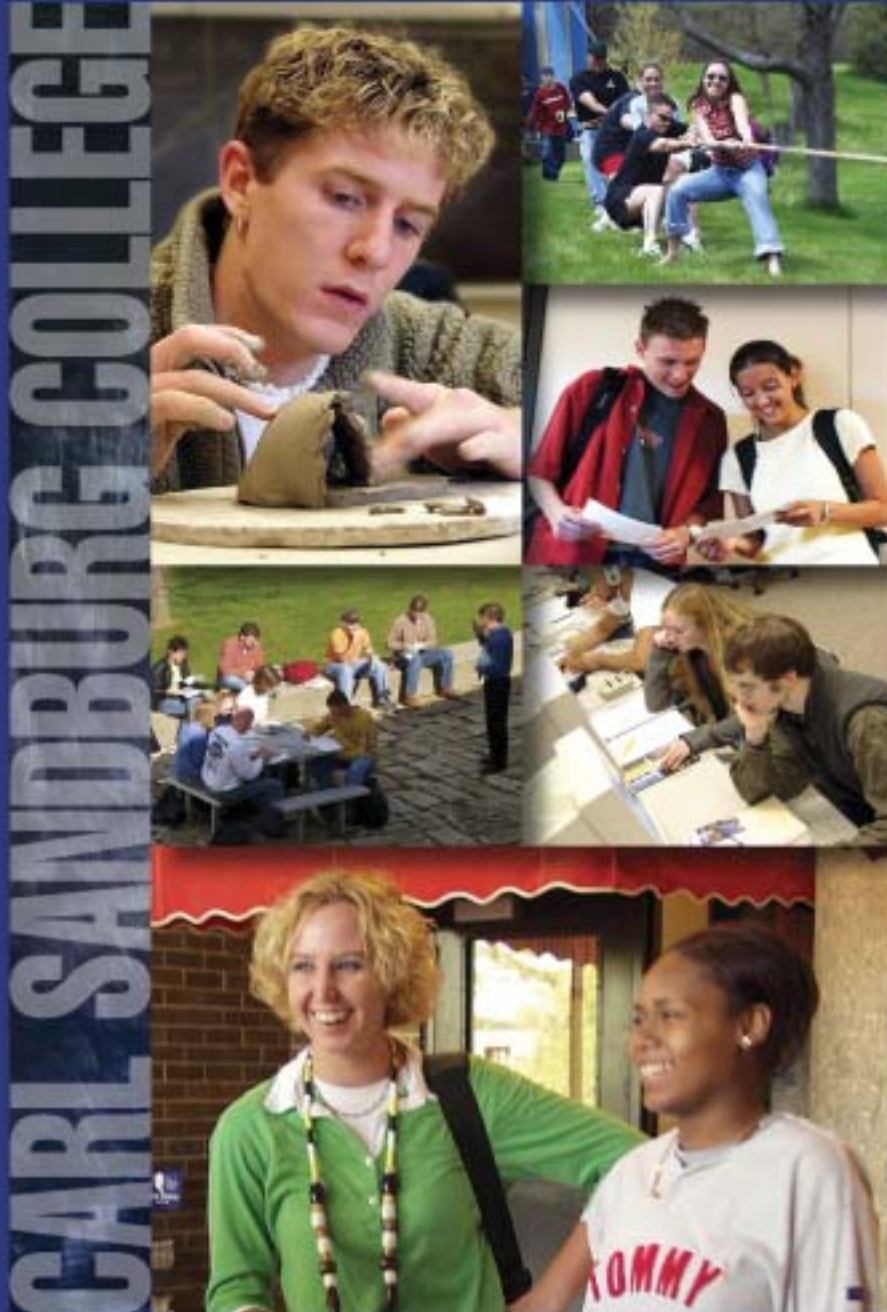




# Carl Sandburg College

## 2003 Comprehensive Annual Financial Report



Fiscal year ended June 30, 2003 • 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, 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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**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
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**President's Letter**

August 11, 2003

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 2003. This document presents the record of the College's financial operations for the year just ended.

This year, the College put into action the implementation of new financial statement preparation and reporting changes established by the Governmental Accounting Standards Board. We have made many improvements to our presentation based on new information, clearer understanding and interpretation of requirements, and on recommendations from both the Government Accounting Standards Board and Government Finance Officers Association. In fiscal year ending in 2003, colleges and universities similar to us will be required to prepare their financial statements on a comprehensive single column basis and must include management's discussion and analysis of current activities, facts, and resulting changes.

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, 58 percent are women and 76 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 12,947 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

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# Carl Sandburg College

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

## Transmittal Letter

August 11, 2003

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

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2003, 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 3-10), 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 and purpose of these changes are addressed in the notes to the financial statements and reflect on and explain the effect and results of these changes. We believe this new presentation will provide better information to the user of the Comprehensive Annual Financial Report (CAFR).

Illinois Community College District 518

V

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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 and an organization chart. The financial section includes the report of independent auditors, the management's discussion and analysis, the basic financial statements, notes to financial statements. 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 five years.



	<u>1999</u>	<u>2000</u>	FALL <u>2001</u>	<u>2002</u>	<u>2003*</u>
<u>Enrollment</u>					
College headcount	2739	3220	3341	4848	3259
Full-time equivalents	1541	1661	1781	1791	1921
Continuing Education	2025	1976	2423	1773	949
<u>Total Credit Hours (All Terms)</u>	57790	56490	59507	60510	67530

\* 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 reviewing the status of these goals in future reports.

## **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.

<u>Fund Group</u>	<u>Fund</u>
Current Unrestricted	Education Operations and Maintenance Auxiliary Enterprises Quasi-Endowment
Current Restricted	Bond and Interest Restricted Purposes Working Cash Audit Liability, Protection, and Settlement
Agency	Trust and Agency
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 few years.

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

<u>Fund Type</u>	<u>Maximum Authority</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>State Avg. 2000</u>
Current:						
Education	0.2057	0.2057	0.2021	0.1801	0.1841	.1963
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500	.0566
Liability, Protection and Settlement	none	0.0872	0.0680	0.0683	0.0696	.0476
Audit	0.0050	0.0041	0.0023	0.0017	0.0030	.0018
Working Cash	none					.0059
Social Security/Medicare	none	0.0076	0.0074	0.0074	0.0077	
Bond and Interest	none	0.1425	0.1423	0.1171	0.0982	.0111
Plant:						
Operations and Maintenance (Restricted) - Life Safety	0.0500	0.0071	0.0087	0.0500	0.0425	.0196
Total		0.5042	0.4808	0.4746	0.4551	.3925

Estimated assessed value of taxable property for 2002, for taxes collectible in 2003, is \$1,281,448,552.

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 but have shown gains in the last three of five years.

The College's capital improvement plan for fiscal year 2004 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.

## **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, 2003, the College's investments from current funds generated \$681,236 in investment income.

The College invests funds in a Public Fund Money Market account at Wells Fargo Bank. The College's average rate on these funds was 1.45 percent. As of June 30, 2003, investments were as follows:

Investments	<u>\$ Amount</u>	<u>Percent</u>
Wells Fargo Money Market	\$ 445,150	3.22
Liquid Asset Fund	\$ 16,450	.12
Liquid Asset Fund-MAX	\$ 414,462	3.00
ABN-AMRO	\$ 11,089,939	80.31
Certificates of Deposit	<u>\$ 1,844,000</u>	<u>13.35</u>
	\$ 13,810,001	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:

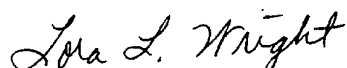
1. To shield the college from fortuitous losses caused by injury, death, damage, destruction, depletion, or undermining of its human, physical, mechanical, and intangible assets.
2. To minimize the long range cost of controlling fortuitous losses through the reduction or elimination of claims, suits, 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 2003-2004**

**Principal Officials as of July 1, 2003**

**Board of Trustees**

	<b>Position</b>	<b>Term Expires</b>
Ms. Gayla J. Pacheco	Chairperson	2004
Mr. Thomas H. Colclasure	Vice Chairperson	2004
Dr. D. Wayne Green	Secretary	2004
Mr. John T. Huston	Trustee	2004
Mr. John A. Kraus	Trustee	2004
Mr. Bruce A. Lauerman	Trustee	2004
Ms. Nancy L. Youngquist	Trustee	2004
Ms. Melissa Brown	Student Representative	2004
Ms. Lauri Wiechmann	Faculty Representative	2004
Ms. Heather Severns	Staff Representative	2004

**Officers of the College**

Mr. Thomas A. Schmidt	President
Mr. Larry Benne	Vice President of Instructional Services
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Technology Services

**Administrative Staff**

Mr. Dennis Anderson	Director of the Center for Manufacturing Excellence
Ms. Sherry Berg	Dean of Community & Extension Services
Mr. Jeff Bryan	Director of CABI
Mr. Larry Byrne	Director of Business Services
Ms. Lorraine Crawford	Director of the Extension Center
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Carol Gronewold	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	Director of Adult & Developmental Education
Ms. Carol Kreider	Director of Admissions & Records
Ms. Misty Lewis	Director of TRIO Student Support Services
Ms. Blanche Shoup	WIA Director
Ms. Annette St. Ledger	Bursar
Ms. Shelle Summers	Director of Foundation
Dr. Lori Sundberg	Dean of Human Resources/Organizational Development
Mr. Michael Walters	Dean of Learning Resource Services/Evening Administrator
Ms. Lora L. Wright	Chief Financial Officer/Treasurer

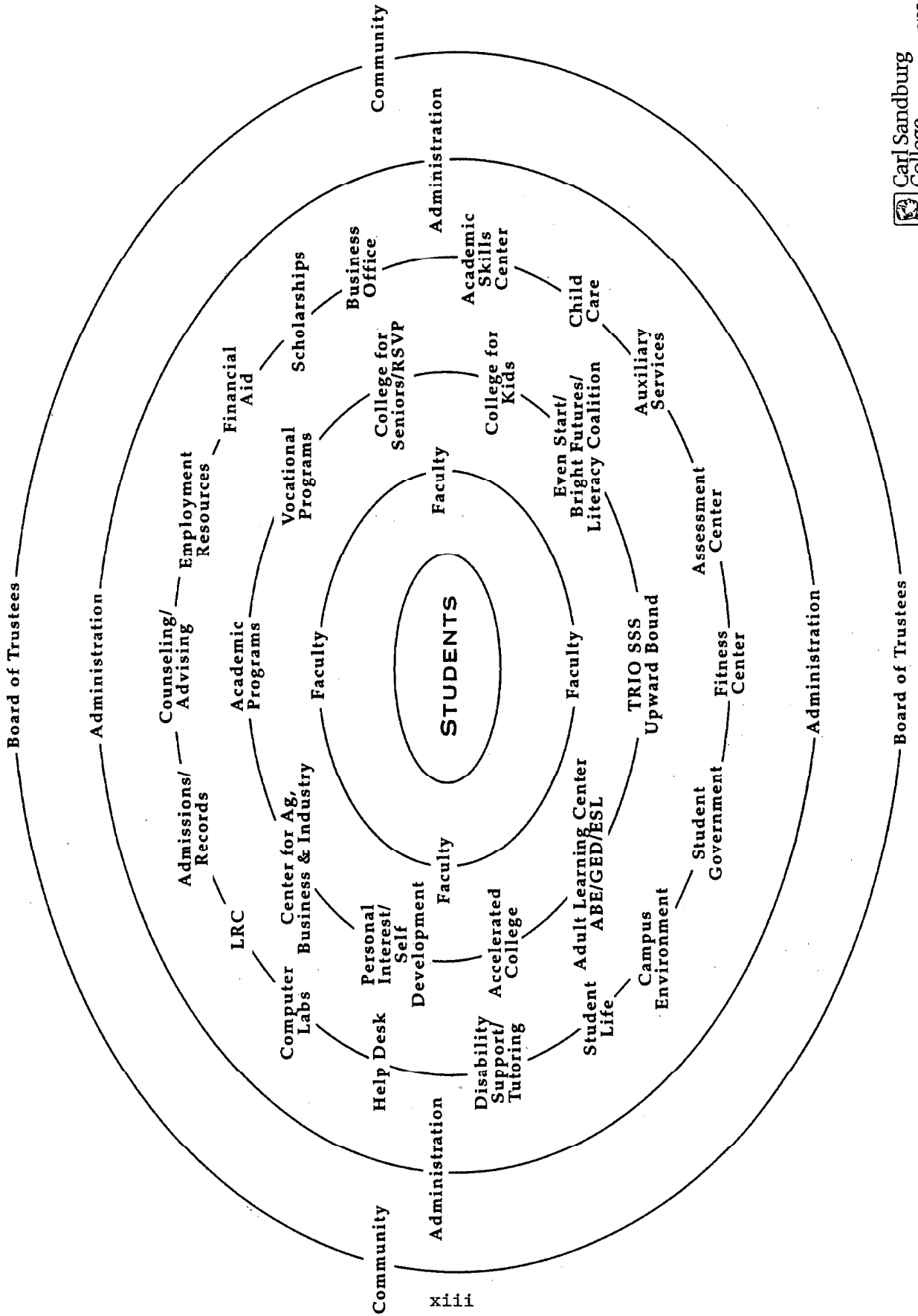
**Official Issuing Report**

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

Finance Office

# COMMUNITY COLLEGE DISTRICT 518 CARL SANDBURG COLLEGE



## **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 year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 as of June 30, 2003, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 9, the College has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, as of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 10 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 audit was performed for the purpose of forming an opinion 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 audit of the 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  
August 7, 2003

