	46230
1998	1239	968	517	4	177	1	2906	1576	47280
1997	1136	987	347	3	161	1	2635	1512	45360
1996	1129	1052	337	5	165	1	2689	1542	46260
1995	1158	1090	344	8	164	1	2765	1591	47730
1994	1199	979	225	9	128	1	2541	1460	43800

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

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

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

ASSESSED VALUATION - 2003 LEVY	<u>\$ 1,287,419,979</u>
DEBT LIMITATION - 2.875%	<u>\$ 37,013,324</u>
OUTSTANDING INDEBTEDNESS	
General obligation bonds	26,600,000
Capital leases	<u>1,155,838</u>
	<u>27,755,838</u>
LEGAL DEBT MARGIN	<u>\$ 9,257,486</u>

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

(Unaudited)

YEAR FOUNDED 1966

POPULATION IN DISTRICT 116,362

COUNTIES SERVED

Fulton	Henry	Mercer	Warren
Hancock	Knox	Schuyler	
Henderson	McDonough	Stark	

ACCREDITATION

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

FACILITIES DATA

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

EMPLOYEE DATA

	<u>2003</u>	<u>2004</u>
Faculty:		
Full-time	75	77
Part-time	175	155
Administrators	24	26
Classified Staff:		
Full-time	136	134
Part-time	14	13

STUDENT DATA

	<u>Fall 2002</u>	<u>Fall 2003</u>
Average class size	7.01	6.63

DEGREE AND CERTIFICATES AWARDED

	<u>2002</u>	<u>2003</u>
A.A., A.S. and AFA	112	98
A.A.S.	126	180
Certificates	101	90

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS**

FINANCIAL AND COMPLIANCE SECTION

Independent Auditor's Report

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

We have audited the accompanying balance sheets of Carl Sandburg College - Community College District No. 518's (the College) Educational Technology Grant, Workforce Development Component Grant, P-16 Initiative Grant, State Adult Education Restricted Funds Grants, and Career and Technical Education Program Improvement Grant programs as of June 30, 2004, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carl Sandburg College - Community College District No. 518's Educational Technology Grant, Workforce Development Component Grant, P-16 Initiative Grant, State Adult Education Restricted Funds Grants, and Career and Technical Education Program Improvement Grant programs as of June 30, 2004, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Illinois Community College Board compliance schedules for the Workforce Preparation (Business/Industry) Grant (page 79) and State Adult Education Restricted Funds Grants (page 84) for the year ended June 30, 2004, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the College's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Peoria, Illinois
October 13, 2004

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATIONAL TECHNOLOGY GRANT PROGRAM
BALANCE SHEET
June 30, 2004

ASSETS

CASH \$ -

LIABILITIES AND FUND BALANCE

LIABILITIES \$ -

FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ -

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
EDUCATIONAL TECHNOLOGY GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended June 30, 2004

REVENUES	
Illinois Community College Board grant	<u>\$ 20,974</u>
 EXPENDITURES	
Salaries (technical staff)	20,534
Other	<u>440</u>
Total expenditures	20,974
Excess of revenues over expenditures	-
 FUND BALANCE AT BEGINNING OF YEAR	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u><u>\$ -</u></u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
WORKFORCE DEVELOPMENT COMPONENT GRANT PROGRAM
BALANCE SHEET
June 30, 2004**

ASSETS

CASH \$ -

LIABILITIES AND FUND BALANCE

LIABILITIES \$ -

FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ -

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 WORKFORCE DEVELOPMENT COMPONENT GRANT PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE
 For the Year Ended June 30, 2004**

