

# 2014 Comprehensive Annual Financial Report

Fiscal years ended June 30, 2014 and 2013

---



Community College District 518  
2400 Tom L. Wilson Blvd.  
Galesburg, IL 61401  
[www.sandburg.edu](http://www.sandburg.edu)



CARL  
SANDBURG  
COLLEGE™

**CARL SANDBURG COLLEGE –  
COMMUNITY COLLEGE DISTRICT 518  
GALESBURG, ILLINOIS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the fiscal years ended June 30, 2014 and 2013**

**Prepared by: Finance Department  
Lisa Blake, Chief Financial Officer/Treasurer**



**INTRODUCTORY SECTION**  
(Unaudited)





## TABLE OF CONTENTS

**Page  
Number**

### INTRODUCTORY SECTION (UNAUDITED)

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

### FINANCIAL SECTION

<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 3
Management's Discussion and Analysis (Unaudited)	4 -13
Basic Financial Statements:	
Statements of Net Position	14
Statements of Revenues, Expenses, and Changes in Net Position	15
Statements of Cash Flows	16 - 17
Component Unit – Carl Sandburg College Foundation – Statements of Financial Position	18
Statements of Activities	19 - 20
Notes to Financial Statements	21 – 43

### STATISTICAL SECTION (UNAUDITED)

**TABLE**

Statistical Section		44
Net Position by Component	A	45
Changes in Net Position	B	46
Assessed and Estimated Actual Value of Taxable Property	C	47
Property Tax Levies and Collections	D	48
Property Tax Rates – Direct and Overlapping Governments	E	49
Principal Taxpayers	F	50
Ratios of Outstanding Debt by Type	G	51
Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt per Capita	H	52
Computation of Direct and Overlapping Bonded Debt	I	53

**STATISTICAL SECTION (UNAUDITED) - Continued**

	<b>TABLE</b>	
Legal Debt Margin Information	J	54
Demographic and Economic Statistics	K	55
Principal Employers	L	56
Full-time Equivalent Employees	M	57
Operating Indicators	N	58
Capital Asset Statistics	O	59

**SPECIAL REPORTS SECTION**

**Supplemental Financial Information:**

Illinois Community College Board State Grants - Financial and Compliance Section:	
Supplemental Financial Information Section	60
Uniform Financial Statements	61 - 68
Certification of Chargeback Reimbursement	69

**Other Supplemental Financial Information:**

Balance Sheet – All Fund Types	70 - 72
Combining Schedule of Revenues, Expenditures/Expenses, and Changes in Fund Balance (Deficit) – All Fund Types	73 - 75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Education Fund	76 - 78
Operations and Maintenance Fund	79 - 80
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Auxiliary Enterprise Fund	81
Schedule of Operating Revenues and Expenses, by Program – Auxiliary Enterprise Fund	82 - 83
Combining Balance Sheet – Liability Protection Funds	84
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) – Liability Protection Funds	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Employee Insurance Fund	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit)–Budget and Actual – Liability, Protection, and Settlement Fund	87

**SPECIAL REPORTS SECTION - Continued**

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Insurance Reserve Fund	88
Assessed Valuations, Tax Rates, Tax Extensions, and Tax Collections	89 - 90

**State Grant Activity and Schedule of Enrollment Data:**

<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS AND CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANT</b>	91 -92
---	--------

State Adult Education Restricted Funds Grants:	
Balance Sheet	93
Statement of Revenues, Expenditures, and Changes in Fund Balance	94

ICCB Compliance Statement for the Adult Education and Family Literacy Grant – Expenditure Amounts and Percentages for ICCB Grant Funds Only	95
--	----

Career and Technical Education Program Improvement Grant:	
Balance Sheet	96
Statement of Revenues, Expenditures, and Changes in Fund Balance	97

Notes to ICCB Grant Programs Financial Statements	98
---	----

Background Information on State Grant Activity	99
--	----

<b>INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED</b>	100
---	-----

Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	101 – 102
---	-----------

Note to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	103
--	-----

**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**

<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS</b>	104 – 105
--	-----------

<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE</b>	106- 107
--	----------

Schedule of Expenditures of Federal Awards	108
--	-----

Notes to the Schedule of Expenditures of Federal Awards	109
---	-----

Schedule of Findings and Questioned Costs	110 - 111
---	-----------

Summary Schedule of Prior Audit Findings	112
--	-----



## President's Letter

September 17, 2014

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 2014. This document represents the record of the College's financial operations for the year ending June 30, 2014.

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

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

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

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

Respectfully,

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

Illinois Community College District 518

**MAIN CAMPUS**

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

**THE BRANCH CAMPUS**

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

**THE EXTENSION CENTER**

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





## **Transmittal Letter**

September 17, 2014

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

The Comprehensive Annual Financial Report of Carl Sandburg College, Community College District No. 518 (the College), Fulton, Hancock, Henderson, Henry, Knox, Mercer, McDonough, Schuyler, Stark and Warren Counties, State of Illinois, for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

Wipfli LLP has issued an unqualified (clean) opinion on Carl Sandburg Community College District No. 518 basic financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of the report.

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

### **VISION, MISSION AND VALUES**

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. The College's district now covers all or part of ten counties in Illinois. The main campus is located in Galesburg with a branch campus in Carthage and an extension center in Bushnell. We serve a diverse group of students. In the fall of 2013, the College enrolled 2,200 students, with an average age of 27 years. Women represented 66 percent of the student body and 52 percent were part-time students. Many students balance the demands of college with work and family responsibilities.

Illinois Community College District 518

**MAIN CAMPUS**

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

**THE BRANCH CAMPUS**

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

**THE EXTENSION CENTER**

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

-v-

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

Fiscal Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fall College enrollment	2,615	2,661	2,538	2,383	2,460	2,200
Annual Full-time equivalents	1,641	1,772	1,737	1,644	1,599	1,450
Continuing Education Credit Hours	1,002	918	798	913	1,012	712
<u>Total Annual Credit Hours</u>	49,219	53,174	52,113	49,316	47,972	43,511

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

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

### **The College's Mission**

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

### **Core Values**

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

### **Our Vision Statement**

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

### **Major Goals and Objectives**

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

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

## **FINANCIAL INFORMATION**

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

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

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

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

## **ECONOMIC CONDITION**

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

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

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

<u>Fund Type</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current:					
Education	0.2088	0.2021	0.2000	0.2013	0.1953
Operations and Maintenance	0.0500	0.0500	0.0500	0.0500	0.0500
Liability, Protection and Settlement	0.1220	0.1240	0.1225	0.1099	0.1070
Audit	0.0050	0.0050	0.0050	0.0050	0.0050
Working Cash	0.0000	0.0000	0.0000	0.0000	0.0000
Social Security/Medicare	0.0108	0.0108	0.0108	0.0129	0.0110
Bond and Interest	0.2202	0.2195	0.2244	0.2262	0.2193
Plant:					
Operations and Maintenance (Restricted) - Life Safety	0.0060	0.0061	0.0060	0.0062	0.0264
Total	0.6228	0.6175	0.6187	0.6115	0.6140

The College District's 2012 tax levy base of \$1,531,672,301 increased by 2.0% over the 2011 tax base. Property tax revenue has held relatively stable after the loss of many industries in the district. During fiscal year 2014, local property taxes accounted for approximately 33% of total revenues.

*Debt.* Debt of the College is comprised of General Obligation Bonds and Capital Leases. The bond payments will be funded through the tax levy while the capital leases are currently funded by bond proceeds. During 2014, the college issued no new debt.

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

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

The College has been able to locally fund building renovations/improvements through the use of accumulated interest on our Working Cash fund and Technology Quasi-Endowment Fund. The College's improvements for fiscal year 2014 included learning area/program enhancements. Other plans continue to be designated primarily for investment in new equipment to allow the college to adequately support the educational programs with up to date equipment for instruction. The College continues to update communication and security equipment.

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

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

Investment Board to develop and pilot adult transition services. We will also be developing and pilot a hybrid associate degree program in Biodiesel Manufacturing Technology.

Other initiatives include our commitment to sustainability efforts with a \$3,000,000 geothermal project with improved heating, ventilation and air conditioning energy efficiency. The College will have the ability to monitor and control spaces, locally or remotely, via web-based network controllers.

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

## **PROSPECTS FOR THE FUTURE**

Due to uncertainty regarding the state contribution to the community college system, the College's financial outlook remains challenging. Carl Sandburg College is accommodating significant structural and programmatic changes and enhancements which will result in a "Re-shaped Institution." There is a commitment to look inward on the quality and efficiencies of current programs/activities with an eye towards asking the simple question, "If we were not already doing this today, would we begin doing it tomorrow?" Several new programs will give our students the best opportunity to succeed in today's ever changing and competitive job market. The College has worked extensively with area employers – including Galesburg Hospital's Ambulance Services and BNSF Railway – to develop curricula that will meet the current standards for those industries. The College will continue to conserve resources through financial control and reduction of expenses where possible without affecting the quality and viability of the educational programs. Contingencies are also budgeted annually to provide for the uncertainties associated with State funding, enrollment, capital funding requirements, utility and other market-driven costs. The College has been able to negotiate a long term (rolling) labor agreement which currently goes thru June 30, 2016.