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**STATEMENT OF NET ASSETS**  
**June 30, 2003**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 2,614,657
Short-term investments	2,864,118
Property taxes receivable	6,430,432
Other receivables	1,402,717
Prepaid items	153,379
Inventories	17,650
Other assets	18,730
Total current assets	<u>13,501,683</u>
<b>NONCURRENT ASSETS</b>	
Long-term investments	9,450,146
Capital assets	27,917,003
Less accumulated depreciation	<u>(9,942,026)</u>
Total noncurrent assets	<u>27,425,123</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>40,926,806</u></b>

**TOTAL LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 583,689
Accrued liabilities	800,505
Deferred tuition and fees	248,843
Deferred property taxes	6,461,063
Other deferred revenue	469,445
Accrued compensated absences, current portion	175,031
Bonds payable, current portion	660,000
Other long-term obligations, current portion	124,348
Total current liabilities	<u>9,522,924</u>
<b>NONCURRENT LIABILITIES</b>	
Accrued compensated absences, noncurrent	87,515
Bonds payable, noncurrent	22,300,000
Other long-term obligations, noncurrent	92,684
Total noncurrent liabilities	<u>22,480,199</u>
Total liabilities	<u>32,003,123</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	8,218,944
Restricted for:	
Debt service	598,434
Insurance	5,195,278
Unrestricted	<u>(5,088,973)</u>
Total net assets	<u>8,923,683</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>40,926,806</u></b>

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Year Ended June 30, 2003**

**OPERATING REVENUES**

Student tuition and fees, net of scholarship allowances of \$612,099	\$ 4,556,793
Chargeback revenue	38,808
Auxiliary enterprises revenue	387,125
Other operating revenues	549,101
Total operating revenue	<u>5,531,827</u>

**OPERATING EXPENSES**

Instruction	11,108,456
Academic support	516,749
Student services	2,035,528
Public services	1,184,265
General administration	419,031
Institutional support	6,717,560
Operation and maintenance of plant	952,691
Scholarships, student grants, and waivers	3,482,752
Depreciation	1,057,268
Total operating expenses	<u>27,474,300</u>
Operating loss	<u>(21,942,473)</u>

**NONOPERATING REVENUES**

State grants	5,811,875
Property taxes	6,044,239
Personal property replacement tax	151,663
Federal grants	8,495,096
Local grants	326,923
Investment income	1,101,335
Other nonoperating revenues	838,223
Nonoperating revenues	<u>22,769,354</u>

**NONOPERATING EXPENSES**

Interest expense	<u>1,556,332</u>
Net nonoperating revenues	<u>21,213,022</u>
Loss before capital items	(729,451)

**STATE CAPITAL GRANTS**

3,735,826

**INCREASE IN NET ASSETS**

3,006,375

**NET ASSETS**

Beginning of year, as previously reported as fund equity	43,772,266
Cumulative effect of changes in accounting principles	<u>(37,854,958)</u>
Beginning of year, as restated	<u>5,917,308</u>
End of year	<u>\$ 8,923,683</u>

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2003**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ 4,636,695
Payments to suppliers	(9,278,696)
Payments to employees	(12,609,079)
Payments to students for scholarships	(3,482,752)
Auxiliary enterprise charges	387,125
Other	<u>574,721</u>
Net cash used in operating activities	<u>(19,771,986)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Proceeds from property taxes	4,655,939
Proceeds from grants	14,231,489
Other nonoperating income	<u>(95,959)</u>
Net cash provided by noncapital financing activities	<u>18,791,469</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of capital assets	(2,893,544)
Principal paid on bonds payable	(605,000)
Interest paid on bonds payable and other long-term obligations	(1,187,057)
Principal paid on other long-term obligations	<u>(96,931)</u>
Net cash used in capital and related financing activities	<u>(4,782,532)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	691,042
Proceeds from maturities of investment securities	4,363,000
Purchases of investment securities	<u>(3,218,000)</u>
Net cash provided by investing activities	<u>1,836,042</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (3,927,007)

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>6,541,664</u>
End of year	<u><u>\$ 2,614,657</u></u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2003**

<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>	
<b>USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (21,942,473)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,057,268
State on-behalf payments for fringe benefits	815,733
Loss on disposal of capital assets	7,398
Changes in assets and liabilities:	
Receivables	32,108
Other assets	(13,886)
Accounts payable	219,739
Accrued liabilities	(48,665)
Accrued compensated absences	59,698
Deferred tuition and fees	<u>41,094</u>
 <b>NET CASH USED IN OPERATING ACTIVITIES</b>	 <b><u>\$ (19,771,986)</u></b>
 <b>NONCASH INVESTING, CAPITAL, AND FINANCIAL</b>	
Increase in fair value of investments	<u>\$ 410,293</u>
 <b>STATE CAPITAL GRANTS</b>	 <b><u>\$ 3,735,826</u></b>

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 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 following is a summary of the more significant policies:

**Reporting Entity**

The accompanying financial statements include all entities for which the Board of Trustees of the College has financial accountability. Financial accountability is defined by the Governmental Accounting Standards Board (GASB) as set forth below.

In defining the financial reporting entity, the College has considered whether there are any potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the GASB, *The Financial Reporting Entity*. The primary criterion for including a potential component unit within the reporting entity is the financial accountability that the elected officials of the primary government have for the component unit. The criteria used in assessing financial accountability consist of (1) the primary government is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government, and (2) the primary government may be financially accountable if the organization is fiscally dependent. Fiscal dependency is determined if a component unit possesses one or more of the following characteristics: (1) it is unable to determine its budget without having the primary government approve or modify the budget, (2) it is unable to levy taxes or set rates or charges without approval by the primary government, or (3) it is unable to issue debt without approval of the primary government.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

Using these criteria, the Carl Sandburg College Foundation (Foundation) is not included in the accompanying financial statements. The governing Board of Directors is not appointed by the College Board of Trustees; rather, they are elected annually by all Foundation Board members. The Foundation is solely responsible for its fiscal matters.

In addition, 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.

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.



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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 2002 are allocated and will be recognized as revenue in fiscal year 2004.

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.

**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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 and improvements	10
Vehicles	3

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Tuition and Fee Revenue**

Tuition and fee revenues received and related to the period after June 30, 2003 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**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.

**Classification of Revenues**

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. 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.

**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 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 year 2003, the State made a contribution of \$913,100.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 - 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.

**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.

**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, 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.

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

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**Investments**

Investments at June 30, 2003 comprise the following:

	<b><u>Fair Value</u></b>
Certificates of deposit	\$ 1,844,000
Municipal bonds	9,662,786
U.S. Government agency securities	807,478
Illinois Funds	491,151
Illinois School District Liquid Asset Fund	<u>430,912</u>
	<b><u>\$ 13,236,327</u></b>

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.

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.

A reconciliation of cash and investments as shown on the statement of net assets follows:

Petty cash	\$ 2,530
Carrying amount of cash deposits	1,690,064
Carrying amount of cash equivalents and investments	<u>13,236,327</u>
	<b><u>\$ 14,928,921</u></b>
Cash and cash equivalents	\$ 2,614,657
Short-term investments	2,864,118
Long-term investments	<u>9,450,146</u>
	<b><u>\$ 14,928,921</u></b>

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

**NOTE 3 - CAPITAL ASSETS**

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>
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 and improvements	767,796	142,027	-	1,287	(303,025)	608,085
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>
<b>Total cost</b>	<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>Deletions Due to Change in Capitalization Policy</u>	<u>Transfers</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>-</u>	<u>-</u>	<u>128,759</u>
<b>Total accumulated depreciation</b>	<u>\$ 8,884,758</u>	<u>\$ 1,057,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,942,026</u>

**NOTE 4 - LONG-TERM DEBT**

The following is a summary of the College's long-term debt transactions for the year ended June 30, 2003:

	<u>Balance June 30, 2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2003</u>	<u>Current Portion</u>	<u>Long-term 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>
<b>Totals</b>	<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>

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

**NOTE 4 - LONG-TERM DEBT (CONTINUED)**

- 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. 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:			
2004	\$ 135,000	\$ 30,485	\$ 165,485
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>
<b>Totals</b>	<u>\$ 580,000</u>	<u>\$ 78,775</u>	<u>\$ 658,775</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. 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:			
2004	\$ 40,000	\$ 145,030	\$ 185,030
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
2009-2011	<u>1,770,000</u>	<u>143,048</u>	<u>1,913,048</u>
<b>Totals</b>	<u>\$ 3,395,000</u>	<u>\$ 747,426</u>	<u>\$ 4,142,426</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). 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:			
2004	\$ -	\$ 345,320	\$ 345,320
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
2009-2013	2,685,000	1,405,040	4,090,040
2014-2016	<u>3,530,000</u>	<u>302,450</u>	<u>3,832,450</u>
<b>Totals</b>	<u>\$ 6,510,000</u>	<u>\$ 3,421,316</u>	<u>\$ 9,931,316</u>

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

**NOTE 4 - LONG-TERM DEBT (CONTINUED)**

- 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). 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:			
2004	\$ -	\$ 394,040	\$ 394,040
2005	-	394,040	394,040
2006	-	394,040	394,040
2007	55,000	394,040	449,040
2008	70,000	390,878	460,878
2009-2013	550,000	1,884,238	2,434,238
2014-2018	3,310,000	1,590,757	4,900,757
2019-2020	<u>3,115,000</u>	<u>262,045</u>	<u>3,377,045</u>
<b>Totals</b>	<b><u>\$ 7,100,000</u></b>	<b><u>\$ 5,704,078</u></b>	<b><u>\$ 12,804,078</u></b>

- 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. 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:			
2004	\$ 355,000	\$ 8,938	\$ 363,938
2005	<u>150,000</u>	<u>2,250</u>	<u>152,250</u>
<b>Totals</b>	<b><u>\$ 505,000</u></b>	<b><u>\$ 11,188</u></b>	<b><u>\$ 516,188</u></b>

- 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. 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:			
2004	\$ 130,000	\$ 230,810	\$ 360,810
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
2009-2013	1,765,000	779,300	2,544,300
2014-2017	<u>2,095,000</u>	<u>263,515</u>	<u>2,358,515</u>
<b>Totals</b>	<b><u>\$ 4,870,000</u></b>	<b><u>\$ 2,119,465</u></b>	<b><u>\$ 6,989,465</u></b>

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

**NOTE 4 - LONG-TERM DEBT (CONTINUED)**

- g. 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, 2003, the College has \$1,705,000 of the debt certificates outstanding which are considered defeased.
- h. The College has capital lease agreements, discounted at 7.5 percent, financing copiers with a total cost of \$420,534. These agreements are due in monthly installments 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:			
2004	\$ 90,452	\$ 10,667	\$ 101,119
2005	47,746	5,332	53,078
2006	38,216	1,749	39,965
2007	<u>6,722</u>	<u>148</u>	<u>6,870</u>
<b>Totals</b>	<b><u>\$ 183,136</u></b>	<b><u>\$ 17,896</u></b>	<b><u>\$ 201,032</u></b>

The annual requirements to amortize all debt outstanding as of June 30, 2003, 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>
2004	\$ 660,000	\$ 90,452	\$ 175,031	\$ 33,896	\$ 959,379	\$ 1,165,290	\$ 2,124,669
2005	735,000	47,746	87,515	-	870,261	1,134,532	2,004,793
2006	825,000	38,216	-	-	863,216	1,098,342	1,961,558
2007	910,000	6,722	-	-	916,722	1,059,221	1,975,943
2008	1,010,000	-	-	-	1,010,000	1,012,366	2,022,366
2009-2013	6,770,000	-	-	-	6,770,000	4,211,626	10,981,626
2014-2018	8,935,000	-	-	-	8,935,000	2,156,722	11,091,722
2019-2020	<u>3,115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,115,000</u>	<u>262,045</u>	<u>3,377,045</u>
	<b><u>\$ 22,960,000</u></b>	<b><u>\$ 183,136</u></b>	<b><u>\$ 262,546</u></b>	<b><u>\$ 33,896</u></b>	<b><u>\$ 23,439,578</u></b>	<b><u>\$ 12,100,144</u></b>	<b><u>\$ 35,539,722</u></b>

The College's legal debt limit of \$36,841,646 is based on a statutory limit of 2.875 percent of assessed valuation of \$1,281,448,552.