	<u>Business/ Industry</u>	<u>Education to Careers</u>	<u>Welfare/Low Income</u>	<u>Total</u>
REVENUES				
Illinois Community College Board grants	\$ 60,452	\$ 51,942	\$ 41,955	\$ 154,349
EXPENDITURES				
Salaries	43,516	51,942	41,955	137,413
Fixed charges	16,936	-	-	16,936
Total expenditures	<u>60,452</u>	<u>51,942</u>	<u>41,955</u>	<u>154,349</u>
Excess of revenues over expenditures	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR				
	-	-	-	-
FUND BALANCE AT END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ORIGINAL ALLOCATION				
	<u>\$ 60,452</u>	<u>\$ 51,942</u>	<u>\$ 41,955</u>	<u>\$ 154,349</u>
MINIMUM EXPENDITURE REQUIREMENT				
	<u>\$ 40,301</u>	<u>\$ 34,628</u>	<u>\$ 27,970</u>	<u>\$ 102,899</u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 WORKFORCE PREPARATION (BUSINESS/INDUSTRY) GRANT
 COMPLIANCE STATEMENT OF EXPENDITURES
 For the Year Ended June 30, 2004**

EXPENDITURES	<u>General</u>	<u>Operation of Workforce Dev. Office</u>	<u>Total</u>
1. Personnel (salaries and benefits) **	\$ -	\$ 43,516	\$ 43,516
2. Contractual services	-	-	-
3. Instructional materials	-	-	-
4. Instructional equipment *	-	-	-
5. Promotional materials	-	-	-
6. Staff development **	-	-	-
7. Conference and meeting expenses	-	-	-
8. Travel **	-	-	-
9. Costs of operating a business assistance center/economic development/work force preparation offices			
a. Office equipment *	-	-	-
b. Utilities and telephone	-	-	-
c. Consumable supplies	-	-	-
d. Duplicating	-	-	-
e. Facility rental	-	16,936	16,936
10. TOTALS ***	<u>\$ -</u>	<u>\$ 60,452</u>	<u>\$ 60,452</u>

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

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

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

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
P-16 INITIATIVE GRANT PROGRAM
BALANCE SHEET
June 30, 2004

ASSETS

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

LIABILITIES AND FUND BALANCE

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

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
P-16 INITIATIVE GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended June 30, 2004

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

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
BALANCE SHEET
June 30, 2004

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

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended June 30, 2004

	<u>State Basic</u>	<u>State Public Assistance</u>	<u>State Performance</u>	<u>Total</u>
REVENUES				
Illinois Community College Board grant	\$ 107,010	\$ 20,209	\$ 56,683	\$ 183,902
EXPENDITURES				
Instruction	63,682	10,365	5,704	79,751
Social work services	-	-	2,250	2,250
Guidance services	4,576	-	8,000	12,576
Assistive and adaptive equipment	-	-	-	-
Assessment and testing	7,798	3,556	8,000	19,354
Student transportation services	-	-	5,201	5,201
Literacy services	7,250	1,000	7,479	15,729
Child care services	-	-	588	588
Subtotal Instructional & Student Services	<u>83,306</u>	<u>14,921</u>	<u>37,222</u>	<u>135,449</u>
Improvement of instructional services	-	-	-	-
General administration	9,038	1,800	5,100	15,938
Operation & maintenance of plant services	1,147	-	-	1,147
Workforce coordination	9,958	1,371	3,250	14,579
Data & information services	3,561	2,117	11,111	16,789
Indirect costs	-	-	-	-
Subtotal Program Support	<u>23,704</u>	<u>5,288</u>	<u>19,461</u>	<u>48,453</u>
Total expenditures	<u>107,010</u>	<u>20,209</u>	<u>56,683</u>	<u>183,902</u>
Excess of revenues over expenditures	-	-	-	-
Return of unspent funds	23	-	636	659
FUND BALANCE AT BEGINNING OF YEAR	<u>23</u>	<u>-</u>	<u>636</u>	<u>659</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
ICCB COMPLIANCE STATEMENT FOR THE
STATE ADULT EDUCATION RESTRICTED FUNDS GRANTS
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
For the Year Ended June 30, 2004

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	63,682	59.51%
General Administration (9% Maximum Allowed)	9,038	8.45%

State Public Assistance	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)	10,365	51.29%
General Administration (9% Maximum Allowed)	1,800	8.91%

State Performance	Audited Expenditure Amount	Actual Expenditure Percentage
General Administration (9% Maximum Allowed)	5,100	9.00%