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

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

## **AWARDS AND ACKNOWLEDGEMENTS**

The College is extremely proud of its ability to meet the needs of the community and the financial reporting required by various groups, agencies and organizations. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Carl Sandburg College Community College District 518 for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the eleventh consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



*Acknowledgments.* The timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

Lisa M. Blake  
Chief Financial Officer

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

**CARL SANDBURG COLLEGE –  
Illinois Community College District 518  
Principal Officials as of June 30, 2014**

**Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>Term Expires</b>
Mr. William C. Robinson	Chairperson	2015
Reverend Jon A. Sibley, Sr.	Vice Chairperson	2019
Ms. Sandra L. Wood	Secretary	2017
Mr. Thomas H. Colclasure	Trustee	2015
Mr. Lee Johnson	Trustee	2019
Mr. Bruce A. Lauerman	Trustee	2015
Ms. Gayla J. Pacheco	Trustee	2017
Mr. Tanner Nygard	Student Trustee	
Mr. James Hutchings	Faculty Representative	
Ms. Tammy Folger	Staff Representative	

**Officers of the College**

Dr. Lori Sundberg	President
Ms. Julie Gibb	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services

**Administrative Staff**

Mr. Frederick Andrews	Director of Public Safety
Mr. Michael Bailey	Director of Athletics
Mr. Tony Bentley	Director of TRiO Upward Bound Project
Ms. Lisa Blake	Chief Financial Officer/Treasurer
Ms. Dylana Carlson	Director of Recruiting
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Maureen Dickinson	Executive Director of Advancement
Mr. Rick Eddy	Director of Admissions & Records
Ms. Lisa Hanson	Director of Financial Aid
Ms. Janis Hipple	Director of Clinical Services
Ms. Michelle Johnson	Director of Institutional Effectiveness/Adult Education
Ms. Gina Krupps	Director of Human Resources
Ms. Misty Lyon	Dean of Student Success
Mr. Patrick Meridith	Director of Business Services
Ms. Debra Miller	Dean of Extension Services
Ms. Christy Pecs	Director of Information Technology
Mr. Steven Sager	Director of Business & Community Education
Ms. Autumn Scott	Director of TRiO/SSS
Ms. Linda Thomas	Director of Extension Services
Dr. Connie Thurman	Dean of Human Resources and Organization Development
Dr. Lauri White	Dean of Career, Technical, & Health Ed/Program Development

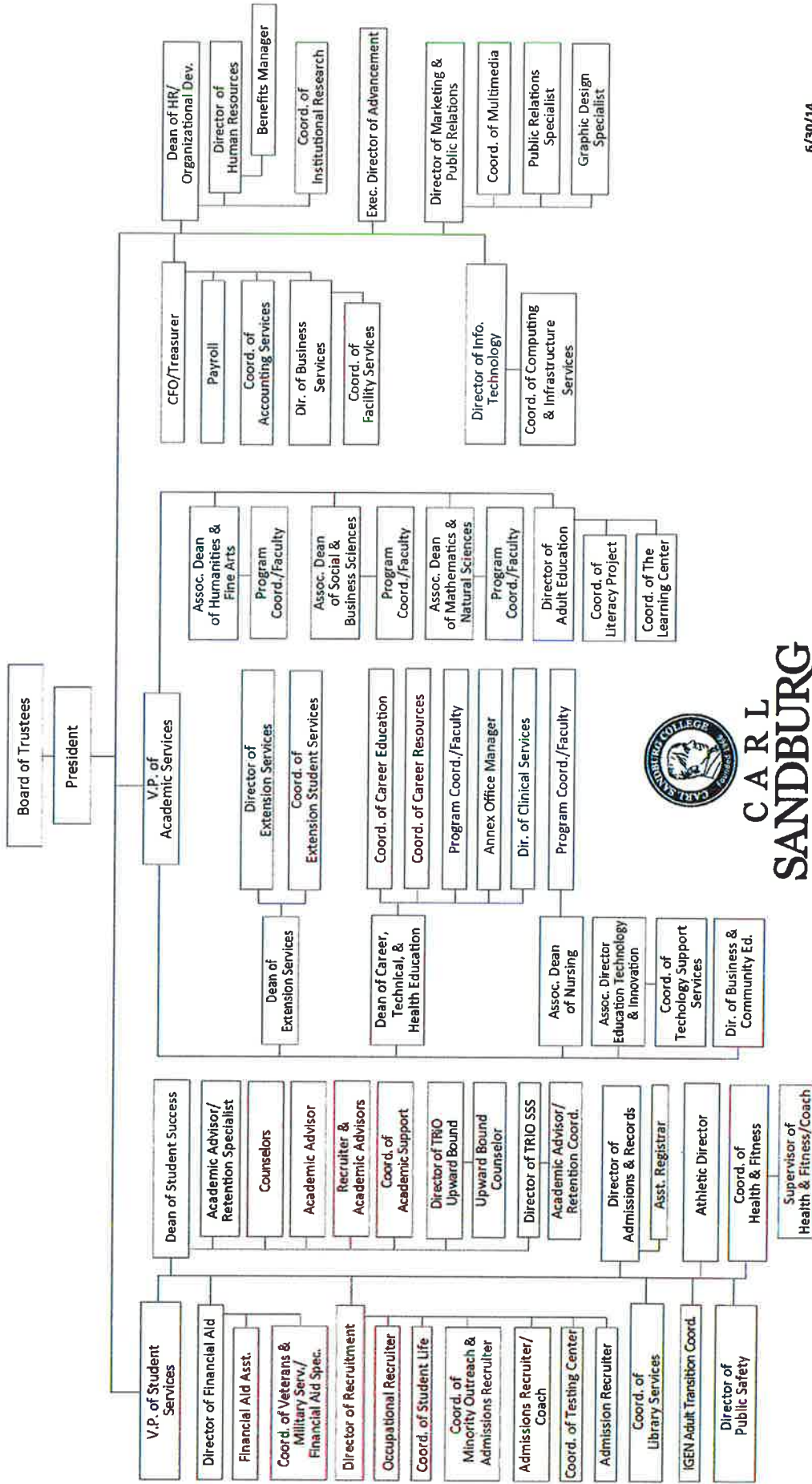
**Official Issuing Report**

Ms. Lisa Blake, Chief Financial Officer/Treasurer

**Department Issuing Report**

Finance Office

# Organizational Chart



**CARL  
SANDBURG  
COLLEGE**

6/30/14  
Position/Title



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Carl Sandburg College  
Community College District 518  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

***This Page Intentionally Left Blank***



**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Carl Sandburg College  
Community College District 518  
Galesburg, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518, as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The College adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended June 30, 2014. Statement No. 65 changed the classifications of certain items on the statement of net position. Our opinions are not modified with respect to this matter.

## **Other Matter**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carl Sandburg College – Community College District 518's basic financial statements. The introductory section, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the annual federal financial compliance section and the supplemental financial information listed under the special reports section of the table of contents are fairly presented in all material respects in relation to the financial statements taken as a whole.

The introductory, statistical section and other supplemental financial information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2014, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carl Sandburg College – Community College District 518's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
September 17, 2014

# **Carl Sandburg College – Community College District 518**

## **Management Discussion and Analysis**

---

### **Management's Discussion and Analysis**

This section of Carl Sandburg College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2014 and 2013. Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter (pages v-x), the College's basic financial statements (pages 14-20), and the footnotes (pages 21-43). Responsibility for the completeness and fairness of this information rests with the College.

### **Using This Annual Report**

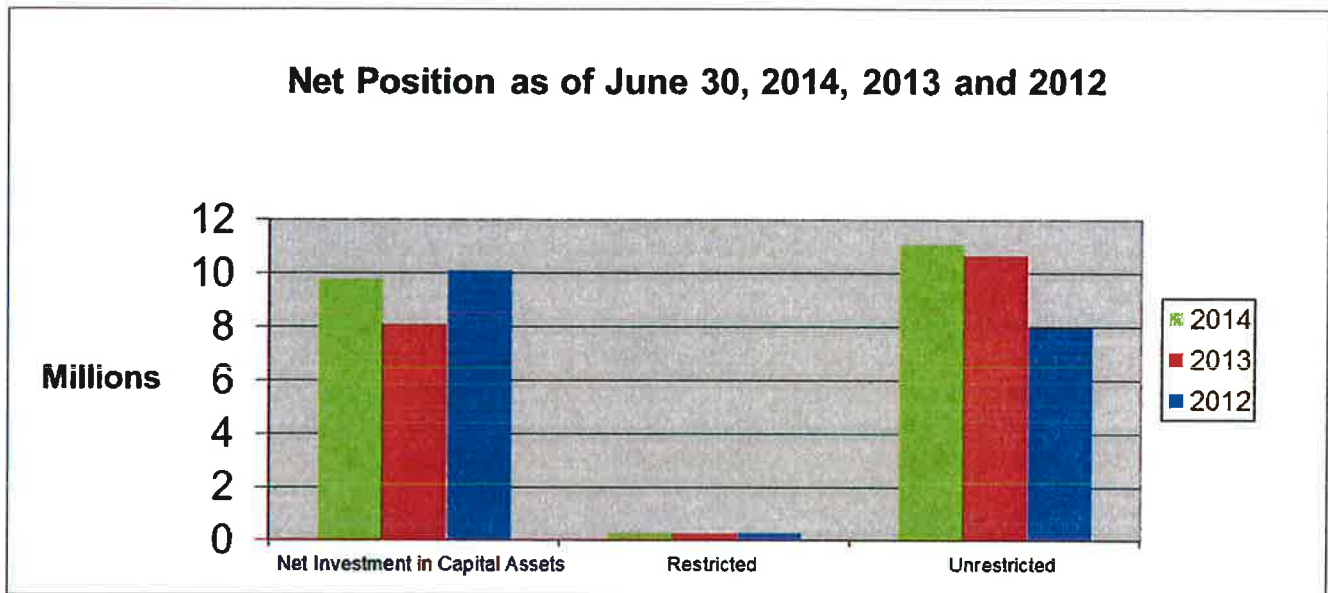
The financial statement format focuses on the College as a whole. A comparative analysis is presented under this model. The College financial statements (see pages 14-20) are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statements of Net Assets is designed to be similar to bottom line results for the College. These statements combine and consolidate current financial resources (short-term spendable resources) with capital assets. The Statements of Revenues, Expenses, and Changes in Net Assets focus on both the gross costs and the net costs of College activities which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to students and the public.

The College's financial reports are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These standards also require that financial statements be presented on a consolidated basis to focus on the College as a whole. The financial statements presented here encompass the College and its discretely presented component unit, the Carl Sandburg College Foundation. Information regarding this component unit is summarized in Note (8) to the financial statements. This MD&A focuses on the College exclusive of the Foundation.



**Carl Sandburg College – Community College District 518**  
**Management Discussion and Analysis**

**Financial Highlights**



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

	2014	As Restated 2013	Increase (Decrease) 2014-2013	2012	Increase (Decrease) 2013-2012
Current assets	\$22.6	\$26.3	(\$3.7)	\$22.1	\$4.2
Non-current assets					
Capital assets, net of depreciation	21.9	20.5	1.4	20.3	0.2
Other	14.1	12.4	1.7	14.2	(1.8)
Total assets	<u>58.6</u>	<u>59.2</u>	<u>(0.6)</u>	<u>56.6</u>	<u>2.6</u>
Current liabilities	4.0	4.3	(0.3)	13.0	(8.7)
Non-current liabilities	23.5	26.0	(2.5)	25.2	0.8
Total liabilities	<u>27.5</u>	<u>30.3</u>	<u>(2.8)</u>	<u>38.2</u>	<u>(7.9)</u>
Total deferred inflows of resources	<u>9.9</u>	<u>9.8</u>	<u>0.1</u>	<u>0.0</u>	<u>9.8</u>
Total liabilities and deferred inflows of resources	<u>37.4</u>	<u>40.1</u>	<u>(2.7)</u>	<u>38.2</u>	<u>1.9</u>
Net position					
Net investment in capital assets	9.8	8.1	1.7	10.1	(2.0)
Restricted	0.3	0.3	0.0	0.3	0.0
Unrestricted	11.1	10.7	0.4	8.0	2.7
Total	<u>\$21.2</u>	<u>\$19.1</u>	<u>\$2.1</u>	<u>\$18.4</u>	<u>\$0.7</u>

# **Carl Sandburg College – Community College District 518**

## **Management Discussion and Analysis**

---

This schedule is prepared from the College's Statements of Net Position (page 14) which are presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

### **Fiscal Year 2014 Compared to 2013**

Current assets decreased \$3.7 million due to the use of bond proceeds for energy efficiency improvements and a decrease in property taxes receivable.