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

**NOTE 5 - RETIREMENT COMMITMENTS - STATE UNIVERSITY RETIREMENT SYSTEM**

**Plan Description**

The College and its employees contribute 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.

**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 11.13 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, 2003, 2002, and 2001, were \$913,100, \$783,017, and \$774,409, respectively, equal to the required contributions for each year.

**NOTE 6 - COMMITMENTS**

The College has commitments outstanding of approximately \$185,000 for various construction projects.

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:	
2004	\$ 60,978
2005	61,890
2006	62,820
2007	<u>31,644</u>
<b>Total</b>	<b><u>\$ 217,332</u></b>

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

**NOTE 6 - COMMITMENTS (CONTINUED)**

Rental expense for the year ended June 30, 2003 was \$60,078.

**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.

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 \$1,492,373 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 year ended June 30, 2003 are as follows:

	<b>Employee Health Insurance <u>2003</u></b>
Claims payable including IBNR, beginning of year	\$ 316,051
Claims expense	1,219,732
Claim payments	<u>(1,237,041)</u>
<b>Claims payable including IBNR, end of year</b>	<b><u>\$ 298,742</u></b>

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.

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

**NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLES**

Effective July 1, 2002, the College adopted Statement No. 35 of the Governmental Accounting Standards Board (GASB), *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. This statement establishes new financial statement reporting requirements for all public colleges and universities. It creates new information and restructures much of the information that is currently presented in the financial statements. Adjustments to governmental, proprietary, and fiduciary funds resulting from the change to comply with this statement are treated as adjustments of prior periods, and financial statements presented for the periods affected are restated unless restatement is not practical. In conjunction with the adoption of this pronouncement, the College increased its capitalization threshold for capital assets, which is discussed in Note 3.

As a result of the adoption of GASB Statement No. 35, the College was also required to make certain changes in accounting principles, specifically (1) adoption of depreciation on capital assets, (2) recording debt, and (3) allocating of certain summer session revenue between fiscal years rather than recording revenue in the fiscal year in which the session was predominantly conducted.

Net assets (previously fund equity) - beginning of year, as previously reported	<u>\$ 43,772,266</u>
Cumulative effect of change in accounting principles:	
Change in capitalization threshold	(4,926,725)
Adoption of depreciation for capital assets	(8,638,673)
Recording debt	(24,081,811)
Deferred revenue recognition	<u>(207,749)</u>
Total cumulative effect	<u>(37,854,958)</u>
<b>Net assets - beginning of year, as restated</b>	<b><u>\$ 5,917,308</u></b>

**NOTE 10 - FUTURE CHANGE IN ACCOUNTING PRINCIPLES**

In May 2002, GASB issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement amends 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. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Required implementation of this new Statement will be effective for the College's fiscal year ending June 30, 2004. The impact of adopting this statement has not yet been determined.

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, 2003

	<u>General Fund</u>		<u>Special Revenue Funds</u>			
	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 24,498	\$ 302,529	\$ 83,489	\$ 14,458	\$ 248,037	\$ -
Investments	-	-	21,000	-	-	2,126,191
Receivables:						
Property taxes	2,623,442	637,687	-	52,290	-	-
Government claims and grants	40,182	-	-	-	15,561	-
Other	835,788	55,637	304,075	-	-	11,448
Due from other funds	1,372,076	25,193	3,655	-	-	1,817,386
Prepaid items	153,379	-	-	-	-	-
Inventories	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 5,049,365</u></b>	<b><u>\$ 1,021,046</u></b>	<b><u>\$ 412,219</u></b>	<b><u>\$ 66,748</u></b>	<b><u>\$ 263,598</u></b>	<b><u>\$ 3,955,025</u></b>
<b>LIABILITIES AND FUND EQUITY (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 177,288	\$ 3,915	\$ 98,513	\$ -	\$ 72,426	\$ -
Accrued liabilities	12,421	2,876	75,452	42	-	-
Deferred revenue:						
Property taxes	2,635,940	640,724	-	52,539	-	-
Other	47,385	-	15,000	-	80,914	-
Due to other funds	1,818,351	643	79,304	-	86,985	307,204
Total liabilities	<u>4,691,385</u>	<u>648,158</u>	<u>268,269</u>	<u>52,581</u>	<u>240,325</u>	<u>307,204</u>
<b>FUND EQUITY (DEFICIT)</b>						
Retained earnings (deficit):						
Reserved for insurance	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-
Fund balance:						
Reserved for encumbrances	995	-	-	-	-	-
Unreserved	356,985	372,888	143,950	14,167	23,273	3,647,821
Total fund equity (deficit)	<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>
<b>TOTAL LIABILITIES AND FUND EQUITY (DEFICIT)</b>	<b><u>\$ 5,049,365</u></b>	<b><u>\$ 1,021,046</u></b>	<b><u>\$ 412,219</u></b>	<b><u>\$ 66,748</u></b>	<b><u>\$ 263,598</u></b>	<b><u>\$ 3,955,025</u></b>

<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>			<u>Internal Service Funds</u>			<u>Totals</u>
	<u>Bond and Interest Fund</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise Fund</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	
\$ 309,162	\$ 604,216	\$ 661,881	\$ 37,892	\$ -	\$ 5,009	\$ 323,486	\$ 2,614,657
-	-	5,230,905	-	-	123,000	4,813,168	12,314,264
1,817,407	90,552	-	-	-	1,209,054	-	6,430,432
-	-	-	-	-	-	-	55,743
-	40	71,683	7,822	19,028	892	40,561	1,346,974
307,204	-	-	9,795	-	47,301	-	3,582,610
-	-	-	-	-	-	-	153,379
-	-	-	17,650	-	-	-	17,650
-	-	-	48,647	-	-	-	48,647
-	-	-	-	-	667	18,063	18,730
<u>\$ 2,433,773</u>	<u>\$ 694,808</u>	<u>\$ 5,964,469</u>	<u>\$ 121,806</u>	<u>\$ 19,028</u>	<u>\$ 1,385,923</u>	<u>\$ 5,195,278</u>	<u>\$ 26,583,086</u>
\$ -	\$ 189,633	\$ -	\$ 35,421	\$ -	\$ 6,493	\$ -	\$ 583,689
9,275	153	-	29,609	298,742	2,660	-	431,230
1,826,064	90,983	-	-	-	1,214,813	-	6,461,063
-	-	326,146	-	-	-	-	469,445
-	308,698	19,216	223,851	77,366	660,992	-	3,582,610
<u>1,835,339</u>	<u>589,467</u>	<u>345,362</u>	<u>288,881</u>	<u>376,108</u>	<u>1,884,958</u>	<u>-</u>	<u>11,528,037</u>
-	-	-	-	-	-	5,195,278	5,195,278
-	-	-	(167,075)	(357,080)	(499,035)	-	(1,023,190)
-	-	-	-	-	-	-	995
598,434	105,341	5,619,107	-	-	-	-	10,881,966
<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>\$ 2,433,773</u>	<u>\$ 694,808</u>	<u>\$ 5,964,469</u>	<u>\$ 121,806</u>	<u>\$ 19,028</u>	<u>\$ 1,385,923</u>	<u>\$ 5,195,278</u>	<u>\$ 26,583,086</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES  
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES**

**For the Year Ended June 30, 2003**

	<u>General Fund</u>		<u>Special Revenue Funds</u>			
	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
<b>REVENUES</b>						
Local government	\$ 2,579,450	\$ 628,561	\$ 326,923	\$ 28,914	\$ -	\$ -
State government	4,151,313	225,958	1,548,604	-	-	-
Federal government	-	-	5,004,251	-	4,061,067	-
Student tuition and fees	3,947,518	258,624	265,619	-	-	-
Sales and service fees	-	-	-	-	-	-
Interest	9,975	2,720	2,780	106	1,023	93,840
Net increase in fair value of investments	-	-	-	-	-	(2,847)
Other	29,766	7,488	235,838	-	47,160	-
<b>Total revenues</b>	<u>10,718,022</u>	<u>1,123,351</u>	<u>7,384,015</u>	<u>29,020</u>	<u>4,109,250</u>	<u>90,993</u>
<b>EXPENDITURES/EXPENSES</b>						
Current:						
Instruction	6,302,353	-	1,254,190	-	3,638,257	-
Academic support	347,216	-	169,533	-	-	-
Student services	705,159	-	595,209	-	-	-
Public services	37,988	-	1,146,277	-	-	-
General administration	-	-	-	-	470,715	-
Institutional support	3,694,339	165,029	32,358	44,138	-	-
Operation and maintenance of plant	-	941,355	-	-	-	-
Scholarships, student grants, and waivers	-	-	4,094,851	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and service charges	-	-	-	-	-	-
Capital outlay:						
Building construction, building improvements, and equipment	28,402	46,189	-	-	-	-
<b>Total expenditures/expenses</b>	<u>11,115,457</u>	<u>1,152,573</u>	<u>7,292,418</u>	<u>44,138</u>	<u>4,108,972</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures/expenses	<u>(397,435)</u>	<u>(29,222)</u>	<u>91,597</u>	<u>(15,118)</u>	<u>278</u>	<u>90,993</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	687,194	166,978	6,659	-	-	-
Transfers out	(57,637)	-	(6,659)	-	-	(128,190)
<b>Total other financing sources (uses)</b>	<u>629,557</u>	<u>166,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,190)</u>

<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>			<u>Internal Service Funds</u>			<u>Totals</u>
	<u>Bond and Interest Fund</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise Fund</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	
\$ 1,788,883	\$ 109,369	\$ -	\$ -	\$ -	\$ 947,870	\$ -	\$ 6,409,970
-	3,773,489	-	-	-	-	-	9,699,364
-	-	28,454	13,423	-	-	-	9,107,195
-	-	-	177,810	-	-	-	4,649,571
-	-	-	387,125	549,101	-	-	936,226
21,561	13,562	325,639	395	9,755	5,106	194,774	681,236
-	-	302,922	-	-	-	120,024	420,099
-	116,950	-	127,906	225,814	47,301	-	838,223
<u>1,810,444</u>	<u>4,013,370</u>	<u>657,015</u>	<u>706,659</u>	<u>784,670</u>	<u>1,000,277</u>	<u>314,798</u>	<u>32,741,884</u>
-	-	-	-	-	-	-	11,194,800
-	-	-	-	-	-	-	516,749
-	-	-	755,163	-	-	-	2,055,531
-	-	-	-	-	-	-	1,184,265
-	-	-	-	-	-	-	470,715
4,907	150,282	752	-	1,219,732	1,411,726	2,167	6,725,430
-	11,336	-	-	-	-	-	952,691
-	-	-	-	-	-	-	4,094,851
605,000	-	-	-	-	-	-	605,000
1,187,057	-	-	-	-	-	-	1,187,057
-	6,460,565	-	-	-	-	-	6,535,156
<u>1,796,964</u>	<u>6,622,183</u>	<u>752</u>	<u>755,163</u>	<u>1,219,732</u>	<u>1,411,726</u>	<u>2,167</u>	<u>35,522,245</u>
<u>13,480</u>	<u>(2,608,813)</u>	<u>656,263</u>	<u>(48,504)</u>	<u>(435,062)</u>	<u>(411,449)</u>	<u>312,631</u>	<u>(2,780,361)</u>
(1,715,706)	1,601,641	-	63,801	-	287,568	-	2,813,841
-	(199,238)	(460,381)	-	-	-	(246,030)	(2,813,841)
<u>(1,715,706)</u>	<u>1,402,403</u>	<u>(460,381)</u>	<u>63,801</u>	<u>-</u>	<u>287,568</u>	<u>(246,030)</u>	<u>-</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES  
IN FUND EQUITY (DEFICIT) - ALL FUND TYPES**

**For the Year Ended June 30, 2003**

	<u>General Fund</u>		<u>Special Revenue Funds</u>			
	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Restricted Purpose</u>	<u>Audit</u>	<u>Workforce Investment Act</u>	<u>Nonexpendable Trust</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	\$ 232,122	\$ 137,756	\$ 91,597	\$ (15,118)	\$ 278	\$ (37,197)
<b>FUND EQUITY (DEFICIT) AT BEGINNING OF YEAR</b>	<u>125,858</u>	<u>235,132</u>	<u>52,353</u>	<u>29,285</u>	<u>22,995</u>	<u>3,685,018</u>
<b>FUND EQUITY (DEFICIT) AT END OF YEAR</b>	<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>