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CAREER AND TECHNICAL EDUCATION
PROGRAM IMPROVEMENT GRANT
BALANCE SHEET
June 30, 2004

ASSETS

CASH \$ -

LIABILITIES AND FUND BALANCE

LIABILITIES \$ -

FUND BALANCE -

TOTAL LIABILITIES AND FUND BALANCE \$ -

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CAREER AND TECHNICAL EDUCATION
PROGRAM IMPROVEMENT GRANT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
For the Year Ended June 30, 2004

REVENUES		
Illinois Community College Board grant		\$ 12,382
 EXPENDITURES		
General materials and supplies		<u>12,382</u>
Excess of revenues over expenditures		-
 FUND BALANCE AT BEGINNING OF YEAR		<u>-</u>
 FUND BALANCE AT END OF YEAR		<u><u>\$ -</u></u>

See note to financial statements.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
NOTE TO FINANCIAL STATEMENTS -
ILLINOIS COMMUNITY COLLEGE BOARD GRANTS
June 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Accounting

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2004. Funds obligated for goods prior to June 30, for which the goods and services are received prior to September 30, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15. Deferred revenue represents amounts that the Illinois Community College Board has approved to be used in the next fiscal year.

Fixed Assets

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

Educational Technology Grant Program

These funds were received from Central Management Services through the Illinois Community College Board.

**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, 2004, and have issued our report thereon dated October 13, 2004. 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, 2004. This schedule is the responsibility of the Carl Sandburg College - Community College District No. 518's management. Our responsibility is to express an opinion on this schedule based on our audit.

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

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

In our opinion, except for the noncompliance described in the preceding paragraph, the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed with the Illinois Community College Board of Carl Sandburg College - Community College District No. 518 for the year ended June 30, 2004, 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 92 - 102 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 103 is not a required part of the basic financial statements or this schedule but is supplemental information required by the Illinois Community College Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

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

Clifton Henderson LLP

Peoria, Illinois
October 13, 2004

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, 2004

CATEGORIES	Total Reimbursable Semester Credit Hours by Term*							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	4,697.0	108.0	15,825.5	114.0	16,333.0	207.0	36,855.5	429.0
Business Occupational	849.0	143.0	2,521.5	164.0	2,990.0	160.5	6,360.5	467.5
Technical Occupational	522.0	599.5	2,857.0	1,021.5	2,880.5	1,166.5	6,259.5	2,787.5
Health Occupational	850.3	-	3,452.0	58.5	3,284.0	75.0	7,586.3	133.5
Remedial Developmental	757.0	66.0	2,388.0	135.0	1,722.0	54.0	4,867.0	255.0
Adult Basic Education/Adult Secondary Education	-	530.5	6.0	2,648.5	1,687.0	882.5	1,693.0	4,061.5
TOTAL CREDIT HOURS CERTIFIED	<u>7,675.3</u>	<u>1,447.0</u>	<u>27,050.0</u>	<u>4,141.5</u>	<u>28,896.5</u>	<u>2,545.5</u>	<u>63,621.8</u>	<u>8,134.0</u>

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	<u>59,909.8</u>	<u>2,323.5</u>	<u>62,233.3</u>
District equalized assessed valuation			<u>\$ 1,287,419,979</u>
Mandatory calendar year 2003 allocation of corporate personal property replacement tax for debt retirement			<u>\$ -</u>

CATEGORIES	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	363.0	594.0	774.0	1,731.0
Business Occupational	145.0	164.0	160.0	469.0
Technical Occupational	649.5	929.5	1,049.0	2,628.0
Remedial Developmental	66.0	153.0	54.0	273.0
TOTAL CREDIT HOURS CERTIFIED	<u>1,223.5</u>	<u>1,840.5</u>	<u>2,037.0</u>	<u>5,101.0</u>