Non-current assets increased \$3.1 million due to the investment in work in progress for energy efficiency improvements and an increase in long term investments.

Current liabilities decreased \$0.3 million due to a decrease in accounts payable.

Non-current liabilities decreased \$2.5 million due to payments on bonds payable.

Total net position at June 30, 2014 increased by \$2.1 million. The restricted net assets are restricted for \$0.3 million of debt service payments.

### **Fiscal Year 2013 Compared to 2012**

Current assets increased \$4.2 million due to bond proceeds still on hand for energy efficiency improvements and an increase in short-term investments.

Non-current assets decreased \$1.6 million representing a move of long-term investments to short-term.

Current liabilities decreased \$8.7 million due to the reclassification of deferred inflows in fiscal year 2013.

Non-current liabilities increased \$0.8 million due to an increase in bonds payable.

Total net assets at June 30, 2013 increased by \$0.7 million. The restricted net position is restricted for \$0.3 million of debt service payments.

# Carl Sandburg College – Community College District 518

## Management Discussion and Analysis

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

	2014	As Restated 2013	Increase (Decrease) 2014-2013	2012	Increase (Decrease) 2013-2012
Operating revenue					
Tuition and fees	\$4.0	\$4.5	(\$0.5)	\$4.2	\$0.3
Auxiliary	0.6	0.6	0.0	0.7	(0.1)
Total operating revenue	4.6	5.1	(0.5)	4.9	0.2
Less operating expenses	25.9	27.0	(1.1)	26.3	0.7
Operating loss	(21.3)	(21.9)	0.6	(21.4)	(0.5)
Non-operating revenue					
State grants and contracts	3.9	3.8	0.1	4.4	(0.6)
Federal grants and contracts	6.3	6.9	(0.6)	7.0	(0.1)
Property taxes	9.5	9.2	0.3	9.0	0.2
Investment income	0.4	0.1	0.3	0.7	(0.6)
Other	4.3	4.1	0.2	3.2	0.9
Interest expense	(1.0)	(1.3)	0.3	(1.1)	(0.2)
Total net non-operating revenues	23.4	22.8	0.6	24.3	(0.4)
<b>Increase (decrease) in net assets</b>	2.1	0.9	1.2	1.8	(0.9)
Net assets, beginning of year as previously reported	19.1	18.4	0.7	16.6	1.8
Prior period adjustment	0.0	(0.2)	0.2	0.0	(0.2)
Net assets, beginning of year as restated	19.1	18.2	0.9	16.6	1.6
Net assets, end of year	\$21.2	\$19.1	\$2.1	\$18.4	\$0.7

Total revenues and expenses (Operating and Non-Operating) for the fiscal year 2014 were \$29.0 million and \$26.9 million, respectively. Fiscal year 2013 total revenues and expenses (Operating and Non-Operating) were \$29.2 million and \$28.3 million. Fiscal year 2012 total revenues and expenses (Operating and Non-Operating) were \$29.2 million and \$27.4 million.

# **Carl Sandburg College – Community College District 518**

## **Management Discussion and Analysis**

---

### **Fiscal Year 2014 Compared to 2013**

Operating revenue decreased \$0.5 million due to a decrease in student tuition and fees based on credit hours provided.

Operating expenses as of June 30, 2014, decreased \$1.1 million due to a decrease in financial aid transmitted and an emphasis on controlling expenditures due to a decrease in credit hour production.

Non-operating revenue increased \$0.3 million. Grant revenue decreased \$0.5 million. There was an increase in property taxes of \$0.3 million, an increase in investment income of \$0.3 million and an increase in SURS on-behalf payments of \$0.2 million.

### **Fiscal Year 2013 Compared to 2012**

Operating revenue increased \$0.2 million due to an increase in student tuition and fees with an increase in program fees.

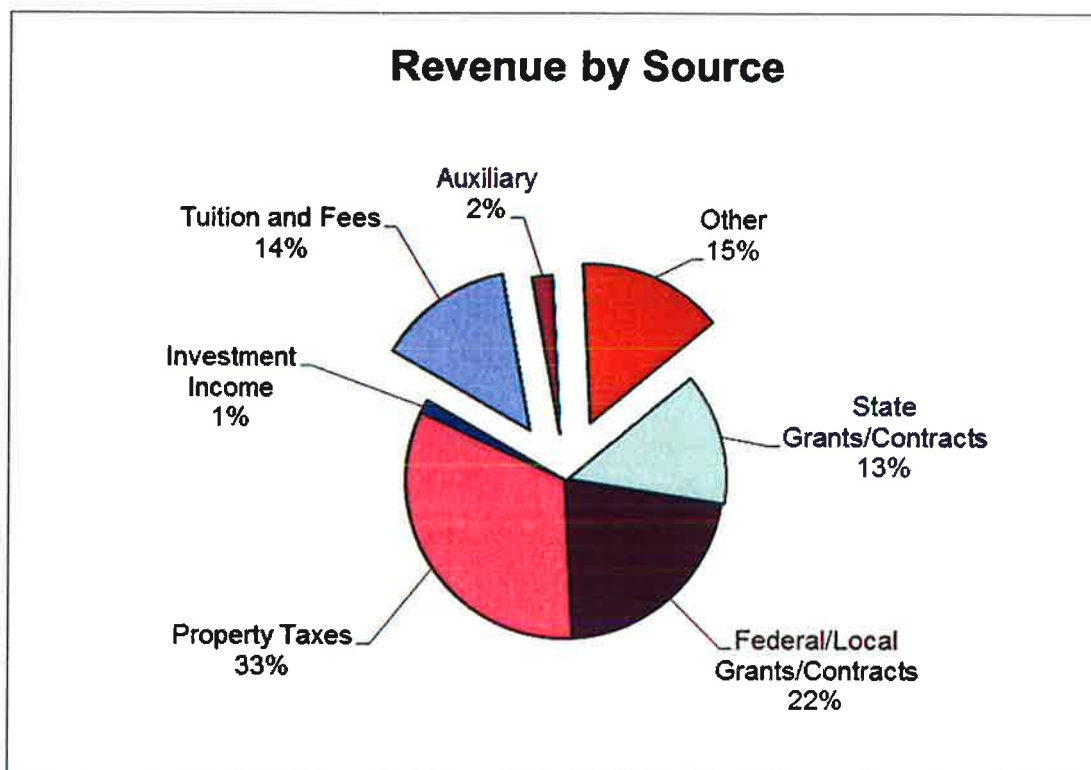
Operating expenses as of June 30, 2013, increased \$0.7 million due to an increased emphasis on instruction and student services to achieve student completion.

Non-operating revenue decreased \$0.2 million. State grants decreased \$0.6 million. There was an increase in property taxes of \$0.2 million. The college also had a decrease in investment income of \$0.6 million and an increase in SURS on-behalf payments of \$0.9 million.

# Carl Sandburg College – Community College District 518

## Management Discussion and Analysis

The following is a graphic illustration of revenues by source for the year ended June 30, 2014.

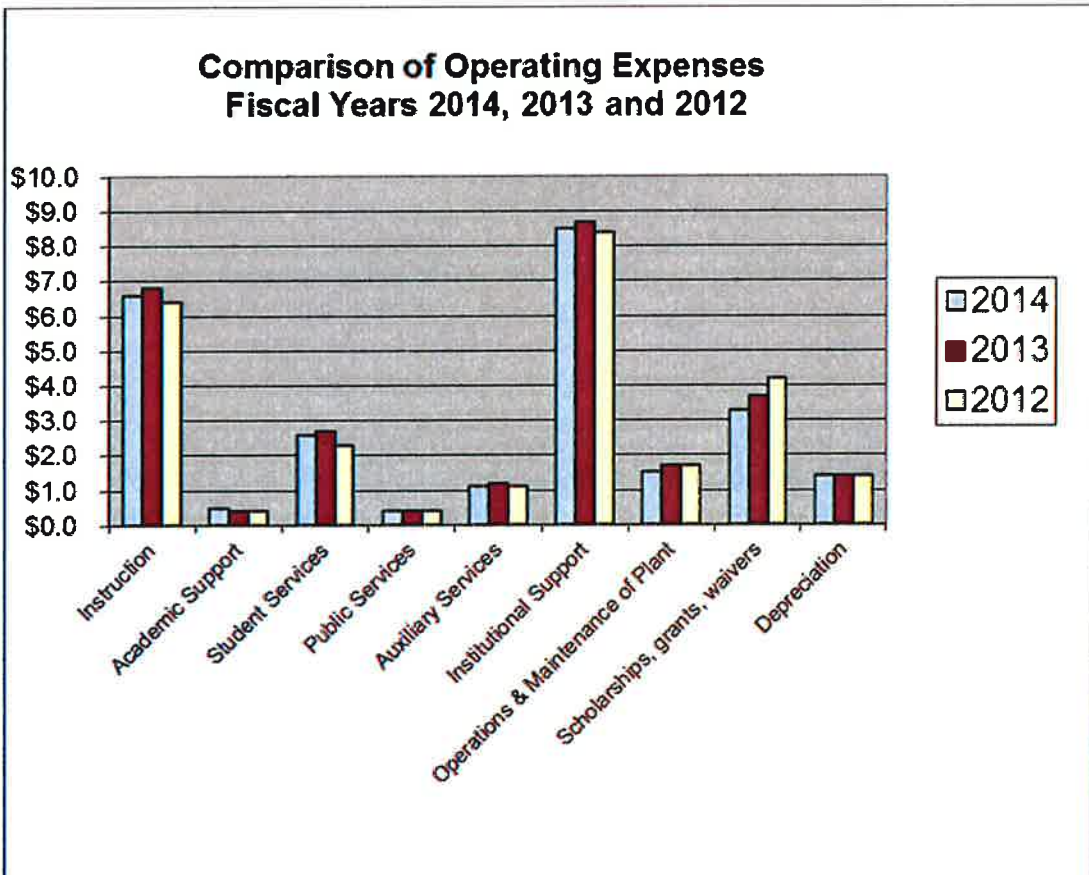
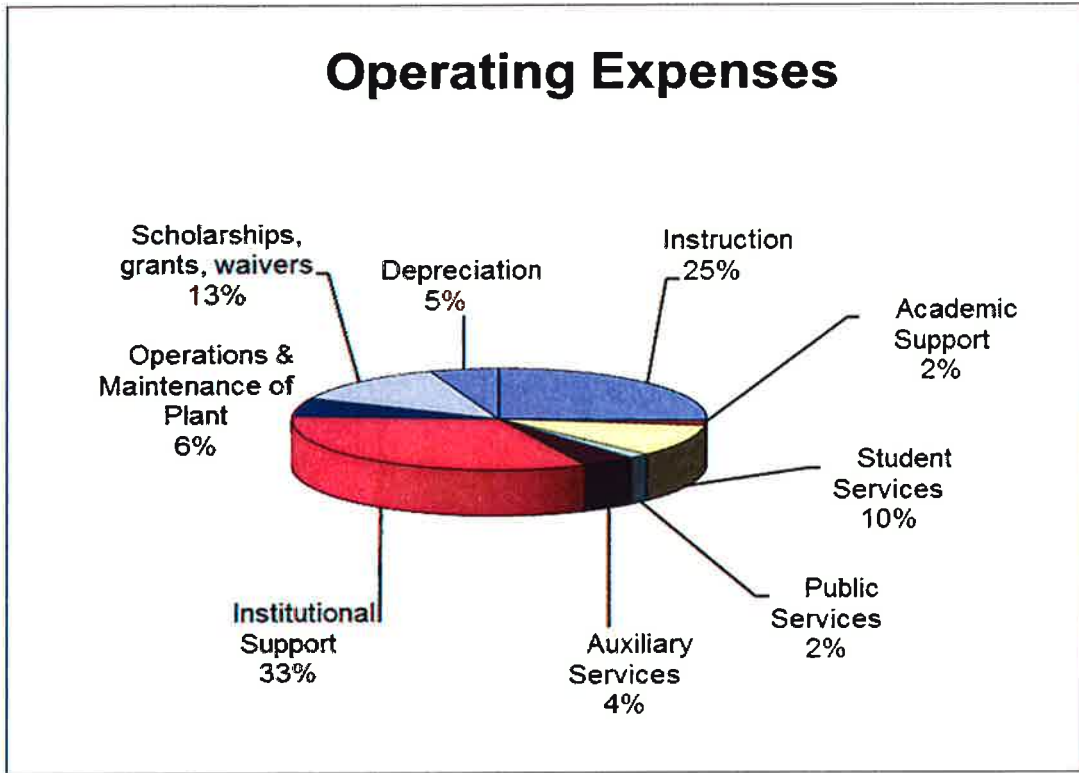