<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>		<u>Internal Service Funds</u>				
<u>Bond and Interest Fund</u>	<u>Operations and Maintenance (Restricted)</u>	<u>Capital Endowment</u>	<u>Enterprise Fund</u>	<u>Employee Insurance</u>	<u>Liability, Protection, and Settlement</u>	<u>Insurance Reserve</u>	<u>Totals</u>
\$ (1,702,226)	\$ (1,206,410)	\$ 195,882	\$ 15,297	\$ (435,062)	\$ (123,881)	\$ 66,601	\$ (2,780,361)
<u>2,300,660</u>	<u>1,311,751</u>	<u>5,423,225</u>	<u>(182,372)</u>	<u>77,982</u>	<u>(375,154)</u>	<u>5,128,677</u>	<u>17,835,410</u>
<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>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**EDUCATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local government:			
Property taxes	\$ 2,549,370	\$ 2,540,642	\$ (8,728)
Chargeback revenue	<u>50,000</u>	<u>38,808</u>	<u>(11,192)</u>
Total local government	<u>2,599,370</u>	<u>2,579,450</u>	<u>(19,920)</u>
State government:			
ICCB base operating grant	1,706,930	1,805,818	98,888
ICCB equalization grant	1,108,000	1,166,360	58,360
ICCB small college grant	53,490	56,400	2,910
ICCB additional designated grant	-	58,752	58,752
Corporate personal property replacement tax Board of Vocational Education and Rehabilitation	192,000	144,080	(47,920)
State of Illinois SURS on-behalf payments	137,450	104,170	(33,280)
Total state government	<u>792,310</u>	<u>815,733</u>	<u>23,423</u>
Total state government	<u>3,990,180</u>	<u>4,151,313</u>	<u>161,133</u>
Student tuition and fees	<u>3,529,620</u>	<u>3,947,518</u>	<u>417,898</u>
Interest	<u>37,330</u>	<u>9,975</u>	<u>(27,355)</u>
Miscellaneous - other	<u>18,350</u>	<u>29,766</u>	<u>11,416</u>
Total revenues	<u>10,174,850</u>	<u>10,718,022</u>	<u>543,172</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	4,962,180	4,840,304	121,876
Employee benefits	-	7,322	(7,322)
Contractual services	924,500	1,160,365	(235,865)
General materials and supplies	230,000	162,108	67,892
Conference and meeting expense	108,310	128,522	(20,212)
Fixed charges	450	384	66
Utilities	170	-	170
Other	4,280	3,348	932
Total instruction	<u>6,229,890</u>	<u>6,302,353</u>	<u>(72,463)</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**EDUCATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED)</b>			
Academic support:			
Salaries	\$ 250,310	\$ 232,054	\$ 18,256
Contractual services	37,820	33,452	4,368
General materials and supplies	89,350	79,040	10,310
Conference and meeting expense	3,140	2,670	470
Other	360	-	360
	<u>380,980</u>	<u>347,216</u>	<u>33,764</u>
Total academic support			
Student services:			
Salaries	607,510	650,916	(43,406)
Employee benefits	-	8,000	(8,000)
Contractual services	8,660	8,160	500
General materials and supplies	29,320	22,139	7,181
Conference and meeting expense	21,860	15,859	6,001
Fixed charges	370	85	285
Other	220	-	220
	<u>667,940</u>	<u>705,159</u>	<u>(37,219)</u>
Total student services			
Public services:			
Salaries	23,600	27,540	(3,940)
Contractual services	450	2,291	(1,841)
General materials and supplies	23,930	6,400	17,530
Conference and meeting expense	360	81	279
Fixed charges	170	-	170
Other	180	1,676	(1,496)
	<u>48,690</u>	<u>37,988</u>	<u>10,702</u>
Total public services			
Institutional support:			
Salaries	890,450	931,759	(41,309)
Employee benefits	1,633,510	1,575,745	57,765
Contractual services	71,730	84,831	(13,101)
General materials and supplies	431,240	488,821	(57,581)
Conference and meeting expense	77,050	62,214	14,836
Fixed charges	29,630	36,130	(6,500)
Other	281,100	514,839	(233,739)
	<u>3,414,710</u>	<u>3,694,339</u>	<u>(279,629)</u>
Total institutional support			

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**EDUCATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED)</b>			
Capital outlay	\$ 24,800	\$ 28,402	\$ (3,602)
Total expenditures	<u>10,767,010</u>	<u>11,115,457</u>	<u>(348,447)</u>
Deficiency of revenues over expenditures	<u>(592,160)</u>	<u>(397,435)</u>	<u>194,725</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	592,160	687,194	95,034
Transfers out	<u>-</u>	<u>(57,637)</u>	<u>(57,637)</u>
Total other financing sources	<u>592,160</u>	<u>629,557</u>	<u>37,397</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	232,122	<u>\$ 232,122</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u>125,858</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 357,980</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**OPERATIONS AND MAINTENANCE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local government:			
Property taxes	\$ 630,720	\$ 628,561	\$ (2,159)
State government:			
ICCB base operating grant	132,720	140,327	7,607
ICCB equalization grant	70,720	74,448	3,728
ICCB small college grant	3,410	3,600	190
Corporate personal property replacement tax	<u>10,000</u>	<u>7,583</u>	<u>(2,417)</u>
Total state government	<u>216,850</u>	<u>225,958</u>	<u>9,108</u>
Student tuition and fees	<u>237,020</u>	<u>258,624</u>	<u>21,604</u>
Interest	<u>13,880</u>	<u>2,720</u>	<u>(11,160)</u>
Other:			
Rent	3,000	4,248	1,248
Miscellaneous	<u>4,650</u>	<u>3,240</u>	<u>(1,410)</u>
Total other revenue	<u>7,650</u>	<u>7,488</u>	<u>(162)</u>
Total revenues	<u>1,106,120</u>	<u>1,123,351</u>	<u>17,231</u>
<b>EXPENDITURES</b>			
Institutional support:			
Salaries	8,000	8,003	(3)
Contractual services	23,570	303	23,267
General materials and supplies	570	190	380
Conference and meeting expense	470	-	470
Utilities	<u>141,920</u>	<u>156,533</u>	<u>(14,613)</u>
Total institutional support	<u>174,530</u>	<u>165,029</u>	<u>9,501</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**OPERATIONS AND MAINTENANCE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (CONTINUED)</b>			
Operation and maintenance of plant:			
Salaries	\$ 447,330	\$ 409,368	\$ 37,962
Contractual services	43,780	49,398	(5,618)
General materials and supplies	56,770	41,776	14,994
Conference and meeting expense	13,050	3,985	9,065
Fixed charges	69,120	59,700	9,420
Utilities	389,200	375,695	13,505
Other	<u>22,470</u>	<u>1,433</u>	<u>21,037</u>
Total operation and maintenance of plant	<u>1,041,720</u>	<u>941,355</u>	<u>100,365</u>
Capital outlay	<u>45,500</u>	<u>46,189</u>	<u>(689)</u>
Total expenditures	<u>1,261,750</u>	<u>1,152,573</u>	<u>109,177</u>
Deficiency of revenues over expenditures	(155,630)	(29,222)	126,408
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>155,630</u>	<u>166,978</u>	<u>11,348</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>137,756</u>	<u>\$ 137,756</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u>235,132</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 372,888</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**AUDIT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 28,990	\$ 28,914	\$ (76)
Interest	870	106	(764)
	<u>29,860</u>	<u>29,020</u>	<u>(840)</u>
Total revenues			
<b>EXPENDITURES</b>			
Institutional support:			
Salaries	22,320	22,314	6
Contractual services	21,750	21,675	75
General materials and supplies	620	125	495
Conference and meeting expense	710	24	686
	<u>45,400</u>	<u>44,138</u>	<u>1,262</u>
Total expenditures			
Deficiency of revenues over expenditures	<u>\$ (15,540)</u>	(15,118)	<u>\$ 422</u>
FUND BALANCE AT BEGINNING OF YEAR		<u>29,285</u>	
FUND BALANCE AT END OF YEAR		<u>\$ 14,167</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**BOND AND INTEREST FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 1,785,000	\$ 1,788,883	\$ 3,883
Interest	<u>18,800</u>	<u>21,561</u>	<u>2,761</u>
Total revenues	<u>1,803,800</u>	<u>1,810,444</u>	<u>6,644</u>
<b>EXPENDITURES</b>			
Institutional support:			
Other	<u>24,270</u>	<u>4,907</u>	<u>19,363</u>
Debt service:			
Principal retirement	391,790	605,000	(213,210)
Interest and service charges	<u>1,199,750</u>	<u>1,187,057</u>	<u>12,693</u>
Total debt service	<u>1,591,540</u>	<u>1,792,057</u>	<u>(200,517)</u>
Total expenditures	<u>1,615,810</u>	<u>1,796,964</u>	<u>(181,154)</u>
Excess of revenues over expenditures	187,990	13,480	(174,510)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(1,893,300)</u>	<u>(1,715,706)</u>	<u>177,594</u>
Deficiency of revenues over expenditures and other financing uses	<u>\$ (1,705,310)</u>	(1,702,226)	<u>\$ 3,084</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u>2,300,660</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 598,434</u>	



**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
OPERATIONS AND MAINTENANCE FUND (RESTRICTED)  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 108,490	\$ 109,369	\$ 879
ICCB grants	37,670	37,663	(7)
Other state revenues	-	3,735,826	3,735,826
Interest	36,710	13,562	(23,148)
Other	-	116,950	116,950
	<u>182,870</u>	<u>4,013,370</u>	<u>3,830,500</u>
<b>EXPENDITURES</b>			
Institutional support:			
Contractual services	156,110	87,519	68,591
General materials and supplies	-	45,257	(45,257)
Fixed charges	-	114	(114)
Other	17,960	17,392	568
	<u>174,070</u>	<u>150,282</u>	<u>23,788</u>
Operation and maintenance of plant:			
Salaries	11,290	11,336	(46)
Capital outlay - building construction and building improvements			
	<u>1,913,660</u>	<u>6,460,565</u>	<u>(4,546,905)</u>
	<u>2,099,020</u>	<u>6,622,183</u>	<u>(4,523,163)</u>
Deficiency of revenues over expenditures	<u>(1,916,150)</u>	<u>(2,608,813)</u>	<u>(692,663)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,604,680	1,601,641	(3,039)
Transfers out	(174,410)	(199,238)	(24,828)
	<u>1,430,270</u>	<u>1,402,403</u>	<u>(27,867)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (485,880)</u>	<u>(1,206,410)</u>	<u>\$ (720,530)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<u>1,311,751</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 105,341</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**CAPITAL ENDOWMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal government grant	\$ -	\$ 28,454	\$ 28,454
Interest	253,350	325,639	72,289
Net increase in fair value of investments	<u>-</u>	<u>302,922</u>	<u>302,922</u>
Total revenues	<u>253,350</u>	<u>657,015</u>	<u>403,665</u>
 <b>EXPENDITURES</b>			
Institutional support:			
Fixed charges	2,190	672	1,518
Other	<u>-</u>	<u>80</u>	<u>(80)</u>
Total expenditures	<u>2,190</u>	<u>752</u>	<u>1,438</u>
Excess of revenues over expenditures	251,160	656,263	405,103
 <b>OTHER FINANCING USES</b>			
Transfers out	<u>(180,430)</u>	<u>(460,381)</u>	<u>(279,951)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 70,730</u>	195,882	<u>\$ 125,152</u>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>		 <u>5,423,225</u>	
 <b>FUND BALANCE AT END OF YEAR</b>		 <u>\$ 5,619,107</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**AUXILIARY ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED DEFICIT - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>			
Federal government grants	\$ 12,500	\$ 13,423	\$ 923
Student tuition and fees	168,410	177,810	9,400
Sales and service fees	392,630	387,125	(5,505)
Interest	130	395	265
Other	<u>95,030</u>	<u>127,906</u>	<u>32,876</u>
Total operating revenues	<u>668,700</u>	<u>706,659</u>	<u>37,959</u>
 <b>OPERATING EXPENSES</b>			
Salaries	366,810	348,767	18,043
Contractual services	125,780	115,912	9,868
General materials and supplies	118,850	134,151	(15,301)
Conference and meetings	16,700	25,194	(8,494)
Depreciation	-	20,003	(20,003)
Other	<u>132,590</u>	<u>111,136</u>	<u>21,454</u>
Total operating expenses	<u>760,730</u>	<u>755,163</u>	<u>5,567</u>
Operating loss before transfer	(92,030)	(48,504)	43,526
 <b>TRANSFER IN</b>	<u>60,000</u>	<u>63,801</u>	<u>3,801</u>
 <b>NET INCOME (LOSS)</b>	<u>\$ (32,030)</u>	15,297	<u>\$ 47,327</u>
 <b>RETAINED DEFICIT AT BEGINNING OF YEAR</b>		<u>(182,372)</u>	
 <b>RETAINED DEFICIT AT END OF YEAR</b>		<u>\$ (167,075)</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**AUXILIARY ENTERPRISE FUND**  
**STATEMENT OF OPERATING REVENUES AND EXPENSES, BY PROGRAM**  
**For the Year Ended June 30, 2003**