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

**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, 2004**

**Reconciliation of Total Semester Credit Hours
For the Year Ended June 30, 2004**

<u>Categories</u>	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	36,855.5	36,855.5	-	429.0	429.0	-
Business Occupational	6,360.5	6,360.5	-	467.5	467.5	-
Technical Occupational	6,259.5	6,259.5	-	2,787.5	2,787.5	-
Health Occupational	7,586.3	7,586.3	-	133.5	133.5	-
Remedial Developmental	4,867.0	4,867.0	-	255.0	255.0	-
Adult Basic Education/Adult Secondary Education	<u>1,693.0</u>	<u>1,693.0</u>	<u>-</u>	<u>4,061.5</u>	<u>4,061.5</u>	<u>-</u>
TOTAL	<u>63,621.8</u>	<u>63,621.8</u>	<u>-</u>	<u>8,134.0</u>	<u>8,134.0</u>	<u>-</u>

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

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total Attending as Certified to the ICCB (Unrestricted and Restricted)</u>	<u>Difference</u>
In-District Residents	59,909.8	59,909.8	-
Out-of-District on Chargeback or Contractual Agreement	<u>2,323.5</u>	<u>2,323.5</u>	<u>-</u>
TOTAL	<u>62,233.3</u>	<u>62,233.3</u>	<u>-</u>

**Reconciliation of Total Correctional Semester Credit Hours
For the Year Ended June 30, 2004**

<u>Categories</u>	<u>Total Correctional Credit Hours</u>	<u>Total Correctional Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	1,731.0	1,731.0	-
Business Occupational	469.0	469.0	-
Technical Occupational	2,628.0	2,628.0	-
Remedial Developmental	<u>273.0</u>	<u>273.0</u>	<u>-</u>
TOTAL	<u>5,101.0</u>	<u>5,101.0</u>	<u>-</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,
AND TAX COLLECTIONS
Levy Years 2003, 2002, and 2001

	Tax Year		
	<u>2003 Levy</u>	<u>2002 Levy</u>	<u>2001 Levy</u>
ASSESSED VALUATIONS			
Knox County	\$ 619,182,612	\$ 610,799,919	\$ 587,490,262
Warren County	223,655,024	224,441,794	225,365,841
Fulton County	11,459,671	11,768,847	11,791,843
Henderson County	88,625,362	91,732,901	94,091,605
Mercer County	14,390,285	15,216,575	15,762,008
Stark County	102,600	117,696	128,676
Henry County	587,758	636,225	685,169
McDonough County	112,810,175	121,093,827	117,974,699
Schuyler County	1,606,492	1,640,768	1,688,245
Hancock County	215,000,000	204,000,000	204,173,892
TOTAL ASSESSED VALUATIONS	<u>\$ 1,287,419,979</u>	<u>\$ 1,281,448,552</u>	<u>\$ 1,259,152,240</u>
TAX RATE (per \$100 assessed valuation)			
Educational Accounts	\$ 0.2054	\$ 0.2057	\$ 0.2021
Operations and Maintenance Accounts	0.0500	0.0500	0.0500
Bond and Interest Fund	0.1458	0.1425	0.1423
Audit Fund	0.0041	0.0041	0.0023
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1086	0.0948	0.0754
Protection, Health, and Safety Fund	-	0.0071	0.0087
TOTAL TAX RATE	<u>\$ 0.5139</u>	<u>\$ 0.5042</u>	<u>\$ 0.4808</u>
TAX EXTENSIONS			
Educational Accounts	\$ 2,644,361	\$ 2,635,940	\$ 2,544,747
Operations and Maintenance Accounts	643,710	640,724	629,576
Bond and Interest Fund	1,877,058	1,826,064	1,791,774
Audit Fund	52,784	52,539	28,960
Liability, Protection, Settlement, Social Security, and Medicare Accounts	1,398,138	1,214,813	949,400
Protection, Health, and Safety Fund	-	90,983	109,546
TOTAL TAX EXTENSIONS	<u>\$ 6,616,051</u>	<u>\$ 6,461,063</u>	<u>\$ 6,054,003</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
 ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,
 AND TAX COLLECTIONS
 Levy Years 2003, 2002, and 2001**