### Operating Expenses For the Year Ended June 30, (in millions)

Operating expense	2014	As Restated 2013	Increase (Decrease) 2014-2013	2012	Increase (Decrease) 2013-2012
Instruction	\$6.6	\$6.8	(0.2)	\$6.4	\$0.4
Academic support	0.5	0.4	0.1	0.4	0.0
Student services	2.6	2.7	(0.1)	2.3	0.4
Public services	0.4	0.4	0.0	0.4	0.0
Auxiliary services	1.1	1.2	(0.1)	1.1	0.1
Operations & maintenance of plant	1.5	1.7	(0.2)	1.7	0.0
Institutional support	8.5	8.7	(0.2)	8.4	0.3
Scholarships, grants, waivers	3.3	3.7	(0.4)	4.2	(0.5)
Depreciation	1.4	1.4	0.0	1.4	0.0
<b>Total</b>	<b>\$25.9</b>	<b>\$27.0</b>	<b>(1.1)</b>	<b>\$26.3</b>	<b>\$0.7</b>

# Carl Sandburg College – Community College District 518 Management Discussion and Analysis

The following is a graphic illustration of operating expenses for the year ended June 30, 2014.

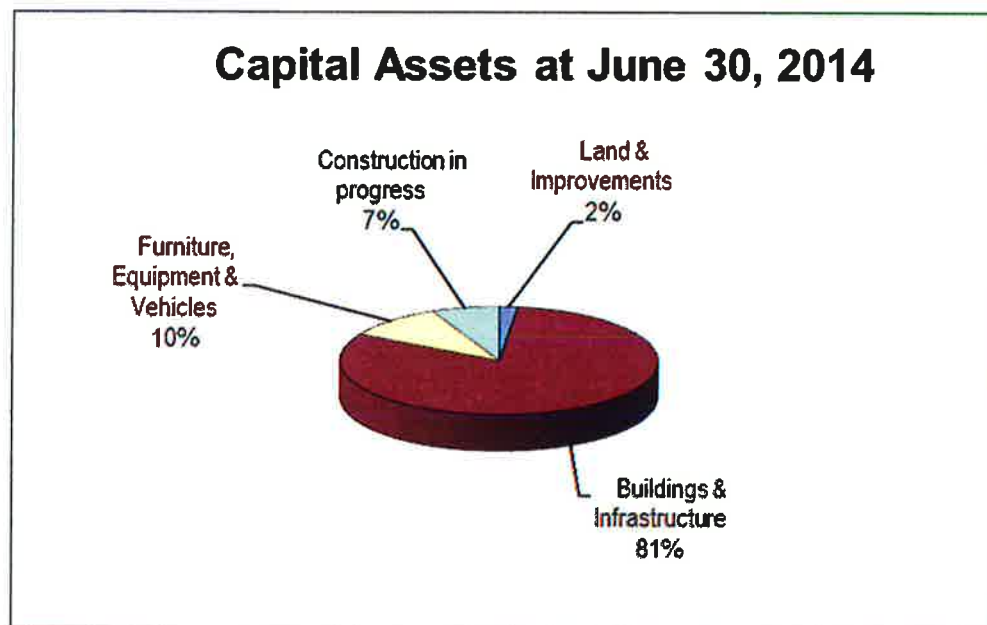


# Carl Sandburg College – Community College District 518

## Management Discussion and Analysis

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

	2014	As Restated 2013	Increase (Decrease) 2014-2013	2012	Increase (Decrease) 2013-2012
<b>Capital Assets</b>					
Land & improvements	\$0.8	\$0.8	\$0.0	\$0.7	\$0.1
Buildings & infrastructure	35.8	35.1	0.7	35.1	0.0
Furniture, equipment, & vehicles	4.4	4.3	0.1	4.7	(0.4)
Construction in progress	3.0	1.2	1.8	0.1	1.1
<b>Total</b>	<b>44.0</b>	<b>41.4</b>	<b>2.6</b>	<b>40.6</b>	<b>0.8</b>
Less accumulated depreciation	(22.1)	(20.9)	(1.2)	(20.3)	(0.6)
<b>Net capital assets</b>	<b>\$21.9</b>	<b>\$20.5</b>	<b>\$1.4</b>	<b>\$20.3</b>	<b>\$0.2</b>



### Fiscal Year 2014 Compared to 2013

As of June 30, 2014, the College had recorded \$44.0 million invested in capital assets, \$22.1 million in accumulated depreciation, and \$21.9 million in net capital assets. The College continues an energy efficiency project to replace HVAC systems on the main campus to address comfort issues in the learning environment. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements on pages 28-29.

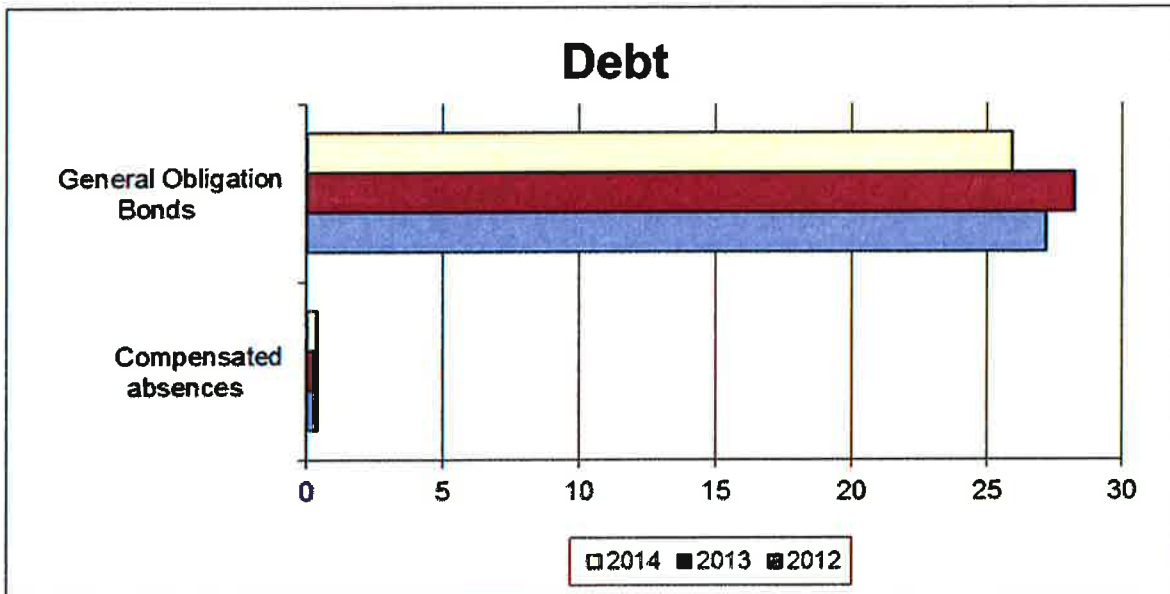
# Carl Sandburg College – Community College District 518

## Management Discussion and Analysis

### Fiscal Year 2013 Compared to 2012

As of June 30, 2013, the College had recorded \$41.4 million invested in capital assets, \$20.9 million in accumulated depreciation, and \$20.5 million in net capital assets. The College began an energy efficiency project to replace HVAC systems on the main campus to address comfort issues in the learning environment. For more detailed information on capital asset activity, refer to Note 3 – Capital Assets, in the Notes to Basic Financial Statements on pages 28-29.

	Debt June 30, (in millions)				
	As		Increase	Increase	
	2014	2013	(Decrease)	2012	(Decrease)
General Obligation Bonds	\$25.9	\$28.2	(\$2.3)	\$27.2	\$1.0
Compensated absences	0.4	0.4	0.0	0.4	0.0
<b>Total</b>	<b>\$26.3</b>	<b>\$28.6</b>	<b>(\$2.3)</b>	<b>\$27.6</b>	<b>\$1.0</b>





# **Carl Sandburg College – Community College District 518**

## **Management Discussion and Analysis**

---

### **Fiscal Year 2014 Compared to 2013**

During fiscal year 2014, the College paid \$2.3 in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements on pages 29-33.