	<b>Student Activities- Other <u>Services</u></b>	<b>Food <u>Service</u></b>
<b>OPERATING REVENUES</b>		
Federal government grants	\$ -	\$ -
Student tuition and fees	177,810	-
Sales and service fees	67,369	-
Interest	395	-
Other	<u>24,811</u>	<u>8,808</u>
Total operating revenues	<u>270,385</u>	<u>8,808</u>
 <b>OPERATING EXPENSES</b>		
Salaries	59,832	-
Contractual services	4,668	17,657
General materials and supplies	76,409	3,350
Conference and meetings	210	-
Depreciation	20,003	-
Other	<u>96,129</u>	<u>-</u>
Total operating expenses	<u>257,251</u>	<u>21,007</u>
 <b>OPERATING INCOME (LOSS)</b>	 <u>\$ 13,134</u>	 <u>\$ (12,199)</u>

<u>Bookstore</u>	<u>Athletics</u>	<u>Cosmetology</u>	<u>Child Care Center</u>	<u>Dental Hygiene</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 13,423	\$ -	\$ 13,423
-	-	-	-	-	177,810
-	2,934	42,140	246,294	28,388	387,125
-	-	-	-	-	395
<u>90,522</u>	<u>-</u>	<u>-</u>	<u>3,421</u>	<u>344</u>	<u>127,906</u>
<u>90,522</u>	<u>2,934</u>	<u>42,140</u>	<u>263,138</u>	<u>28,732</u>	<u>706,659</u>
-	53,390	-	235,545	-	348,767
-	21,054	4,253	30,066	38,214	115,912
-	12,061	7,880	6,510	27,941	134,151
-	23,776	996	212	-	25,194
-	-	-	-	-	20,003
-	<u>5,878</u>	<u>-</u>	<u>7,618</u>	<u>1,511</u>	<u>111,136</u>
-	<u>116,159</u>	<u>13,129</u>	<u>279,951</u>	<u>67,666</u>	<u>755,163</u>
<u>\$ 90,522</u>	<u>\$ (113,225)</u>	<u>\$ 29,011</u>	<u>\$ (16,813)</u>	<u>\$ (38,934)</u>	<u>\$ (48,504)</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
EMPLOYEE INSURANCE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN RETAINED EARNINGS (DEFICIT) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 500,550	\$ 549,101	\$ 48,551
Other	<u>41,600</u>	<u>225,814</u>	<u>184,214</u>
Total operating revenues	542,150	774,915	232,765
<b>OPERATING EXPENSES</b>			
Employee benefits	<u>745,920</u>	<u>1,219,732</u>	<u>(473,812)</u>
Operating loss	(203,770)	(444,817)	(241,047)
<b>NONOPERATING REVENUES</b>			
Interest income	<u>19,820</u>	<u>9,755</u>	<u>(10,065)</u>
<b>NET LOSS</b>	<u>\$ (183,950)</u>	(435,062)	<u>\$ (251,112)</u>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>		<u>77,982</u>	
<b>RETAINED DEFICIT AT END OF YEAR</b>		<u>\$ (357,080)</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**LIABILITY, PROTECTION, AND SETTLEMENT FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED DEFICIT - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>	\$ _____ -	\$ _____ -	\$ _____ -
<b>OPERATING EXPENSES</b>			
Salaries	742,930	767,558	(24,628)
Employee benefits	192,940	154,526	38,414
Contractual services	277,210	322,488	(45,278)
General materials and supplies	40,270	16,764	23,506
Conference and meetings	8,050	4,599	3,451
Fixed charges	76,690	100,858	(24,168)
Capital outlay	57,110	40,837	16,273
Other	<u>3,000</u>	<u>4,096</u>	<u>(1,096)</u>
Total operating expenses	<u>1,398,200</u>	<u>1,411,726</u>	<u>(13,526)</u>
Operating loss	<u>(1,398,200)</u>	<u>(1,411,726)</u>	<u>(13,526)</u>
<b>NONOPERATING REVENUES</b>			
Property taxes	950,310	947,870	(2,440)
Interest income	25,000	5,106	(19,894)
Other income	<u>-</u>	<u>47,301</u>	<u>47,301</u>
Total nonoperating revenues	<u>975,310</u>	<u>1,000,277</u>	<u>24,967</u>
Loss before transfers	(422,890)	(411,449)	11,441
<b>TRANSFERS IN</b>	<u>272,030</u>	<u>287,568</u>	<u>15,538</u>
<b>NET LOSS</b>	<u>\$ (150,860)</u>	(123,881)	<u>\$ 26,979</u>
<b>RETAINED DEFICIT AT BEGINNING OF YEAR</b>		<u>(375,154)</u>	
<b>RETAINED DEFICIT AT END OF YEAR</b>		<u>\$ (499,035)</u>	

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**INSURANCE RESERVE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED EARNINGS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>			
Other	<u>2,170</u>	<u>2,167</u>	<u>3</u>
Operating loss	<u>(2,170)</u>	<u>(2,167)</u>	<u>3</u>
<b>NONOPERATING REVENUES</b>			
Interest income	246,030	194,774	(51,256)
Net increase in fair value of investments	<u>-</u>	<u>120,024</u>	<u>120,024</u>
Total nonoperating revenues	<u>246,030</u>	<u>314,798</u>	<u>68,768</u>
Income before transfers	243,860	312,631	68,771
<b>TRANSFERS OUT</b>	<u>(246,030)</u>	<u>(246,030)</u>	<u>-</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (2,170)</u>	66,601	<u>\$ 68,771</u>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>		<u>5,128,677</u>	
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>\$ 5,195,278</u>	



**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**SCHEDULE OF MANAGEMENT INFORMATION**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**For the Year Ended June 30, 2003**

Fund equity - all fund types (page 29)	\$ 15,055,049
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	17,926,330
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	(369,275)
Long-term liabilities not reported in the governmental funds	(23,439,578)
Revenue for student tuition is recognized in the governmental funds when substantially received	<u>(248,843)</u>
Net assets (page 11)	<u>\$ 8,923,683</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 STATEMENT 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, 2003**

Net decrease in fund equity - all fund types (page 33)	\$ (2,780,361)
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets, the cost of those assets is allocated over their useful life and reported as depreciation expense:	
Capital outlay	6,629,370
Depreciation expense	(1,037,265)
Repayment of bond principal is an expenditure of governmental funds, but reduces long-term liabilities in the Statement of Net Assets:	
Principal repayments	605,000
Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date	
	(369,275)
Revenue for student tuition is recognized in the governmental funds when substantially received	
	(41,094)
Revenue recognized as financial aid which is applied to student tuition and fees is double counted in the governmental funds:	
Reduction in student tuition and fees	(612,099)
Reduction in financial aid	612,099
Revenue is recognized as student tuition that is waived for employees and their dependents in the governmental funds:	
Reduction in student tuition and fees	(51,684)
Reduction in employee benefits	51,684
	51,684
Increase in net assets (page 12)	\$ 3,006,375

See accompanying independent auditor's report.

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

**STATISTICAL SECTION**

**TABLE A**

**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>
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
1993	818,668,709	2,456,006,127

(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

**TABLE B**

**CARL SANDBURG COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 518  
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)**

**Last Ten Fiscal Years**

<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>
2001	2003	\$ 6,054,003	\$ 6,044,238	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%
1992	1994	3,166,869	3,172,013	100.16%

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>
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
1993	2,456		(4)

(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

(4) Information not available

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

(Unaudited)

<b>Taxing Bodies</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>1995</b>	<b>1994</b>	<b>1993</b>
<b>City of Galesburg</b>	1.890	1.975	1.994	2.039	2.059	2.081	2.113	2.100	2.104	2.044
<b>Town of the City of Galesburg</b>	0.183	0.180	0.183	0.189	0.180	0.179	0.175	0.175	0.178	0.174
<b>Galesburg School District 205</b>	3.929	3.919	3.877	3.707	3.770	3.895	3.905	4.072	4.149	4.054
<b>Knox County</b>	1.018	0.961	0.935	0.817	0.850	0.840	0.850	0.886	0.937	1.000
<b>Galesburg Sanitary Distict</b>	0.264	0.262	0.264	0.281	0.280	0.287	0.291	0.288	0.287	-
<b>Total overlapping rate</b>	<u>7.283</u>	<u>7.297</u>	<u>7.253</u>	<u>7.033</u>	<u>7.139</u>	<u>7.282</u>	<u>7.334</u>	<u>7.521</u>	<u>7.655</u>	<u>7.272</u>
<b>Carl Sandburg College Dist. 518</b>	0.504	0.481	0.475	0.455	0.460	0.470	0.465	0.416	0.425	0.421
<b>Total Rate</b>	<u>7.787</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>	<u>7.693</u>
<b>Carl Sandburg College Percentage of Total</b>	<u>6.47%</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>	<u>5.47%</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.

**TABLE D**

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
 PRINCIPAL TAXPAYERS  
 TAXABLE ASSESSED VALUATION \$1,281,448,552**

**(Unaudited)**

**(Dollars in Millions)**

<u>Taxpayer Name</u>	<u>Type of Business</u>	<u>2002 Assessed Value (Million)</u>	<u>Percentage of Total</u>
Burlington Northern Santa Fe	Railroad	19.75	1.54%
First Property Management Corp.	Mall	4.47	0.35%
Maytag Corporation	Manufacturer	3.42	0.27%
Admiral-Maytag Co.	Manufacturer	2.80	0.22%
United Facilities, Inc.	Shipping	2.77	0.22%
Wal-Mart Stores #775	Retailer	2.31	0.18%
K-Mart Corporation	Retailer	2.13	0.17%
Target Corporation	Retailer	2.08	0.16%
Galesburg Housing Partners	Retirement Housing	1.73	0.13%
Lowes Home Centers, Inc.	Retailer	1.71	0.13%
		<u>43.17</u>	<u>3.37%</u>

**Sources: Knox County Assessor's Office**

**TABLE E**

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

**(Unaudited)**

**(Dollars in thousands)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>Operating Revenues</b>				
Student tuition and fees, net of scholarships	\$ 4,596	\$ 3,735	\$ 3,286	\$ 3,278
Auxiliary enterprises revenue	387	366	335	323
Other operating revenues	549	1,335	1,153	931
<b>Total Operating Revenues</b>	<u>5,532</u>	<u>5,436</u>	<u>4,774</u>	<u>4,532</u>
<b>Non-operating Revenues</b>				
State grants and contracts	9,548	6,021	5,954	5,629
Property taxes	6,044	5,888	5,393	5,016
Personal property replacement tax	152	177	203	210
Federal grants and contracts	8,495	7,607	5,316	4,758
Local grants and contracts	327	371	327	364
Investment income earned	1,101	947	1,224	676
Other nonoperating revenues	838	-	-	5
<b>Total Non-operating Revenues</b>	<u>26,505</u>	<u>21,011</u>	<u>18,417</u>	<u>16,658</u>
<b>Total Revenues</b>	<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.



**TABLE F**

**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>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Operating Expenses:				
Instruction	\$ 11,108	\$ 10,453	\$ 8,331	\$ 8,721
Academic Support	517	604	591	518
Student Services	2,035	1,254	1,189	3,113
Public Services	1,184	1,542	1,728	911
Operations & Maintenance	953	987	1,020	1,099
Institutional Support	10,620	17,547	11,782	11,746
Depreciation	1,057	25	23	22
Total Operating Expenses	<u>\$ 27,474</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.