	<u>Tax Year</u>		
	<u>2003 Levy</u>	<u>2002 Levy</u>	<u>2001 Levy</u>
TAX COLLECTIONS TO JUNE 30			
Education Fund	\$ 3,096	\$ 2,629,152	\$ 2,540,642
Operations and Maintenance Fund	754	639,074	628,561
Bond and Interest Fund	2,198	1,821,362	1,788,883
Audit Fund	62	52,404	28,914
Liability, Protection, and Settlement Fund	1,638	1,211,685	947,870
Protection, Health, and Safety Fund	-	90,749	109,369
TOTAL TAX COLLECTIONS	<u>\$ 7,748</u>	<u>\$ 6,444,426</u>	<u>\$ 6,044,239</u>
PERCENT OF EXTENSIONS COLLECTED		<u>99.74%</u>	<u>99.84%</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY*
For the Year Ended June 30, 2004

	<u>Education Fund**</u>	<u>Operations and Maintenance Fund</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Capital Endowment</u>	<u>Bond and Interest Fund</u>
FUND BALANCE (DEFICIT) AT JULY 1, 2003	\$ 357,980	\$ 372,888	\$ 105,341	\$ 5,619,107	\$ 598,434
REVENUE					
Local taxes	2,635,280	640,564	90,960	-	1,825,607
All other local government	25,815	-	-	-	-
ICCB grants	3,350,233	239,049	-	-	-
All other state revenue	276,509	7,504	-	-	-
Federal revenue	-	-	-	97,553	-
Student tuition and fees	4,616,041	241,353	-	-	-
All other revenue	51,853	16,616	68,162	677	15,658
Total revenue	<u>10,955,731</u>	<u>1,145,086</u>	<u>159,122</u>	<u>98,230</u>	<u>1,841,265</u>
EXPENDITURES					
Instruction	6,620,480	-	-	-	-
Academic support	372,662	-	-	-	-
Student services	957,914	-	-	-	-
Public services	35,000	-	-	-	-
Institutional support	3,075,081	146,961	59,367	772	69,647
Scholarships, student grants, and waivers	-	-	-	-	-
Operation and maintenance	-	1,093,949	-	-	-
Principal retirement	-	-	-	-	660,000
Interest and service charges	-	-	-	-	1,166,872
Building construction, building improvements, and equipment	303,350	11,771	197,432	-	1,343,843
Other	-	-	-	-	-
Total expenditures	<u>11,364,487</u>	<u>1,252,681</u>	<u>256,799</u>	<u>772</u>	<u>3,240,362</u>
Proceeds from issuance of debt	-	-	-	-	4,334,637
Proceeds from issuance of capital leases	-	-	-	-	1,343,843
Transfers in	518,952	101,726	80,795	-	-
Transfers out	-	(30,915)	(132,537)	(560,978)	(80,390)
	<u>518,952</u>	<u>70,811</u>	<u>(51,742)</u>	<u>(560,978)</u>	<u>5,598,090</u>
FUND BALANCE (DEFICIT) AT JUNE 30, 2004	\$ 468,176	\$ 336,104	\$ (44,078)	\$ 5,155,587	\$ 4,797,427

* Excludes Workforce Investment Acts' revenues and expenditures.