### **Fiscal Year 2013 Compared to 2012**

During fiscal year 2013, the College issued bonds to finance an energy efficiency project to replace HVAC units throughout the main campus. This was combined with refunding of existing bonds during a favorable interest rate environment. The College paid \$2.2 in bond payments funded through the tax levy. For more detailed information on long-term debt activity, refer to Note 4 – Debt, in the Notes to Basic Financial Statements on pages 29-33.

### **Contacting the College's Financial Management**

This financial report is designed to provide our constituents with a general overview of Carl Sandburg College's financial position. Questions concerning this report or requests for additional information should be directed to Lisa Blake, Chief Financial Officer, 2400 Tom L. Wilson Boulevard, Galesburg, IL 61401.

## **BASIC FINANCIAL STATEMENTS**

# Carl Sandburg College - Community College District 518

## Statements of Net Position

June 30, 2014 and 2013

<b>ASSETS</b>	<b>2014</b>	<b>As Restated 2013</b>
Current assets:		
Cash and cash equivalents	\$8,767,091	\$8,126,688
Deposits	1,550,000	1,899,000
Short-term investments	4,087,093	7,347,912
Property taxes receivable	6,490,923	7,012,198
Other receivables	1,517,887	1,856,780
Prepaid items	209,471	72,434
Inventories	11,850	9,951
Total current assets	22,634,315	26,324,963
Noncurrent assets:		
Long-term investments	14,054,589	12,355,883
Capital assets	43,996,246	41,430,218
Less accumulated depreciation	(22,088,209)	(20,931,880)
Total noncurrent assets	35,962,626	32,854,221
Total assets	58,596,941	59,179,184
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	507,220	1,040,166
Accrued liabilities	91,086	106,621
Unearned tuition and fees	658,663	555,078
Accrued compensated absences	234,107	251,835
Bonds payable, net of unamortized premiums (discounts)	2,492,744	2,327,744
Total current liabilities	3,983,820	4,281,444
Noncurrent liabilities:		
Accrued compensated absences	117,054	125,917
Bonds payable, net of unamortized premiums (discounts)	23,419,913	25,912,657
Total noncurrent liabilities	23,536,967	26,038,574
Total liabilities	27,520,787	30,320,018
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property taxes	9,794,127	9,544,769
Unavailable grant revenue	64,642	221,693
Total deferred inflows of resources	9,858,769	9,766,462
Total liabilities and deferred inflows of resources	37,379,556	40,086,480
<b>NET POSITION</b>		
Net investment in capital assets	9,793,258	8,109,244
Restricted - expendable:		
Debt service	279,083	244,853
Unrestricted	11,145,044	10,738,607
Total net position	\$21,217,385	\$19,092,704

See Notes to Financial Statements.

# Carl Sandburg College - Community College District 518

## Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2014 and 2013

	2014	As Restated 2013
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$2,782,969 and \$2,954,050, respectively	\$4,002,982	\$4,467,196
Auxiliary enterprises revenue	599,619	647,681
Total operating revenue	4,602,601	5,114,877
Operating expenses:		
Instruction	6,604,597	6,853,525
Academic support	474,514	414,214
Student services	2,609,590	2,667,020
Public services	364,115	407,090
Auxiliary services	1,095,972	1,162,343
Operation and maintenance of plant	1,527,436	1,724,072
Institutional support	8,505,228	8,749,351
Scholarships, student grants, and waivers	3,316,528	3,683,208
Depreciation	1,354,835	1,380,677
Total operating expenses	25,852,815	27,041,500
Operating loss	(21,250,214)	(21,926,623)
Nonoperating revenues and (expenses):		
State grants	3,912,244	3,799,076
Federal grants	6,273,895	6,908,150
Property taxes	9,467,264	9,237,508
Personal property replacement tax	270,371	267,266
Local grants	19,812	9,263
Investment income	381,802	60,417
Other nonoperating revenues	4,041,119	3,846,208
Interest expense	(991,612)	(1,274,180)
Net nonoperating revenues and (expenses)	23,374,895	22,853,708
Change in net position	2,124,681	927,085
Net position, beginning of year as previously reported	19,092,704	18,385,324
Prior period adjustment	0	(219,705)
Net position, beginning of year as restated	19,092,704	18,165,619
Net position, end of year	\$21,217,385	\$19,092,704

See Notes to Financial Statements.

# Carl Sandburg College - Community College District 518

## Statements of Cash Flows

For the years ended June 30, 2014 and 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tuition and fees	\$6,852,662	\$7,573,950
Payments to suppliers	(7,526,261)	(6,640,415)
Payments to employees	(10,743,194)	(11,060,142)
Payments to students for scholarships	(6,099,497)	(6,637,258)
Auxiliary enterprise charges	594,037	649,778
Net cash used in operating activities	(16,922,253)	(16,114,087)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from property taxes	10,235,763	8,592,360
Proceeds from grants	11,111,752	11,305,313
Net cash provided by noncapital financing activities	21,347,515	19,897,673
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(2,764,535)	(1,575,195)
Proceeds from bonds sold	0	8,120,000
Principal deposit in escrow	0	(5,165,000)
Interest from escrow	0	(105,858)
Premium (discount) on bonds sold	0	267,401
Bond issuance costs	0	(112,025)
Principal paid on bonds payable	(2,310,000)	(2,210,000)
Interest paid on bonds payable and other long-term obligations	(1,016,190)	(1,085,281)
Net cash used in capital and related financing activities	(6,090,725)	(1,865,958)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	395,063	431,393
Proceeds from maturities of investment securities	35,189,067	32,568,894
Purchases of investment securities	(33,278,264)	(32,944,957)
Net cash (used in) provided by investing activities	2,305,866	55,330
Net increase (decrease) in cash and cash equivalents	640,403	1,972,958
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	8,126,688	6,153,730
End of year	\$8,767,091	\$8,126,688

See Notes to Financial Statements.

# Carl Sandburg College - Community College District 518

## Statements of Cash Flows (Continued)

For the years ended June 30, 2014 and 2013

	2014	2013
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating loss	(\$21,250,214)	(\$21,926,623)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,354,835	1,380,677
State on-behalf payments for fringe benefits	3,626,005	3,531,349
Changes in assets and liabilities:		
Receivables	95,827	142,204
Other assets	(138,936)	126,695
Accounts payable	(532,946)	580,577
Accrued liabilities	(15,535)	26,616
Accrued compensated absences	(26,591)	11,821
Unearned tuition and fees	(30,860)	13,389
Other unearned revenue	(3,838)	(792)
Net cash used in operating activities	(\$16,922,253)	(\$16,114,087)
<b>NONCASH INVESTING, CAPITAL, AND FINANCIAL:</b>		
Increase (decrease) in fair value of investments and amortization/accretion	(\$312)	(\$365,557)
Purchase of equipment under capital leases	\$0	\$0
<b>STATE ON-BEHALF PAYMENTS</b>	<b>\$3,626,005</b>	<b>\$3,531,349</b>

See Notes to Financial Statements.

# Carl Sandburg College - Community College District 518

## Component Unit - Carl Sandburg College Foundation

### Statements of Financial Position

June 30, 2014 and 2013

<b>A S S E T S</b>	<b>2014</b>	<b>2013</b>
Cash	\$110,649	\$162,151
Investments	5,252,145	4,506,893
Accounts receivable	10,000	1,000
<b>Total assets</b>	<b>\$5,372,794</b>	<b>\$4,670,044</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Scholarships payable	\$116,215	\$68,325
Accounts payables	6,005	3,033
<b>Total liabilities</b>	<b>122,220</b>	<b>71,358</b>
Net assets:		
Unrestricted	23,205	81,589
Temporarily restricted	1,928,803	1,756,342
Permanently restricted	3,298,566	2,760,755
<b>Total net assets</b>	<b>5,250,574</b>	<b>4,598,686</b>
<b>Total liabilities and net assets</b>	<b>\$5,372,794</b>	<b>\$4,670,044</b>

See Notes to Financial Statements.

***This Page Intentionally Left Blank***



# Carl Sandburg College - Community College District 518

## Component Unit - Carl Sandburg College Foundation

### Statements of Activities

For the years ended June 30, 2014 and 2013

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$39,505	\$221,371	\$60,432	\$321,308
Interest and dividends	2,076	168,909	31,640	202,625
Net unrealized gain (loss) on investments	5,857	91,937	445,739	543,533
Donated goods & facilities	68,713			68,713
Donated services	16,366			16,366
Special events	6,640			6,640
Other	9,663			9,663
	148,820	482,217	537,811	1,168,848
Net assets released from restrictions -				
Satisfaction of program restrictions	309,756	(309,756)		0
Total revenues, gains, and other support	458,576	172,461	537,811	1,168,848
Expenses and losses:				
Program	342,676			342,676
Management and general	127,621			127,621
Fund raising	46,663			46,663
Total expenses and losses	516,960	0	0	516,960
Change in net assets	(58,384)	172,461	537,811	651,888
Net assets at beginning of year	81,589	1,756,342	2,760,755	4,598,686
Net assets at end of year	\$23,205	\$1,928,803	\$3,298,566	\$5,250,574

See Notes to Financial Statements.

2013			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$4,566	\$205,026	\$125,986	\$335,578
3,459	110,180	19,269	132,908
10,293	60,548	304,033	374,874
78,309			78,309
4,960			4,960
15,265			15,265
45,979			45,979
162,831	375,754	449,288	987,873
184,873	(184,873)		0
347,704	190,881	449,288	987,873
194,031			194,031
196,367			196,367
27,090			27,090
417,488	0	0	417,488
(69,784)	190,881	449,288	570,385
151,373	1,565,461	2,311,467	4,028,301
\$81,589	\$1,756,342	\$2,760,755	\$4,598,686

See Notes to Financial Statements.

# **Carl Sandburg College – Community College District 518**

## **Notes to Financial Statements**

---

### **Note 1. Summary of Significant Accounting Policies:**

Carl Sandburg College, Community College District 518 (College), established in 1966 under the Illinois Public Community College Act, provides baccalaureate, vocational, and continuing education courses to a ten county area located in central Illinois. The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

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

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

#### **Reporting Entity**

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

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

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are described by FASB issued guidance. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No financial reporting entity for these differences; however, significant note disclosures (see Note 8) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

# **Carl Sandburg College – Community College District 518**

## **Notes to Financial Statements**

---

### **Note 1. Summary of Significant Accounting Policies (continued):**

#### **Reporting Entity (continued)**

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

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

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

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

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

#### **Cash and Cash Equivalents**

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

#### **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 518

## Notes to Financial Statements

---

### 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, the 2012 property tax levies passed on December 20, 2012 is recognized as property tax revenue. Unavailable property taxes represent the revenue to be generated from the 2013 property tax levy which was passed on December 19, 2013. In addition, property taxes receivable represents the remaining 2013 property tax levy to be collected in fiscal year 2015.