TABLE C

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**Historic Revenues and Expenditures**  
**Fiscal Years 1998 - 2002**

<u>General Fund Revenues by Source</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Government	2,248,447	2,323,572	2,534,949	2,797,356	2,883,830
State Government	3,316,223	3,674,643	3,831,556	4,119,563	4,181,899
Tuition and Fees	2,706,416	2,882,812	3,131,908	3,137,880	3,576,658
Other Revenue	121,091	73,273	129,378	100,701	84,660
<b>Total Revenues</b>	<b>8,392,177</b>	<b>8,954,300</b>	<b>9,627,791</b>	<b>10,155,500</b>	<b>10,727,047</b>
<b><u>General Fund Expenditures</u></b>					
<b><u>By Program</u></b>					
Instruction	4,579,844	5,042,810	5,318,875	5,748,934	5,928,210
Academic Support	353,770	357,476	343,176	381,300	371,936
Student Services	528,218	591,252	567,413	576,907	636,357
Public Services	11,301	12,036	13,082	13,273	25,866
Institutional Support	2,101,761	2,893,310	3,289,205	3,130,374	3,675,510
Operations and Maintenance	973,611	884,551	1,089,459	1,008,301	974,533
<b>Total Expenditures by Program</b>	<b>8,548,505</b>	<b>9,781,435</b>	<b>10,621,210</b>	<b>10,859,089</b>	<b>11,612,412</b>
<b><u>By Object</u></b>					
Salaries	5,105,424	5,469,105	5,835,135	6,345,839	6,566,495
Employee Benefits	896,033	1,125,596	1,397,127	1,081,071	1,587,193
Contractual Services	771,483	910,174	993,466	1,020,369	1,236,423
General Materials and Supplies	624,015	630,726	741,092	957,693	1,064,437
Travel and Conference	178,007	196,054	184,308	209,024	207,203
Fixed Charges	192,131	137,012	113,284	100,014	104,002
Utilities	353,979	358,514	444,652	526,011	499,517
Capital Outlay	259,573	335,927	605,052	373,121	38,874
Other	167,860	618,327	307,094	245,947	308,268
<b>Total Expenditures by Object</b>	<b>8,548,505</b>	<b>9,781,435</b>	<b>10,621,210</b>	<b>10,859,089</b>	<b>11,612,412</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(156,328)</b>	<b>(827,135)</b>	<b>(993,419)</b>	<b>(703,589)</b>	<b>(885,365)</b>
<b>Net Other Financing Sources</b>	<b>165,970</b>	<b>188,432</b>	<b>1,385,760</b>	<b>834,452</b>	<b>705,948</b>
<b>Excess (Deficit) Revenue and Other Financing Sources Over (Under) Expenditures</b>	<b>9,642</b>	<b>(638,703)</b>	<b>392,341</b>	<b>130,863</b>	<b>(179,417)</b>

Note: 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>
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
1994	-	762,375,354	116,362	0.000%	0.00

**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>
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%
1994	18,568	769	4.14%

\* Includes the general, special revenue, debt service, and capital project funds.

Sources: Knox County Clerk's Office  
College records

TABLE I

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
June 30, 2003**

(Unaudited)

Overlapping Agencies	Outstanding Debt	Applicable to College	
		Percent	Amount
Fulton County	510,000	100.00%	510,000
Spoon River Valley Unit #4	1,625,000	5.40%	87,750
Bushnell Unit #170	250,000	100.00%	250,000
Bushnell Unit #170	75,000	100.00%	75,000
Bushnell Unit #170	200,000	100.00%	200,000
Bushnell Unit #170	270,000	100.00%	270,000
Avon Unit #176	415,000	91.95%	381,593
Community Unit School District No. 325	115,000	100.00%	115,000
Community Unit School District No. 336	690,000	100.00%	690,000
Community Unit School District No. 336	100,000	100.00%	100,000
City of Dallas City, Hancock and Henderson Counties	197,000	100.00%	197,000
La Harpe 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	770,000	100.00%	770,000
Community Unit School District No. 338	140,000	100.00%	140,000
Carthage Park District	355,000	100.00%	355,000
Community Unit School District No. 180	360,000	100.00%	360,000
Community Unit School District No. 316	2,125,000	100.00%	2,125,000
Northwestern School District No. 175	220,000	100.00%	220,000
Gulfport-Gladstone Fire Protection District	705,000	100.00%	705,000
Dallas City School District #336	650,000	100.00%	650,000
Dallas City	197,000	100.00%	197,000
Gulfport-Gladstone Fire Protection District	127,500	100.00%	127,500
County of Henry	4,065,000	0.03%	1,016
McDonough County	1,020,000	60.59%	618,018
Macomb Municipal Airport Authority	8,000	0.29%	23
City of Bushnell	530,000	100.00%	530,000
Village of Prairie City	155,000	100.00%	155,000
Building Commission	2,505,000	60.59%	1,517,780
Monmouth School District #38	1,013,211	100.00%	1,013,211
Roseville Community Unit School District #200	593,753	100.00%	593,753
Community Unit School District #205	1,825,075	3.12%	56,935
Monmouth Park District	224,973	100.00%	224,973
City of Monmouth	293,982	100.00%	293,982
Knox County	11,400,000	100.00%	11,400,000
City of Abingdon	285,000	100.00%	285,000
City of Galesburg	13,538,600	100.00%	13,538,600
City of Knoxville	595,000	100.00%	595,000
CUSD #4	1,625,000	28.42%	461,825
CUSD #100	1,495,000	2.82%	42,159
CUSD #176	415,000	5.94%	24,651
CUSD #202	659,629	100.00%	659,629
CUSD #205	1,660,000	96.88%	1,608,208
CUSD #217	2,510,000	100.00%	2,510,000
CUSD #224	385,000	9.47%	36,460
CUSD #225	3,340,000	8.59%	286,906
CUSD #265	15,069,809	20.72%	3,122,464
CUSD #322	2,810,000	0.22%	6,182
Community College District #534	3,220,000	0.18%	5,796
Carl Sandburg College - Community College District #518	22,960,000	100.00%	22,960,000
<b>Total Direct and Overlapping General Obligation Bonded Debt</b>			<b>73,008,414</b>

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 1993-2002

(Unaudited)

Year	Fall Enrollment Head Count	FTE	Gender		Attendance		Academic Class		Enrollment Status				In-District Residency	Ave. Age
			Male	Female	Full Time	Part Time	Freshman	Other	Continuing Student	New	Transfer	Readmit		
2002 *	4848	1791	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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
1993	2591	1530	42%	58%	40%	60%	63%	37%	21%	21%	19%	39%	89%	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

\* Preliminary report not yet published

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

Years 1993 - 2002

(Unaudited)

<b>Fiscal Year</b>	<b>Baccalaureate</b>	<b>Business Occupational</b>	<b>Technical Occupational</b>	<b>General Associates</b>	<b>Adult Basic Secondary Education</b>	<b>General Studies</b>	<b>Total Enrollment</b>	<b>Total FTE</b>	<b>Total Credit Hours</b>
2002 *	N/A	N/A	N/A	N/A	N/A	N/A	3441	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
1993	1473	808	94	52	144	20	2591	1530	45900

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

\* Preliminary report not yet published

**TABLE L**

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
SCHEDULE OF LEGAL DEBT MARGIN  
June 30, 2003**

<b>ASSESSED VALUATION - 2002 LEVY</b>	<u>\$ 1,281,448,552</u>
<b>DEBT LIMITATION - 2.875%</b>	<u>\$ 36,841,646</u>
<b>OUTSTANDING INDEBTEDNESS</b>	
General obligation bonds	22,960,000
Capital leases	<u>183,136</u>
	<u>23,143,136</u>
<b>LEGAL DEBT MARGIN</b>	<u>\$ 13,698,510</u>

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

(Unaudited)

<b>YEAR FOUNDED</b>	<u>1966</u>
<b>POPULATION IN DISTRICT</b>	<u>116,362</u>

**COUNTIES SERVED**

<b>Fulton</b>	<b>Henry</b>	<b>Mercer</b>	<b>Warren</b>
<b>Hancock</b>	<b>Knox</b>	<b>Schuyler</b>	
<b>Henderson</b>	<b>McDonough</b>	<b>Stark</b>	

**ACCREDITATION**

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

**FACILITIES DATA**

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

**EMPLOYEE DATA**

	<u>2002</u>	<u>2003</u>
<b>Faculty</b>		
<b>Full-time</b>	74	75
<b>Part-time</b>	174	175
<b>Administrators</b>	22	24
<b>Classified Staff</b>		
<b>Full-time</b>	122	136
<b>Part-time</b>	10	14

**STUDENT DATA**

	<u>Fall 2001</u>	<u>Fall 2002</u>
<b>Average Class size</b>	11.27	7.01

**DEGREE AND CERTIFICATES AWARDED**

	<u>2001</u>	<u>2002</u>
<b>A.A., A.S. and AFA</b>	161	112
<b>A.A.S.</b>	107	126
<b>Certificates</b>	202	101



**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) Advanced Technology Component Grant, Deferred Maintenance Grant, Workforce Development Component Grant, P-16 Initiative Grant, Adult Education and Family Literacy Grants, and Special Initiative Grants - Faculty Exchange and Minority Recruitment and Retention and Program Improvement programs as of June 30, 2003, 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 audits.

We conducted our audits 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 audits provide 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 Advanced Technology Component Grant, Deferred Maintenance Grant, Workforce Development Component Grant, P-16 Initiative Grant, Adult Education and Family Literacy Grants, and Special Initiative Grants - Faculty Exchange and Minority Recruitment and Retention and Program Improvement programs as of June 30, 2003, 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Illinois Community College Board compliance schedule for the Workforce Preparation (Business/Industry) Grant (page 71) for the year ended June 30, 2003, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the College's management. Such schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Peoria, Illinois  
August 7, 2003

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
ADVANCED TECHNOLOGY COMPONENT GRANT PROGRAM  
BALANCE SHEET  
June 30, 2003**

**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  
 ADVANCED TECHNOLOGY COMPONENT GRANT PROGRAM  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 For the Year Ended June 30, 2003**

	<u>Instructional Equipment</u>	<u>Technology Support</u>	<u>Staff Technical Skills Enhancement</u>	<u>Illinois Community Colleges On-line</u>	<u>Total</u>
<b>REVENUES</b>					
Illinois Community College Board grant	\$ 67,540	\$ 156,265	\$ 22,229	\$ 12,025	\$ 258,059
<b>EXPENDITURES</b>					
Salaries	-	126,751	22,229	11,817	160,797
Contractual services	-	14,514	-	-	14,514
General materials and supplies	67,540	15,000	-	-	82,540
Other	-	-	-	208	208
Total expenditures	<u>67,540</u>	<u>156,265</u>	<u>22,229</u>	<u>12,025</u>	<u>258,059</u>
Excess of revenues over expenditures	-	-	-	-	-
<b>FUND BALANCE AT BEGINNING OF YEAR</b>					
	-	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ORIGINAL ALLOCATION</b>					
	<u>\$ 67,540</u>	<u>\$ 156,265</u>	<u>\$ 22,229</u>	<u>\$ 12,025</u>	<u>\$ 246,034</u>
<b>MINIMUM EXPENDITURE REQUIREMENT</b>					
	<u>\$ 67,540</u>	<u>\$ 156,265</u>	<u>\$ 22,229</u>	<u>\$ 12,025</u>	<u>\$ 246,034</u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**DEFERRED MAINTENANCE GRANT PROGRAM**  
**BALANCE SHEET**  
**June 30, 2003**

**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  
 DEFERRED MAINTENANCE GRANT PROGRAM  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 For the Year Ended June 30, 2003**

<b>REVENUES</b>	
Illinois Community College Board grant	<u>\$ 37,663</u>
 <b>EXPENDITURES</b>	
Salaries	11,290
Capital outlay	<u>26,373</u>
Total expenditures	<u>37,663</u>
Excess of revenues over expenditures	-
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>	 <u>-</u>
 <b>FUND BALANCE AT END OF YEAR</b>	 <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, 2003**

**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, 2003**

	<u>Business/ Industry</u>	<u>Education to Careers</u>	<u>Welfare/Low Income Support Services</u>	<u>Current Workforce Training</u>	<u>Total</u>
<b>REVENUES</b>					
Illinois Community College					
Board grants*	\$ 110,294	\$ 89,561	\$ 56,063	\$ 50,000	\$ 305,918
Other revenues	<u>2,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,716</u>
Total revenues	<u>113,010</u>	<u>89,561</u>	<u>56,063</u>	<u>50,000</u>	<u>308,634</u>
<b>EXPENDITURES</b>					
Salaries	81,426	88,840	38,960	-	209,226
Employee benefits	13,333	-	10,451	-	23,784
Contractual services	-	-	6,652	50,000	56,652
Materials and supplies	-	721	-	-	721
Rent	<u>18,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,251</u>
Total expenditures	<u>113,010</u>	<u>89,561</u>	<u>56,063</u>	<u>50,000</u>	<u>308,634</u>
Excess of revenues over expenditures	-	-	-	-	-
<b>FUND BALANCE AT BEGINNING OF YEAR</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ORIGINAL ALLOCATION</b>					
	<u>\$ 110,294</u>	<u>\$ 89,561</u>	<u>\$ 56,063</u>	<u>\$ 50,000</u>	<u>\$ 305,918</u>
<b>MINIMUM EXPENDITURE REQUIREMENT</b>					
	<u>\$ 110,294</u>	<u>\$ 89,561</u>	<u>\$ 56,063</u>	<u>\$ 50,000</u>	<u>\$ 305,918</u>

\* Includes transfers to/from other funds.