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

<u>Employee Insurance Fund</u>	<u>Auxiliary Enterprise Fund</u>	<u>Restricted Purpose Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection, and Settlement Fund</u>	<u>Nonexpendable Trust Fund</u>	<u>Insurance Reserve Fund</u>	<u>Total</u>
\$ (357,080)	\$ (167,075)	\$ 143,950	\$ 14,167	\$ (499,035)	\$ 3,647,821	\$ 5,195,278	\$ 15,031,776
-	-	-	52,526	1,214,509	-	-	6,459,446
-	-	241,688	-	-	-	-	267,503
-	-	516,040	-	-	-	-	4,105,322
-	-	493,493	-	-	-	-	777,506
-	15,442	4,946,184	-	-	-	-	5,059,179
-	209,228	275,164	-	-	-	-	5,341,786
<u>1,063,495</u>	<u>599,402</u>	<u>99,449</u>	<u>153</u>	<u>2,191</u>	<u>63,551</u>	<u>(2,227)</u>	<u>1,978,980</u>
<u>1,063,495</u>	<u>824,072</u>	<u>6,572,018</u>	<u>52,679</u>	<u>1,216,700</u>	<u>63,551</u>	<u>(2,227)</u>	<u>23,989,722</u>
-	-	1,174,957	-	-	-	-	7,795,437
-	-	4,929	-	-	-	-	377,591
-	818,268	566,319	-	-	-	-	2,342,501
-	-	902,695	-	-	-	-	937,695
<u>1,426,042</u>	<u>-</u>	<u>55,461</u>	<u>71,596</u>	<u>1,444,359</u>	<u>-</u>	<u>2,147</u>	<u>6,351,433</u>
-	-	4,213,749	-	-	-	-	4,213,749
-	-	-	-	-	-	-	1,093,949
-	-	-	-	-	-	-	660,000
-	-	-	-	-	-	-	1,166,872
-	-	-	-	-	-	-	1,856,396
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,426,042</u>	<u>818,268</u>	<u>6,918,110</u>	<u>71,596</u>	<u>1,444,359</u>	<u>-</u>	<u>2,147</u>	<u>26,795,623</u>
-	-	-	-	-	-	-	4,334,637
-	-	-	-	-	-	-	1,343,843
-	48,135	152,347	-	-	-	-	901,955
-	-	(58,000)	-	-	(39,135)	-	(901,955)
-	<u>48,135</u>	<u>94,347</u>	<u>-</u>	<u>-</u>	<u>(39,135)</u>	<u>-</u>	<u>5,678,480</u>
\$ (719,627)	\$ (113,136)	\$ (107,795)	\$ (4,750)	\$ (726,694)	\$ 3,672,237	\$ 5,190,904	\$ 17,904,355

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF FIXED ASSETS AND DEBT*
For the Year Ended June 30, 2004

	Fixed Assets/ Debt Account Groups July 1, 2003	Additions	Deletions	Fixed Assets/ Debt Account Groups June 30, 2004
FIXED ASSETS				
Land	\$ 399,483	\$ -	\$ -	\$ 399,483
Deposit on equipment	-	1,178,452	-	1,178,452
Furniture and equipment	1,491,509	259,338	-	1,750,847
Land improvements	208,602	-	-	208,602
Buildings and additions	23,423,590	197,432	-	23,621,022
Vehicles	212,342	38,135	-	250,477
Infrastructure	<u>2,181,477</u>	<u>-</u>	<u>-</u>	<u>2,181,477</u>
TOTAL FIXED ASSETS	<u>\$ 27,917,003</u>	<u>\$ 1,673,357</u>	<u>\$ -</u>	<u>\$ 29,590,360</u>
FIXED DEBTS				
Bonds payable	\$ 22,960,000	\$ 6,700,000	\$ 3,060,000	\$ 26,600,000
Other fixed liabilities	<u>479,578</u>	<u>1,698,666</u>	<u>727,007</u>	<u>1,451,237</u>
TOTAL FIXED DEBTS	<u>\$ 23,439,578</u>	<u>\$ 8,398,666</u>	<u>\$ 3,787,007</u>	<u>\$ 28,051,237</u>

* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2004.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
For the Year Ended June 30, 2004