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

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

#### Inventories

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

#### Capital Assets

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

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### Note 1. Summary of Significant Accounting Policies (continued):

#### Capital Assets (continued)

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

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

#### Unearned Tuition and Fee Revenue

Tuition and fee revenues received and related to the period after June 30 are reported as unearned.

#### Long-term Debt

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

#### Compensated Absences

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

#### Other Post-Employment and Related Benefits

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

#### Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### Classification of Revenues and Expenses

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

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### Note 1. Summary of Significant Accounting Policies (continued):

#### **Federal Financial Assistance Programs**

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

#### **On-Behalf Payments for Fringe Benefits and Salaries**

Contributions made by the State of Illinois relating to the State Universities Retirement Systems and College Insurance Plan on behalf of the College's employees are recognized by the College as revenues and expenses. In fiscal years 2014 and 2013, the state made contributions of \$3,626,005 and \$3,531,349 respectively (Note 5).

#### **Net Position**

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

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

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in fund equity during the reporting period. Material estimates that are particularly susceptible to significant change in the near term relate to depreciation on capital assets, allowance for doubtful accounts, and the fair value of investments. Actual results could differ from those estimates.

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 2. Cash and Investments:

The College's cash and deposits throughout the year and at year-end consisted of demand deposit accounts, certificates of deposit, and money markets. The College classifies these accounts between cash and deposits on the combined balance sheet according to liquidity and intended use.

Cash and deposits as of June 30, 2014 consist of the following:

	Carrying Amount
Cash on hand	\$4,435
Deposits with financial institutions	10,312,656
<b>Total</b>	<b>\$10,317,091</b>

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

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

Investments at June 30, 2014 and 2013 comprise the following at fair value:

	2014	2013
Money market	\$2,565,175	\$3,369,953
Corporate checking	0	1,354,449
Certificate of deposit	3,453,086	1,115,095
Municipal bonds	1,384,636	1,286,694
U.S. government agency securities	10,738,785	12,577,604
	<b>\$18,141,682</b>	<b>\$19,703,795</b>

As of June 30, 2014, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Money market	\$2,565,175	\$2,565,175			
Certificate of deposit	3,453,086	100,000	\$3,353,086		
Municipal bonds	1,384,636		1,384,636		
U.S. Government agency securities	10,738,785	1,421,918	4,996,064	\$2,513,117	\$1,807,686
<b>Total</b>	<b>\$18,141,682</b>	<b>\$4,087,093</b>	<b>\$9,733,786</b>	<b>\$2,513,117</b>	<b>\$1,807,686</b>



# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 2. Cash and Investments (continued):

As of June 30, 2013, the College had the following investments with stated maturities.

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
Money market	\$3,369,953	\$3,369,953			
Corporate checking	1,354,449	1,354,449			
Certificate of deposit	1,115,095		\$1,115,095		
Municipal bonds	1,286,694		377,360	\$909,024	
U.S. Government agency securities	12,577,604	2,623,510	5,087,249	2,648,105	\$2,218,740
<b>Total</b>	<b>\$19,703,795</b>	<b>\$7,347,912</b>	<b>\$6,580,014</b>	<b>\$3,557,129</b>	<b>\$2,218,740</b>

As of June 30, 2014, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Money market	\$2,565,175				\$2,565,175
Certificate of deposit	3,453,086				3,453,086
Municipal bonds	1,384,636		\$546,920	\$837,716	
U.S. Government agency securities	10,738,785		10,738,785		
<b>Total</b>	<b>\$18,141,682</b>	<b>\$0</b>	<b>\$11,285,705</b>	<b>\$837,716</b>	<b>\$6,018,261</b>

As of June 30, 2013, the College had the following investments with stated ratings.

	Total	Investment Ratings by Standard & Poor's			
		AAA	AA	A	Unrated
Money market	\$3,369,953	\$3,207,715			\$162,238
Corporate Checking	1,354,449				1,354,449
Certificate of deposit	1,115,095				1,115,095
Municipal bonds	1,286,694		\$743,240	\$543,454	
U.S. Government agency securities	12,577,604		12,577,604		
<b>Total</b>	<b>\$19,703,795</b>	<b>\$3,207,715</b>	<b>\$13,320,844</b>	<b>\$543,454</b>	<b>\$2,631,782</b>

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

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2014 there are no investments with custodial credit risk.

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 2. Cash and Investments (continued):

*Custodial credit risk* for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. At year end, the College's carrying amount of deposits was \$10,312,656 and the bank balance was \$10,559,831. Of the bank balance, \$1,703,330 was covered by federal depository insurance; \$8,856,501 was collateralized with securities held by the pledging financial institution's trust department or agent in the College's name. All deposits were fully collateralized.

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

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

### Note 3. Capital Assets:

Changes in the various capital asset categories during the year ended June 30, 2014 are as follows:

	Balance at July 1, 2013	Additions	Deletions	Transfers	Balance at June 30, 2014
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	1,160,295	\$2,480,192		(\$599,628)	3,040,859
Depreciable:					
Buildings and additions	32,729,233	64,488		599,628	33,393,349
Infrastructure	2,420,338				2,420,338
Furniture and equipment	4,117,391	120,354	\$56,479		4,181,266
Land improvements	399,021	91,500	142,027		348,494
Vehicles	198,457	8,000			206,457
<b>Total cost</b>	<b>\$41,430,218</b>	<b>\$2,764,534</b>	<b>\$198,506</b>	<b>\$0</b>	<b>\$43,996,246</b>

Accumulated depreciation for the year ended June 30, 2014 is as follows:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Buildings and additions	\$14,738,356	\$1,006,304		\$15,744,660
Infrastructure	2,299,865	23,886		2,323,751
Furniture and equipment	3,443,360	292,574	\$56,479	3,679,455
Land improvements	252,790	25,904	142,027	136,667
Vehicles	197,509	6,167	0	203,676
<b>Total accumulated depreciation</b>	<b>\$20,931,880</b>	<b>\$1,354,835</b>	<b>\$198,506</b>	<b>\$22,088,209</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 3. Capital Assets (continued):

Changes in the various capital asset categories during the year ended June 30, 2013 as follows:

	Balance at July 1, 2012	Additions	Deletions	Transfers	Balance at June 30, 2013
Nondepreciable:					
Land	\$405,483				\$405,483
Work in progress	72,313	\$1,160,295		(\$72,313)	1,160,295
Depreciable:					
Buildings and additions	32,651,633	26,681		50,919	32,729,233
Infrastructure	2,420,338				2,420,338
Furniture and equipment	4,414,737	301,940	\$612,770	13,484	4,117,391
Land improvements	304,832	86,279		7,910	399,021
Vehicles	322,651		124,194		198,457
<b>Total cost</b>	<b>\$40,591,987</b>	<b>\$1,575,195</b>	<b>\$736,964</b>	<b>\$0</b>	<b>\$41,430,218</b>

Accumulated depreciation for the year ended June 30, 2013 as follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Buildings and additions	\$13,790,305	\$948,051		\$14,738,356
Infrastructure	2,275,734	24,131		2,299,865
Furniture and equipment	3,687,926	368,204	\$612,770	3,443,360
Land improvements	222,299	30,491		252,790
Vehicles	311,903	9,800	124,194	197,509
<b>Total accumulated depreciation</b>	<b>\$20,288,167</b>	<b>\$1,380,677</b>	<b>\$736,964</b>	<b>\$20,931,880</b>

### Note 4. Debt:

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$28,070,000		\$2,310,000	\$25,760,000	\$2,475,000	\$23,285,000
Bond premiums (discounts)	170,401		17,744	152,657	17,744	134,913
Compensated absences	377,752	\$227,029	253,620	351,161	234,107	117,054
<b>Totals</b>	<b>\$28,618,153</b>	<b>\$227,029</b>	<b>\$2,581,364</b>	<b>\$26,263,818</b>	<b>\$2,726,851</b>	<b>\$23,536,967</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 4. Debt (continued):

The following is a summary of the college's long-term and short-term debt transactions for the year ended June 30, 2013:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	\$27,325,000	\$8,120,000	\$7,375,000	\$28,070,000	\$2,310,000	\$25,760,000
Bond premiums (discounts)	(77,850)	267,401	19,150	170,401	17,744	152,657
Compensated absences	365,931	294,975	283,154	377,752	251,835	125,917
<b>Totals</b>	<b>\$27,613,081</b>	<b>\$8,682,376</b>	<b>\$7,677,304</b>	<b>\$28,618,153</b>	<b>\$2,579,579</b>	<b>\$26,038,574</b>

Details on the debt as of June 30, 2014 are as follows:

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

	Principal	Interest	Total
During the year ending June 30:			
2015	\$235,000	\$18,831	\$253,831
2016	210,000	6,038	216,038
<b>Totals</b>	<b>\$445,000</b>	<b>\$24,869</b>	<b>\$469,869</b>

- The general obligation refunding bonds, Series 2005, bear interest at 2.50 to 4.20 percent, which is due on June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year (excluding 2006-2009), with final maturity on December 1, 2019. A portion of the bond proceeds (13.49%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2015	\$1,065,000	\$318,712	\$1,383,712
2016	1,205,000	272,850	1,477,850
2017	1,360,000	222,152	1,582,152
2018	1,455,000	165,125	1,620,125
2019	1,565,000	102,824	1,667,824
2020	1,675,000	35,175	1,710,175
<b>Totals</b>	<b>\$8,325,000</b>	<b>\$1,116,838</b>	<b>\$9,441,838</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 4. Debt (continued):

3. The general obligation bonds, Series 2007C, bear interest at 4.250 to 4.125 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year (excluding 2009-2017), with final maturity on January 1, 2020. A portion of the bond proceeds (85.24%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2015		\$130,406	\$130,406
2016		130,406	130,406
2017		130,406	130,406
2018	\$990,000	109,369	1,099,369
2019	1,035,000	66,338	1,101,338
2020	1,075,000	22,172	1,097,172
<b>Totals</b>	<b>\$3,100,000</b>	<b>\$589,097</b>	<b>\$3,689,097</b>

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

	Principal	Interest	Total
During the year ending June 30:			
2015	\$170,000	\$81,807	\$251,807
2016	180,000	76,032	256,032
2017	185,000	69,640	254,640
2018	195,000	62,611	257,611
2019	205,000	54,903	259,903
2020-2024	1,190,000	134,123	1,324,123
<b>Totals</b>	<b>\$2,125,000</b>	<b>\$479,116</b>	<b>\$2,604,116</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 4. Debt (continued):