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, 2003**

<b>EXPENDITURES</b>	<u>General</u>	<u>Operation of Workforce Dev. Office</u>	<u>Total</u>
1. Personnel (salaries and benefits) **	\$ -	\$ 94,759	\$ 94,759
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	-	18,251	18,251
	<u>-</u>	<u>18,251</u>	<u>18,251</u>
 10. <b>TOTALS ***</b>	 <u>\$ -</u>	 <u>\$ 113,010</u>	 <u>\$ 113,010</u>

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

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

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
P - 16 INITIATIVE GRANT PROGRAM  
BALANCE SHEET  
June 30, 2003**

**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**  
**P - 16 INITIATIVE GRANT PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE**  
**For the Year Ended June 30, 2003**

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

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
ADULT EDUCATION AND FAMILY LITERACY GRANTS  
BALANCE SHEET  
June 30, 2003**

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

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
ADULT EDUCATION AND FAMILY LITERACY GRANTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
For the Year Ended June 30, 2003**

	<u>State Basic</u>	<u>Public Assistance</u>	<u>Performance</u>	<u>Total</u>
<b>REVENUES</b>				
Illinois Community College Board grant	\$ 112,142	\$ 19,802	\$ 41,601	\$ 173,545
<b>EXPENDITURES</b>				
Instruction:				
Salaries	87,959	12,063	18,834	118,856
Contractual services	17,430	2,120	2,100	21,650
Materials and supplies	2,111	4,852	13,173	20,136
Conferences and meetings	3,514	644	7,494	11,652
Other	<u>1,151</u>	<u>123</u>	<u>636</u>	<u>1,910</u>
Total expenditures	<u>112,165</u>	<u>19,802</u>	<u>42,237</u>	<u>174,204</u>
Deficiency of revenues over expenditures	(23)	-	(636)	(659)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>23</u>	<u>-</u>	<u>636</u>	<u>659</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
SPECIAL INITIATIVE GRANTS - FACULTY EXCHANGE  
AND MINORITY RECRUITMENT AND RETENTION  
BALANCE SHEET  
June 30, 2003**

**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  
SPECIAL INITIATIVE GRANTS - FACULTY EXCHANGE  
AND MINORITY RECRUITMENT AND RETENTION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
For the Year Ended June 30, 2003**

**REVENUES**

Illinois Community College Board grant	\$ 31,200
Other revenues	<u>28,653</u>
Total revenues	<u>59,853</u>

**EXPENDITURES**

Salaries	8,666
Contractual services	45,918
General materials and supplies	526
Conferences and meetings	<u>4,743</u>
Total expenditures	<u>59,853</u>

Excess of revenues over expenditures	-
--------------------------------------	---

<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>-</u>
--	----------

<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ -</u></u>
------------------------------------	--------------------

See note to financial statements.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**SPECIAL INITIATIVE GRANTS -**  
**PROGRAM IMPROVEMENT**  
**BALANCE SHEET**  
**June 30, 2003**

**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  
SPECIAL INITIATIVE GRANTS -  
PROGRAM IMPROVEMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
For the Year Ended June 30, 2003**

<b>REVENUES</b>	
Illinois Community College Board grant	\$ 16,900
 <b>EXPENDITURES</b>	
General materials and supplies	<u>16,900</u>
Excess of revenues over expenditures	-
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>	
	<u>-</u>
 <b>FUND BALANCE AT END OF YEAR</b>	
	<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, 2003**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The accompanying statements include only those transactions resulting from the Illinois Community College Board Advanced Technology Component Grant, Deferred Maintenance Grant, Workforce Development Component Grant, P-16 Initiative Grant, Adult Education and Family Literacy Grants, and Special Initiative Grant programs. These transactions have been accounted for in the College's Restricted Purpose Fund, except for the Deferred Maintenance Grant which is accounted for in the Operations and Maintenance Fund - Restricted.

**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, 2003. 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 financial statements. However, such amounts are not capitalized for state grant reporting purposes.



**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, 2003, and have issued our report thereon dated August 7, 2003. 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, 2003. This schedule is the responsibility of the Carl Sandburg College - Community College District No. 518's management. Our responsibility is to express an opinion on this schedule based on our audit.

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

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed presents fairly, in all material respects, the student enrollment and other bases upon which claims are filed with the Illinois Community College Board of Carl Sandburg College - Community College District No. 518 for the year ended June 30, 2003, 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 85 - 95 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 96 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 Gundersen LLP*

Peoria, Illinois  
August 7, 2003

**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, 2003**

CATEGORIES	Total Reimbursable Semester Credit Hours by Term*							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	4,116.5	261.0	15,547.5	159.0	16,029.5	16.0	35,693.5	436.0
Business Occupational	732.0	68.0	2,283.0	144.0	2,675.5	138.0	5,690.5	350.0
Technical Occupational	476.0	464.5	3,041.0	823.0	3,083.0	602.0	6,600.0	1,889.5
Health Occupational	733.8	18.0	3,133.0	27.5	3,222.5	-	7,089.3	45.5
Remedial Developmental	549.0	121.0	2,238.0	165.0	1,740.0	146.0	4,527.0	432.0
Adult Basic Education/Adult Secondary Education	37.0	342.0	843.5	1,300.0	891.5	1,367.0	1,772.0	3,009.0
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<u>6,644.3</u>	<u>1,274.5</u>	<u>27,086.0</u>	<u>2,618.5</u>	<u>27,642.0</u>	<u>2,269.0</u>	<u>61,372.3</u>	<u>6,162.0</u>

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	<u>58,490.3</u>	<u>1,598.5</u>	<u>60,088.8</u>
District equalized assessed valuation			\$ <u>1,281,448,552</u>
Mandatory calendar year 2002 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	333.0	270.0	705.0	1,308.0
Business Occupational	68.0	145.0	138.0	351.0
Technical Occupational	522.0	741.5	653.0	1,916.5
Remedial Developmental	132.0	165.0	146.0	443.0
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<u>1,055.0</u>	<u>1,321.5</u>	<u>1,642.0</u>	<u>4,018.5</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, 2003**

**Reconciliation of Total Semester Credit Hours  
For the Year Ended June 30, 2003**

<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	35,693.5	35,693.5	-	436.0	436.0	-
Business Occupational	5,690.5	5,690.5	-	350.0	350.0	-
Technical Occupational	6,600.0	6,600.0	-	1,889.5	1,889.5	-
Health Occupational	7,089.3	7,089.3	-	45.5	45.5	-
Remedial Developmental	4,527.0	4,527.0	-	432.0	432.0	-
Adult Basic Education/Adult Secondary Education	<u>1,772.0</u>	<u>1,772.0</u>	-	<u>3,009.0</u>	<u>3,009.0</u>	-
<b>TOTAL</b>	<u>61,372.3</u>	<u>61,372.3</u>	-	<u>6,162.0</u>	<u>6,162.0</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	58,490.3	58,490.3	-
Out-of-District on Chargeback or Contractual Agreement	<u>1,598.5</u>	<u>1,598.5</u>	-
<b>TOTAL</b>	<u>60,088.8</u>	<u>60,088.8</u>	-

**Reconciliation of Total Correctional Semester Credit Hours  
For the Year Ended June 30, 2003**

<u>Categories</u>	<u>Total Correctional Credit Hours</u>	<u>Total Correctional Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate	1,308.0	1,308.0	-
Business Occupational	351.0	351.0	-
Technical Occupational	1,916.5	1,916.5	-
Remedial Developmental	<u>443.0</u>	<u>443.0</u>	-
<b>TOTAL</b>	<u>4,018.5</u>	<u>4,018.5</u>	-

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,**  
**AND TAX COLLECTIONS**  
**Levy Years 2002, 2001, and 2000**

	<b>Tax Year</b>		
	<u>2002 Levy</u>	<u>2001 Levy</u>	<u>2000 Levy</u>
<b>ASSESSED VALUATIONS</b>			
Knox County	\$ 610,799,919	\$ 587,490,262	\$ 557,372,295
Warren County	224,441,794	225,365,841	225,453,211
Fulton County	11,768,847	11,791,843	11,630,167
Henderson County	91,732,901	94,091,605	95,259,679
Mercer County	15,216,575	15,762,008	16,702,025
Stark County	117,696	128,676	141,246
Henry County	636,225	685,169	740,545
McDonough County	121,093,827	117,974,699	119,968,101
Schuyler County	1,640,768	1,688,245	1,795,774
Hancock County	<u>204,000,000</u>	<u>204,173,892</u>	<u>200,546,940</u>
<b>TOTAL ASSESSED VALUATIONS</b>	<u>\$ 1,281,448,552</u>	<u>\$ 1,259,152,240</u>	<u>\$ 1,229,609,983</u>
<b>TAX RATE (per \$100 assessed valuation)</b>			
Educational Accounts	\$ 0.2057	\$ 0.2021	\$ 0.1801
Operations and Maintenance Accounts	0.0500	0.0500	0.0500
Bond and Interest Fund	0.1425	0.1423	0.1171
Audit Fund	0.0041	0.0023	0.0017
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.0948	0.0754	0.0757
Protection, Health, and Safety Fund	<u>0.0071</u>	<u>0.0087</u>	<u>0.0500</u>
<b>TOTAL TAX RATE</b>	<u>\$ 0.5042</u>	<u>\$ 0.4808</u>	<u>\$ 0.4746</u>
<b>TAX EXTENSIONS</b>			
Educational Accounts	\$ 2,635,940	\$ 2,544,747	\$ 2,214,528
Operations and Maintenance Accounts	640,724	629,576	614,805
Bond and Interest Fund	1,826,064	1,791,774	1,439,873
Audit Fund	52,539	28,960	20,903
Liability, Protection, Settlement, Social Security, and Medicare Accounts	1,214,813	949,400	930,815
Protection, Health, and Safety Fund	<u>90,983</u>	<u>109,546</u>	<u>614,805</u>
<b>TOTAL TAX EXTENSIONS</b>	<u>\$ 6,461,063</u>	<u>\$ 6,054,003</u>	<u>\$ 5,835,729</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**ASSESSED VALUATIONS, TAX RATES, TAX EXTENSIONS,**  
**AND TAX COLLECTIONS**  
**Levy Years 2002, 2001, and 2000**

	<b>Tax Year</b>		
	<u>2002 Levy</u>	<u>2001 Levy</u>	<u>2000 Levy</u>
<b>TAX COLLECTIONS TO JUNE 30</b>			
Education Fund	\$ 12,497	\$ 2,540,642	\$ 2,212,772
Operations and Maintenance Fund	3,038	628,561	614,318
Bond and Interest Fund	8,657	1,788,883	1,438,732
Audit Fund	249	28,914	20,816
Liability, Protection, and Settlement Fund	5,759	947,870	930,077
Protection, Health, and Safety Fund	431	109,369	614,318
	<hr/>	<hr/>	<hr/>
<b>TOTAL TAX COLLECTIONS</b>	<u>\$ 30,631</u>	<u>\$ 6,044,239</u>	<u>\$ 5,831,033</u>
 <b>PERCENT OF EXTENSIONS COLLECTED</b>		<u>99.84%</u>	<u>99.92%</u>



**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #1**  
**ALL FUNDS SUMMARY\***  
**For the Year Ended June 30, 2003**

	<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>
<b>FUND BALANCE (DEFICIT) AT JULY 1, 2002</b>	\$ 125,858	\$ 235,132	\$ 1,311,751	\$ 5,423,225	\$ 2,300,660
<b>REVENUE</b>					
Local taxes	2,540,642	628,561	109,369	-	1,788,883
All other local government	38,808	-	-	-	-
ICCB grants	3,087,330	218,375	37,663	-	-
All other state revenue	1,063,983	7,583	3,735,826	-	-
Federal revenue	-	-	-	28,454	-
Student tuition and fees	3,947,518	258,624	-	-	-
All other revenue	39,741	10,208	130,512	628,561	21,561
Total revenue	<u>10,718,022</u>	<u>1,123,351</u>	<u>4,013,370</u>	<u>657,015</u>	<u>1,810,444</u>
<b>EXPENDITURES</b>					
Instruction	6,302,353	-	-	-	-
Academic support	347,216	-	-	-	-
Student services	705,159	-	-	-	-
Public services	37,988	-	-	-	-
Institutional support	3,694,339	165,029	150,282	752	4,907
Scholarships, student grants, and waivers	-	-	-	-	-
Operation and maintenance	-	941,355	11,336	-	-
Principal retirement	-	-	-	-	605,000
Interest and service charges	-	-	-	-	1,187,057
Building construction, building improvements, and equipment	28,402	46,189	6,460,565	-	-
Other	-	-	-	-	-
Total expenditures	<u>11,115,457</u>	<u>1,152,573</u>	<u>6,622,183</u>	<u>752</u>	<u>1,796,964</u>
Transfers in	687,194	166,978	1,601,641	-	-
Transfers out	(57,637)	-	(199,238)	(460,381)	(1,715,706)
	<u>629,557</u>	<u>166,978</u>	<u>1,402,403</u>	<u>(460,381)</u>	<u>(1,715,706)</u>
<b>FUND BALANCE (DEFICIT) AT JUNE 30, 2003</b>	<u>\$ 357,980</u>	<u>\$ 372,888</u>	<u>\$ 105,341</u>	<u>\$ 5,619,107</u>	<u>\$ 598,434</u>

\* Excludes Workforce Investment Acts' revenue and expenditures.