	<u>Education Fund*</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
OPERATING REVENUES BY SOURCE			
Local government:			
Current taxes	\$ 2,635,280	\$ 640,564	\$ 3,275,844
Chargeback revenue	<u>25,815</u>	<u>-</u>	<u>25,815</u>
Total local government	<u>2,661,095</u>	<u>640,564</u>	<u>3,301,659</u>
State government:			
ICCB base operating grant	1,763,054	137,740	1,900,794
ICCB equalization grant	1,484,194	94,736	1,578,930
ICCB small college grant	56,400	3,600	60,000
ICCB additional designated grant	46,585	2,973	49,558
Corporate personal property replacement tax	163,038	7,504	170,542
Board of Vocational Education and Rehabilitation	<u>113,471</u>	<u>-</u>	<u>113,471</u>
Total state government	<u>3,626,742</u>	<u>246,553</u>	<u>3,873,295</u>
Student tuition and fees:			
Tuition	4,111,374	241,353	4,352,727
Fees	<u>504,667</u>	<u>-</u>	<u>504,667</u>
Total tuition and fees	<u>4,616,041</u>	<u>241,353</u>	<u>4,857,394</u>
Other sources:			
Facilities revenue		5,580	5,580
Interest	7,900	5,384	13,284
Other	<u>43,953</u>	<u>5,652</u>	<u>49,605</u>
Total other sources	<u>51,853</u>	<u>16,616</u>	<u>68,469</u>
TOTAL REVENUE	<u>\$ 10,955,731</u>	<u>\$ 1,145,086</u>	<u>\$ 12,100,817</u>

* Excludes State of Illinois SURS on-behalf payments.

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES
For the Year Ended June 30, 2004

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
OPERATING EXPENDITURES			
By program:			
Instruction	\$ 6,923,830	\$ -	\$ 6,923,830
Academic support	372,662	-	372,662
Student services	957,914	-	957,914
Public services	35,000	-	35,000
Institutional support **	3,075,081	146,961	3,222,042
Operation and maintenance of plant	-	1,105,720	1,105,720
	<u>11,364,487</u>	<u>1,252,681</u>	<u>12,617,168</u>
Total expenditures			
Less nonoperating items:*			
Tuition chargeback	55,388	-	55,388
	<u>55,388</u>	<u>-</u>	<u>55,388</u>
ADJUSTED EXPENDITURES			
	<u>\$ 11,309,099</u>	<u>\$ 1,252,681</u>	<u>\$ 12,561,780</u>
BY OBJECT			
Salaries	\$ 7,342,516	\$ 473,880	\$ 7,816,396
Employee benefits **	1,022,736	-	1,022,736
Contractual services	1,196,059	91,251	1,287,310
General materials and supplies	814,344	53,311	867,655
Conference and meeting expense	223,728	6,322	230,050
Fixed charges	180,920	52,108	233,028
Utilities	-	539,827	539,827
Capital outlay	303,350	11,771	315,121
Other	280,834	24,211	305,045
	<u>11,364,487</u>	<u>1,252,681</u>	<u>12,617,168</u>
Total expenditures			
Less nonoperating items:*			
Tuition chargeback	55,388	-	55,388
	<u>55,388</u>	<u>-</u>	<u>55,388</u>
ADJUSTED EXPENDITURES			
	<u>\$ 11,309,099</u>	<u>\$ 1,252,681</u>	<u>\$ 12,561,780</u>

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
For the Year Ended June 30, 2004

REVENUE BY SOURCE

Local government:

District 205 Parent Teaching	\$ 16,784
East Central Training	22,016
Bright Futures	20,620
Economic Development - local	71,062
Prevention Initiative	54,908
Lamoine Valley Health	26,916
Other	<u>29,382</u>
 Total local government	 <u>241,688</u>

State government:

ICCB:

Educational Technology Grant	20,974
Workforce Development Component Grants	154,349
P-16 Initiative Grant	15,000
State Adult Education Restricted Funds Grants	183,902
Career and Technical Education Program Improvement Grant	12,382
Henry C. Hill	129,433
DOC Henry C. Hill Prison	279,768
Illinois Incentive for Access	96,750
Community Literacy	49,548
Family Literacy	32,014
RSVP	34,013
Other	<u>1,400</u>
 Total state government	 <u>1,009,533</u>

Federal government:

College Work Study Grants	83,121
Pell Grants	3,248,381
Supplemental Educational Opportunity Grant	50,425
Federal Adult Basic	110,158
Federal Adult EL/Civics	18,875
Trio- Student Support Services	139,458
Direct Loans	729,041
Carl Perkins	289,381
RSVP	76,426
Upward Bound	156,745
Congressional Support Grant	(29,463)
Paraprofessional Test Prep. Course	13,200
Continuous Quality Improvement Grant	10,000

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
For the Year Ended June 30, 2004

REVENUE BY SOURCE (CONTINUED)

Federal government (continued):	
Performance Enhancement Grant	\$ 10,000
Career and Technical Education Grant	15,000
Child Care CCAMPIS	14,795
Other	<u>10,641</u>
Total federal government	<u>4,946,184</u>
Other sources	<u>374,613</u>

TOTAL RESTRICTED PURPOSES FUND REVENUES \$ 6,572,018

EXPENDITURES BY PROGRAM

Instruction	\$ 1,174,957
Academic support	4,929
Student services	566,319
Public services	902,695
Institutional support	55,461
Scholarships, student grants, and waivers	<u>4,213,749</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY PROGRAM \$ 6,918,110

EXPENDITURES BY OBJECT

Salaries	\$ 1,451,145
Employee benefits	211,265
Contractual services	122,023
General materials and supplies	451,973
Travel, conference and meeting expense	75,258
Student financial aid	4,213,749
Fixed charges	35,922
Utilities	6,862
Capital outlay	45,460
Other	<u>304,453</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY OBJECT \$ 6,918,110

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
For the Year Ended June 30, 2004

INSTRUCTIONAL		
Programs		\$ 7,255,904
Support		<u>539,533</u>
Total instructional		<u>7,795,437</u>
 PUBLIC SERVICES		 <u>937,695</u>
 ACADEMIC SUPPORT		
Learning Resource Center		259,939
Administration		<u>117,652</u>
Total academic support		<u>377,591</u>
 STUDENT SERVICES SUPPORT		
Admissions and records		182,992
Counseling and career guidance		623,156
Other student services support		<u>718,085</u>
Total student services support		<u>1,524,233</u>
 AUXILIARY SERVICES		 <u>818,268</u>
 OPERATIONS AND MAINTENANCE OF PLANT		
Operations and maintenance administration		38,998
Plant utilities		540,222
Other operations and maintenance		<u>514,729</u>
Total operations and maintenance of plant		<u>1,093,949</u>
 INSTITUTIONAL SUPPORT		
Board of Trustees		61,482
General institutional support **		3,737,745
Administrative data processing		720,212
Other institutional support		<u>274,019</u>
Total institutional support		<u>4,793,458</u>

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
For the Year Ended June 30, 2004

CAPITAL OUTLAY	\$ <u>315,121</u>
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	<u>4,213,749</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 21,869,501</u></u>

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

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

CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518
CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)
For the Year Ended June 30, 2004

**NONCAPITAL OPERATING EXPENDITURES FROM
THE FOLLOWING FUNDS**

1	Education Fund *	\$ 11,061,137	
2	Operations and Maintenance Fund	1,240,910	
3	Bond and Interest Fund	3,240,362	
4	Restricted Purposes Fund	6,872,650	
5	Audit Fund	71,596	
6	Liability, Protection, and Settlement Fund	<u>1,444,359</u>	
7	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-6)		<u>\$ 23,931,014</u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 644,379</u>	
9	TOTAL COSTS INCLUDED (line 7 plus line 8)		<u>\$ 24,575,393</u>
10	Total certified semester credit hours for FY 2004	<u>71,755.8</u>	
11	PER CAPITA COST (line 9 divided by line 10)		\$ 342.49
12	All FY 2004 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 8,637,368</u>	
13	FY 2004 state and federal grants per semester credit hour (line 12 divided by line 10)		120.37
14	District's average ICCB grant rate (excluding equalization grants) for FY 2004		34.79
15	District's student tuition and fee rate per semester credit hour for FY 2004		<u>75.00</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)		<u>\$ 112.33</u>

Approved: _____ Date _____
Chief Fiscal Officer

Approved: _____ Date _____
Chief Executive Officer

* Excludes State of Illinois on-behalf payment.