<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>
\$ 77,982	\$ (182,372)	\$ 52,353	\$ 29,285	\$ (375,154)	\$ 3,685,018	\$ 5,128,677	\$ 17,812,415
-	-	-	28,914	947,870	-	-	6,044,239
-	-	326,923	-	-	-	-	365,731
-	-	1,042,034	-	-	-	-	4,385,402
-	-	506,570	-	-	-	-	5,313,962
-	13,423	5,004,251	-	-	-	-	5,046,128
-	177,810	265,619	-	-	-	-	4,649,571
784,670	515,426	238,618	106	52,407	90,993	314,798	2,827,601
<u>784,670</u>	<u>706,659</u>	<u>7,384,015</u>	<u>29,020</u>	<u>1,000,277</u>	<u>90,993</u>	<u>314,798</u>	<u>28,632,634</u>
-	-	1,254,190	-	-	-	-	7,556,543
-	-	169,533	-	-	-	-	516,749
-	755,163	595,209	-	-	-	-	2,055,531
-	-	1,146,277	-	-	-	-	1,184,265
1,219,732	-	32,358	44,138	1,411,726	-	2,167	6,725,430
-	-	4,094,851	-	-	-	-	4,094,851
-	-	-	-	-	-	-	952,691
-	-	-	-	-	-	-	605,000
-	-	-	-	-	-	-	1,187,057
-	-	-	-	-	-	-	6,535,156
-	-	-	-	-	-	-	-
<u>1,219,732</u>	<u>755,163</u>	<u>7,292,418</u>	<u>44,138</u>	<u>1,411,726</u>	<u>-</u>	<u>2,167</u>	<u>31,413,273</u>
-	63,801	6,659	-	287,568	-	-	2,813,841
-	-	(6,659)	-	-	(128,190)	(246,030)	(2,813,841)
-	<u>63,801</u>	-	-	<u>287,568</u>	<u>(128,190)</u>	<u>(246,030)</u>	-
<u>\$ (357,080)</u>	<u>\$ (167,075)</u>	<u>\$ 143,950</u>	<u>\$ 14,167</u>	<u>\$ (499,035)</u>	<u>\$ 3,647,821</u>	<u>\$ 5,195,278</u>	<u>\$ 15,031,776</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #2**  
**SUMMARY OF FIXED ASSETS AND DEBT \*\***  
**For the Year Ended June 30, 2003**

	<u>Fixed Assets/ Debt Account Groups July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassify/ Transfer *</u>	<u>Fixed Assets/ Debt June 30, 2003</u>
<b>FIXED ASSETS</b>					
Furniture and equipment	\$ 6,915,280	\$ 176,755	\$ -	\$ (5,600,526)	\$ 1,491,509
Furniture and equipment - WIA	238,607	-	7,400	(231,207)	-
Land and improvements	767,796	142,027	-	(301,738)	608,085
Leasehold improvements	1,858	-	-	(1,858)	-
Buildings and additions	17,959,635	6,195,111	-	(731,156)	23,423,590
Vehicles	53,680	86,065	-	72,597	212,342
Infrastructure	-	29,414	-	2,152,063	2,181,477
<b>TOTAL FIXED ASSETS</b>	<u>\$ 25,936,856</u>	<u>\$ 6,629,372</u>	<u>\$ 7,400</u>	<u>\$ (4,641,825)</u>	<u>\$ 27,917,003</u>
<b>FIXED DEBTS</b>					
Bonds payable	\$ 23,565,000	\$ -	\$ 605,000	\$ -	\$ 22,960,000
Other fixed liabilities	516,811	59,698	96,931	-	479,578
<b>TOTAL FIXED DEBTS</b>	<u>\$ 24,081,811</u>	<u>\$ 59,698</u>	<u>\$ 701,931</u>	<u>\$ -</u>	<u>\$ 23,439,578</u>

\* This includes transfers between categories, retroactive change in capitalization threshold, and addition of enterprise fund fixed assets.

\*\* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2003.

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #3**  
**OPERATING FUNDS REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2003**

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
<b>OPERATING REVENUES BY SOURCE</b>			
Local government:			
Current taxes	\$ 2,540,642	\$ 628,561	\$ 3,169,203
Chargeback revenue	<u>38,808</u>	<u>-</u>	<u>38,808</u>
Total local government	<u>2,579,450</u>	<u>628,561</u>	<u>3,208,011</u>
State government:			
ICCB base operating grant	1,805,818	140,327	1,946,145
ICCB equalization grant	1,166,360	74,448	1,240,808
ICCB small college grant	56,400	3,600	60,000
ICCB additional designated grant	58,752	-	58,752
Corporate personal property replacement tax	144,080	7,583	151,663
Board of Vocational Education and Rehabilitation	104,170	-	104,170
State of Illinois SURS on-behalf payments	<u>815,733</u>	<u>-</u>	<u>815,733</u>
Total state government	<u>4,151,313</u>	<u>225,958</u>	<u>4,377,271</u>
Student tuition and fees:			
Tuition	3,721,754	258,624	3,980,378
Fees	<u>225,764</u>	<u>-</u>	<u>225,764</u>
Total tuition and fees	<u>3,947,518</u>	<u>258,624</u>	<u>4,206,142</u>
Other sources:			
Facilities revenue	-	4,248	4,248
Interest	9,975	2,720	12,695
Other	<u>29,766</u>	<u>3,240</u>	<u>33,006</u>
Total other sources	<u>39,741</u>	<u>10,208</u>	<u>49,949</u>
<b>TOTAL REVENUE</b>	<u>\$ 10,718,022</u>	<u>\$ 1,123,351</u>	<u>\$ 11,841,373</u>

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #3**  
**OPERATING FUNDS REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2003**

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
<b>OPERATING EXPENDITURES</b>			
By program:			
Instruction	\$ 6,330,755	\$ -	\$ 6,330,755
Academic support	347,216	-	347,216
Student services	705,159	-	705,159
Public services	37,988	-	37,988
Institutional support	3,694,339	165,029	3,859,368
Operation and maintenance of plant	-	987,544	987,544
	<hr/>	<hr/>	<hr/>
Total expenditures	11,115,457	1,152,573	12,268,030
Less nonoperating items:*			
Tuition chargeback	43,384	-	43,384
	<hr/>	<hr/>	<hr/>
<b>ADJUSTED EXPENDITURES</b>	<u>\$ 11,072,073</u>	<u>\$ 1,152,573</u>	<u>\$ 12,224,646</u>
 <b>BY OBJECT</b>			
Salaries	\$ 6,682,573	\$ 417,371	\$ 7,099,944
Employee benefits	1,591,067	-	1,591,067
Contractual services	1,289,099	49,701	1,338,800
General materials and supplies	758,508	41,966	800,474
Conference and meeting expense	209,346	3,985	213,331
Fixed charges	36,599	59,700	96,299
Utilities	-	532,228	532,228
Capital outlay	28,402	46,189	74,591
Other	519,863	1,433	521,296
	<hr/>	<hr/>	<hr/>
Total expenditures	11,115,457	1,152,573	12,268,030
Less nonoperating items:*			
Tuition chargeback	43,384	-	43,384
	<hr/>	<hr/>	<hr/>
<b>ADJUSTED EXPENDITURES</b>	<u>\$ 11,072,073</u>	<u>\$ 1,152,573</u>	<u>\$ 12,224,646</u>

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #4**  
**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2003**

**REVENUE BY SOURCE**

Local government:

District 205 Parent Teaching	\$ 65,177
East Central Training	40,000
Bright Futures	23,070
Economic Development - local	142,565
Prevention Initiative	29,176
Other	<u>26,935</u>
 Total local government	 <u>326,923</u>

State government:

ICCB:

Workforce Development Component Grants	305,918
Advanced Technology Component Grants	258,059
P-16 Initiative Grant	15,000
Special Initiative Grants	48,100
Adult Education and Family Literacy Grants	173,545
Henry C. Hill	241,412
DOC Henry C. Hill Prison	163,437
Illinois Incentive for Access	163,795
Community Literacy	55,000
Family Literacy	35,000
RSVP	40,723
Faculty Exchange and Minority Recruitment and Retention	28,653
Other	<u>19,962</u>

Total state government 1,548,604

Federal government:

College Work Study Grants	91,506
Pell Grants	3,118,494
Supplemental Educational Opportunity Grant	40,554
Federal Adult Basic	131,808
Federal Adult EL/Civics	20,000
Trio Grant	187,764
Direct Loans	686,037
Carl Perkins	262,690
RSVP	94,747
Upward Bound	292,343

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #4**  
**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES**  
**For the Year Ended June 30, 2003**

**REVENUE BY SOURCE (CONTINUED)**

Federal government (continued):	
Congressional Support Grant	\$ 62,908
Other	<u>15,400</u>
Total federal government	<u>5,004,251</u>
Other sources	<u>504,237</u>

**TOTAL RESTRICTED PURPOSES FUND REVENUES** **\$ 7,384,015**

**EXPENDITURES BY PROGRAM**

Instruction	\$ 1,254,190
Academic support	169,533
Student services	595,209
Public service	1,146,277
Institutional support	32,358
Scholarships, student grants, and waivers	<u>4,094,851</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY PROGRAM** **\$ 7,292,418**

**EXPENDITURES BY OBJECT**

Salaries	\$ 1,596,334
Employee benefits	199,572
Contractual services	401,589
General materials and supplies	518,499
Travel, conference and meeting expense	106,792
Student financial aid	4,094,851
Fixed charges	28,909
Utilities	9,164
Capital outlay	32,642
Other	<u>304,066</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES BY OBJECT** **\$ 7,292,418**

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #5**  
**CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY**  
**For the Year Ended June 30, 2003**

<b>INSTRUCTIONAL</b>	
Programs	\$ 6,967,228
Support	<u>589,315</u>
Total instructional	<u>7,556,543</u>
 <b>PUBLIC SERVICE</b>	 <u>1,184,265</u>
 <b>ACADEMIC SUPPORT</b>	
Learning Resource Center	404,438
Administration	<u>112,311</u>
Total academic support	<u>516,749</u>
 <b>STUDENT SERVICES SUPPORT</b>	
Admissions and records	182,609
Counseling and career guidance	372,154
Other student services support	<u>745,605</u>
Total student services support	<u>1,300,368</u>
 <b>AUXILIARY SERVICES</b>	 <u>755,163</u>
 <b>OPERATIONS AND MAINTENANCE OF PLANT</b>	
Operations and maintenance administration	20,640
Plant utilities	532,228
Other operations and maintenance	<u>388,487</u>
Total operations and maintenance of plant	<u>941,355</u>
 <b>INSTITUTIONAL SUPPORT</b>	
Board of Trustees	51,380
General institutional support	4,597,281
Administrative data processing	457,404
Other institutional support	<u>241,525</u>
Total institutional support	<u>5,347,590</u>



**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518**  
**UNIFORM FINANCIAL STATEMENT #5**  
**CURRENT FUNDS\* - EXPENDITURES BY ACTIVITY**  
**For the Year Ended June 30, 2003**

<b>CAPITAL OUTLAY</b>	<u>\$ 74,591</u>
<b>SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS</b>	<u>4,094,851</u>
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<u><u>\$ 21,771,475</u></u>

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

**CARL SANDBURG COLLEGE - COMMUNITY COLLEGE DISTRICT NO. 518  
 CERTIFICATION OF CHARGEBACK REIMBURSEMENT (UNAUDITED)  
 For the Year Ended June 30, 2003**

**NONCAPITAL OPERATING EXPENDITURES FROM  
 THE FOLLOWING FUNDS**

1	Education Fund	\$ 11,081,461	
2	Operations and Maintenance Fund	1,106,384	
3	Bond and Interest Fund	1,796,964	
4	Restricted Purposes Fund	7,206,074	
5	Audit Fund	44,138	
6	Liability, Protection, and Settlement Fund	<u>1,365,102</u>	
7	<b>TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-6)</b>		<u>\$ 22,600,123</u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 659,256</u>	
9	<b>TOTAL COSTS INCLUDED (line 7 plus line 8)</b>		<u>\$ 23,259,379</u>
10	Total certified unrestricted semester credit hours for FY 2003	<u>61,372.3</u>	
11	<b>PER CAPITA COST (line 9 divided by line 10)</b>		\$ 378.99
12	All FY 2003 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$ 9,749,453</u>	
13	FY 2003 state and federal grants per semester credit hour (line 12 divided by line 10)		158.86
14	District's average ICCB grant rate (excluding equalization grants) for FY 2003		45.94
15	District's student tuition and fee rate per semester credit hour for FY 2003		<u>65.50</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)		<u>\$ 108.69</u>

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
 Chief Fiscal Officer

Approved: \_\_\_\_\_ Date \_\_\_\_\_  
 Chief Executive Officer