5. The general obligation bonds, Series 2010B, bear interest at 2.00 to 4.00 percent, which is due on January 1 and July 1 of each year (excluding 2010-2011), while principal amounts mature serially on January 1 of each year, with final maturity on January 1, 2021. A portion of the bond proceeds (37.00%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2015	\$415,000	\$115,050	\$530,050
2016	425,000	103,487	528,487
2017	290,000	91,312	381,312
2018	400,000	78,762	478,762
2019	415,000	65,010	480,010
2020-2021	1,615,000	71,960	1,686,960
<b>Totals</b>	<b>\$3,560,000</b>	<b>\$525,581</b>	<b>\$4,085,581</b>

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

	Principal	Interest	Total
During the year ending June 30:			
2015	\$230,000	\$71,165	\$301,165
2016	175,000	65,550	240,550
2017	185,000	59,780	244,780
2018		56,635	56,635
2019		56,635	56,635
2020-2021	1,205,000	84,952	1,289,952
<b>Totals</b>	<b>\$1,795,000</b>	<b>\$394,717</b>	<b>\$2,189,717</b>

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

	Principal	Interest	Total
During the year ending June 30:			
2015		\$67,163	\$67,163
2016		67,162	67,162
2017	\$270,000	61,763	331,763
2018	235,000	51,662	286,662
2019		46,963	46,963
2020-2021	1,105,000	70,444	1,175,444
<b>Totals</b>	<b>\$1,610,000</b>	<b>\$365,157</b>	<b>\$1,975,157</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 4. Debt (continued):

8. The general obligation bonds, Series 2012A, bear interest at 2.00 to 3.00 percent, which is due on January 1 and July 1 of each year, while principal amounts mature serially on January 1 of each year (excluding 2018-2021), with final maturity on January 1, 2022. A portion of the bond proceeds (95.04%) were used for the purchase of capital assets. The annual debt service requirements on these bonds are due as follows:

	Principal	Interest	Total
During the year ending June 30:			
2015	\$360,000	\$127,000	\$487,000
2016	435,000	119,050	554,050
2017	545,000	109,250	654,250
2018		103,800	103,800
2019		103,800	103,800
2020-2022	3,460,000	259,500	3,719,500
<b>Totals</b>	<b>\$4,800,000</b>	<b>\$822,400</b>	<b>\$5,622,400</b>

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest, are as follows:

Year Ending June 30,	General Obligation Bonds	Compensated Absences	Total Principal	Interest	Total Principal And Interest
2015	\$2,475,000	\$234,107	\$2,709,107	\$930,134	\$3,639,244
2016	2,630,000	117,054	2,747,054	840,575	3,587,629
2017	2,835,000		2,835,000	744,303	3,579,303
2018	3,275,000		3,275,000	627,964	3,902,964
2019	3,220,000		3,220,000	496,473	3,716,473
2024	11,325,000		11,325,000	678,326	12,003,326
<b>Total</b>	<b>\$25,760,000</b>	<b>\$351,161</b>	<b>\$26,111,161</b>	<b>\$4,317,775</b>	<b>\$30,428,936</b>

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2014, is \$45,072,884. General obligation debt at June 30, 2014, is \$25,760,000 resulting in a legal debt margin of \$19,312,884.

### Note 5. Retirement Commitments – State University Retirement System:

*Plan Description.* The College contributes to the State Universities Retirement system of Illinois (SURS), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

**Note 5. Retirement Commitments – State University Retirement System (continued):**

and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org), or calling 1-800-275-7877.

*Funding Policy.* Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 2015) is 35.80% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS for the years ended June 30, 2014, 2013 and 2012, were \$3,615,998, \$3,565,311 and \$2,539,460, respectively, equal to the required contributions for each year.

**Note 6. Risk Management:**

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

**Note 7. Contingencies and Commitments:**

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

<b>Year Ended June 30</b>	<b>Facilities</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Total</b>
2015	\$22,000	\$82,689	\$13,150	\$117,839
2016		82,689		82,689
2017		82,689		82,689
2018		82,689		82,689
2019		13,781		13,781
<b>Total</b>	<b>\$22,000</b>	<b>\$344,537</b>	<b>\$13,150</b>	<b>\$379,687</b>

Fiscal year 2014 facilities, equipment, and vehicles rent expense was \$22,000, \$85,434, and \$26,300, respectively.



# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### **Note 7. Contingencies and Commitments (continued):**

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

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

In December 2011, the College signed a contract with Energy Systems Group, LLC for project manager for Geothermal and HVAC projects to the College's main campus. The contract was for \$3,100,000, and as of June 30, 2014, the College expended \$2,591,819 for this contract. The remaining costs as of June 30, 2014 is \$508,181 and the estimated date of completion is fiscal year 2015.

### **Note 8. Component Unit Disclosures:**

#### **Carl Sandburg College Foundation**

##### **Nature of Business**

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

##### **Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis.

##### **Financial Statement Presentation**

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

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

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

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### Note 8. Component Unit Disclosures (continued):

#### Carl Sandburg College Foundation (continued)

#### Financial Statement Presentation (continued)

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

#### Contributions and Revenues

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

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

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

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

#### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of June 30, 2014, promises to give totaled \$10,000.

#### Income Taxes

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

#### Cash and Cash Equivalents

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

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### Note 8. Component Unit Disclosures (continued):

#### Carl Sandburg College Foundation (continued)

##### Concentrations of Credit Risk

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

##### Investments and Investment Earnings

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

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

##### Donated Services

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

##### Pledged Receivable

The Foundation receivables consist principally of pledged contributions from donors. Management individually reviews all delinquent accounts receivable balances. After all attempts to collect a receivable have failed, the receivable is written off as a bad debt using the specific charge-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. Foundation's management expects to collect all pledged receivables shown on the Statement of Financial Position. As of June 30, 2014, there were \$10,000 of pledged receivables.

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 8. Component Unit Disclosures (continued):

#### Carl Sandburg College Foundation (continued)

##### Estimates

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

##### Subsequent Events

The Foundation has evaluated subsequent events through September 17, 2014 which is the date these financial statement were available to be issued. All subsequent events requiring recognition as of June 30, 2014 have been incorporated herein. There are no other subsequent events that require disclosure.

##### Investments

Interest, dividends, realized and unrealized gains and losses attributable to investments have been distributed based on each fund's percentage holdings of that investment. All investments are carried by the Foundation at fair market value. The investments at June 30, 2014 consisted of the following:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Mutual Funds - equity	\$3,913,945	\$2,749,994	\$1,163,951
Mutual Funds - bonds	1,338,200	1,339,616	(1,416)
	<u>\$5,252,145</u>	<u>\$4,089,610</u>	<u>\$1,162,535</u>

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

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

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

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

**Note 8. Component Unit Disclosures (continued):**

**Carl Sandburg College Foundation (continued)**

**Investments (continued)**

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

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

The following table presents the Foundation’s approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2014:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a recurring basis:</b>				
Mutual Funds - equity	\$3,913,945	\$3,913,945		
Mutual Funds - bonds	1,338,200	1,338,200		
<b>Total investments</b>	<b>\$5,252,145</b>	<b>\$5,252,145</b>	<b>\$0</b>	<b>\$0</b>

**Endowment Funds**

The Foundation’s endowment consists of approximately 99 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The endowment net asset composition by type of fund as of June 30, 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds		\$1,928,803	\$3,298,566	\$5,227,369
Board-designated endowment funds	\$23,205			23,205
	<b>\$23,205</b>	<b>\$1,928,803</b>	<b>\$3,298,566</b>	<b>\$5,250,574</b>

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

### Note 8. Component Unit Disclosures (continued):

#### Carl Sandburg College Foundation (continued)

#### Endowment Funds (continued)

Changes in endowment net assets as of June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowment net assets, beginning of year	\$81,589	\$1,756,342	\$2,760,755	\$4,598,686
Contributions	39,505	221,371	60,432	321,308
Interest and dividend income	2,076	168,909	31,640	202,625
Net unrealized gain(loss) on investments	5,857	91,937	445,739	543,533
Donated goods, services, facilities	85,079			85,079
Special events	6,640			6,640
Other Income	9,663			9,663
Amounts appropriated for expenditure	(516,960)			(516,960)
Amounts released from restriction	309,756	(309,756)		0
	\$23,205	\$1,928,803	\$3,298,566	\$5,250,574

#### Temporarily Restricted Net Position

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

Student scholarships currently available	\$1,278,069
For periods after June 30, 2015	650,734
	<u>\$1,928,803</u>

#### Permanently Restricted Net Position

Permanently restricted net assets are restricted to be held as investments, with a portion of earnings to be added to permanently restricted net assets and a portion of earnings to be used for scholarships to students. Earnings which are used for scholarships to students are temporarily restricted until such earnings are used for scholarships to students as specified by the donor, at which time they are reclassified as unrestricted. As of June 30, 2014 permanently restricted net assets totaled \$3,298,566.

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### Note 8. Component Unit Disclosures (continued):

#### Carl Sandburg College Foundation (continued)

##### Net Assets Released

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

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the years ended June 30, 2014 for scholarships totaled \$309,756.

##### Related Parties

The Foundations is a component unit of Carl Sandburg College – Community College District 518 (College) for financial reporting purposes. The financial balances and activities included in these financial statements are, therefore, also included in the College's financial statements. The College donated \$70,892 of services, goods, and facilities to the Foundation during the year ended June 30, 2014.

##### Income Taxes

As stated in footnote (A), the Foundation is organized as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Foundation pays no income tax on its related function income as long as it stays within the guidelines of Section 501(c)(3). The Foundation is subject to income tax on its "non-related" function income. For the year ending June 30, 2014, the Foundation did not have any "non-related" function income. Accordingly, the Foundation had no taxable income for the year.

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

##### U.S. Department of Education – Endowment Challenge Grant

Endowment Challenge Grant - Carl Sandburg College Foundation received a \$200,000 Endowment Challenge Grant from the U.S. Department of Education during the year ended June 30, 1995. To receive this award, Carl Sandburg College Foundation had to raise \$100,000 from corporate and individual contributions which would be matched by the Department of Education on a two-for-one basis up to \$200,000. These funds must be placed in a separate endowment trust for a period of twenty years. In addition, half of the annual earnings on this account must be added to the principal of this grant for the next twenty years. The other half of the earnings could be distributed as student scholarships. There are two years remaining in the twenty-year period at June 30, 2014. The Endowment Challenge Grant has \$1,029,158 of investments as of June 30, 2014.

# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### **Note 8. Component Unit Disclosures (continued):**

#### **Carl Sandburg College Foundation (continued)**

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

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

### **Note 9. Accounting Changes:**

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement 65 *Items Previously Reported as Assets and Liabilities*, which is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The College has implemented this statement retrospectively in the year ended June 30, 2014. As a result, the 2012 “other assets” relating to bond issue costs of \$215,705 have been expensed in 2013 as a prior period adjustment explained in Note 13.

### **Note 10. New Reporting Standards:**

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

In November 2013, the GASB issued Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68”. The College is required to implement this standard for the fiscal year ending June 30, 2015. The College has not yet determined the full impact that adoption of GASB Statement 71 will have on the financial statements.

### **Note 11. Subsequent Event:**

The College has evaluated subsequent events through September 17, 2014 which is the date these financial statement were available to be issued. All subsequent events requiring recognition as of June 30, 2014 have been incorporated herein. There are no other subsequent events that require disclosure.



# Carl Sandburg College – Community College District 518

## Notes to Financial Statements

---

### **Note 12. Discontinued Operations of Child Care Center:**

The Child Care Center was established in August 1977 as a comprehensive Early Childhood Lab School dedicated to providing children, parents and students with quality education and services. The three main purposes of the center were to provide a comprehensive development program for children, provide quality child care services for children of students, staff, faculty and community residents and to provide an opportunity for college students in the Child Development Program to observe and participate with young children. On June 6, 2014, the College discontinued the operations at the Child Care Center.

### **Note 13. Restatement:**

Due to the changes in accounting principles described in Note 9, 2013 beginning net position has been decreased by \$219,705, from \$18,385,324 to \$18,165,619. The difference represents a restatement for bond issue costs that were amortized under the prior standards but expensed in the period incurred under the new standards.

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

# Carl Sandburg College – Community College District 518

## Statistical Section

---

This section of the College's Comprehensive Annual Financial Report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and supplemental financial information to understand and assess the College's overall economic condition.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the college's financial performance and well-being have changed over time.	45 - 47
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	48 - 50
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the ability to issue additional debt in the future.	51 - 54
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	55 - 57
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	58 - 59

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

# Carl Sandburg College - Community College District 518

## Net Position by Component

For the Last Ten Fiscal Years ended June 30,

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

TABLE A

	2014	As Restated 2013*	2012	2011	2010	2009	2008	2007	2006	2005
Net investment in capital assets	\$9,793	\$8,109	\$10,120	\$10,152	\$11,085	\$9,641	\$7,933	\$9,881	\$9,981	\$8,717
Restricted - expendable:										
Debt Service	279	245	239	559	374	235	136	205	89	279
Insurance	0	0	0	0	0	0	0	0	0	5,349
Unrestricted	11,145	10,739	8,026	5,849	3,259	2,422	1,586	(1,820)	(2,536)	(6,856)
<b>Total net position</b>	<b>\$21,217</b>	<b>\$19,093</b>	<b>\$18,385</b>	<b>\$16,560</b>	<b>\$14,718</b>	<b>\$12,298</b>	<b>\$9,655</b>	<b>\$8,266</b>	<b>\$7,534</b>	<b>\$7,489</b>

\*Implementation of GASB 65

# Carl Sandburg College - Community College District 518

## Changes in Net Position

For the Last Ten Fiscal Years ended June 30,

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

TABLE B

	2014	As Restated 2013*	2012	2011	2010	2009	2008	2007	2006	2005
Operating expenses:										
Instruction	\$6,605	\$6,854	\$6,367	\$6,241	\$6,907	\$6,796	\$7,135	\$7,640	\$14,856	\$13,538
Academic support	475	414	400	340	350	318	323	355	364	382
Student services	2,610	2,667	2,303	2,189	2,112	2,256	1,844	1,773	1,829	1,617
Public services	364	407	438	550	619	692	650	829	1,032	914
General administration	0	0	0	0	0	0	0	0	373	649
Auxiliary services	1,096	1,162	1,138	1,165	1,132	1,068	1,027	950	942	833
Operation and maintenance of plant	1,527	1,724	1,677	1,422	1,453	1,343	1,339	1,217	1,148	1,190
Institutional support	8,505	8,750	8,356	8,514	8,381	7,357	6,874	6,368	6,231	7,095
Scholarships, student grants, and waivers	3,316	3,683	4,196	4,409	4,491	3,825	3,985	4,242	2,901	2,886
Depreciation	1,355	1,381	1,375	1,337	1,185	1,146	1,231	1,279	1,116	1,024
<b>Total operating expenses</b>	<b>25,853</b>	<b>27,042</b>	<b>26,250</b>	<b>26,167</b>	<b>26,630</b>	<b>24,801</b>	<b>24,408</b>	<b>24,653</b>	<b>30,792</b>	<b>30,128</b>
Operating revenues:										
Charges for services:										
Student tuition and fees	4,003	4,467	4,234	4,474	4,979	5,215	4,679	4,848	4,812	4,859
Chargeback revenue	0	0	0	0	0	0	9	8	3	4
Auxiliary enterprise	600	648	656	683	658	634	670	628	601	511
Other general government	0	0	0	0	0	0	0	0	0	0
<b>Total operating revenue</b>	<b>4,603</b>	<b>5,115</b>	<b>4,890</b>	<b>5,157</b>	<b>5,637</b>	<b>5,849</b>	<b>5,358</b>	<b>5,484</b>	<b>5,416</b>	<b>5,374</b>
<b>Operating loss</b>	<b>(21,250)</b>	<b>(21,927)</b>	<b>(21,360)</b>	<b>(21,010)</b>	<b>(20,993)</b>	<b>(18,952)</b>	<b>(19,050)</b>	<b>(19,169)</b>	<b>(25,376)</b>	<b>(24,754)</b>
Nonoperating revenues (expenses):										
State grants	3,912	3,799	4,448	4,574	5,551	6,268	6,572	6,805	6,789	6,026
Property taxes	9,467	9,238	9,030	8,711	8,411	8,017	7,411	6,944	6,761	6,612
Personal property replacement tax	270	268	262	284	219	271	361	285	257	200
Federal grants	6,274	6,908	6,988	7,331	7,211	5,599	4,874	4,853	11,666	11,030
Local grants	20	9	15	24	34	331	120	225	241	222
Investment income	382	60	687	418	565	644	952	805	392	769
Interest expense	(992)	(1,274)	(1,146)	(1,060)	(1,436)	(1,163)	(1,235)	(1,161)	(1,193)	(1,111)
Other nonoperating revenues	4,042	3,846	2,902	2,569	2,858	1,627	1,385	1,145	614	754
State capital grants	0	0	0	0	0	0	0	0	0	0
<b>Net nonoperating revenues</b>	<b>23,375</b>	<b>22,854</b>	<b>23,186</b>	<b>22,851</b>	<b>23,413</b>	<b>21,594</b>	<b>20,440</b>	<b>19,901</b>	<b>25,527</b>	<b>24,502</b>
<b>Residual equity transfer</b>									<b>(106)</b>	
<b>Change in net position</b>	<b>\$2,125</b>	<b>\$927</b>	<b>\$1,826</b>	<b>\$1,841</b>	<b>\$2,420</b>	<b>\$2,642</b>	<b>\$1,390</b>	<b>\$732</b>	<b>\$45</b>	<b>(\$252)</b>

\*Implementation of GASB 65

# Carl Sandburg College - Community College District 518

## Assessed and Estimated Actual Value of Taxable Property

TABLE C

Year of Levy	Farm	Residential	Commercial	Industrial	Railroad	Assessed Valuation	Estimated Actual Value	Total Direct Tax Rate
2013	\$562,937,774	\$692,805,775	\$231,443,484	\$17,212,963	\$63,352,505	\$1,567,752,501	\$4,703,257,503	0.6252
2012	524,085,393	703,152,066	229,659,312	15,395,715	59,379,815	1,531,672,301	4,595,016,903	0.6228
2011	488,503,803	710,972,443	231,155,952	13,391,155	56,980,047	1,501,003,400	4,503,010,200	0.6175
2010	455,125,203	709,365,274	232,398,947	14,408,616	48,507,941	1,459,805,981	4,379,417,943	0.6187
2009	422,967,267	710,540,769	235,181,036	14,766,284	43,602,404	1,427,057,760	4,281,173,280	0.6115
2008	388,086,823	705,307,888	230,806,544	14,488,324	36,186,986	1,374,876,565	4,124,629,695	0.6140
2007	366,114,462	685,531,667	217,675,204	15,337,689	33,242,770	1,317,901,792	3,953,705,376	0.6205
2006	353,713,202	627,785,603	206,387,886	14,700,023	31,039,414	1,233,626,128	3,700,878,384	0.6039
2005	370,911,761	587,047,230	199,895,676	16,308,829	29,315,785	1,203,479,281	3,610,437,843	0.5759
2004	385,139,723	585,377,052	200,479,506	19,448,129	30,515,095	1,220,959,504	3,662,878,512	0.5530

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

Source: Knox County Clerk's Office

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Property Tax Levies and Collections

Last Ten Fiscal Years

TABLE D

Year of Levy	Fiscal Year	Total Tax Levy	Current Year Taxes Collected	Percent of Levy Collected	Collected in Subsequent Years	Total Collections to Date	Total Percent of Levy Collected to Date
2013	2014	\$9,794,127	\$3,303,354	33.73%		\$3,303,354	33.73%
2012	2013	9,638,725	9,498,458	98.54%		9,498,458	98.54%
2011	2012	9,337,450	9,273,468	99.31%	(\$33,500)	9,239,969	98.96%
2010	2011	9,111,406	9,025,906	99.06%	(23,472)	9,002,434	98.80%
2009	2011	8,755,224	8,702,932	99.40%	(11,085)	8,691,847	99.28%
2008	2010	8,452,772	8,425,007	99.67%	3,037	8,428,044	99.71%
2007	2009	7,940,586	8,016,081	100.95%	496	8,016,577	100.96%
2006	2008	7,508,428	7,380,245	98.29%	(13,760)	7,366,485	98.11%
2005	2007	7,088,319	6,932,067	97.80%	(2,258)	6,929,809	97.76%
2004	2006	6,751,906	6,759,972	100.12%	2,869	6,762,841	100.16%

Source: Knox County Treasurer's Office

See Accompanying Independent Auditor's Report.

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

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

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

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

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

# Carl Sandburg College - Community College District 518

## Property Tax Rates - Direct and Overlapping Governments (1)

Last Ten Fiscal years

TABLE E

Taxing Bodies	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
City of Galesburg	1.5472	1.5560	1.4157	1.4420	1.4055	1.4353	1.4638	1.6952	1.7196	1.6099
Township of the City of Galesburg	0.1614	0.1612	0.1624	0.1757	0.1932	0.2075	0.2166	0.2221	0.2147	0.2015
Galesburg Unit School District 205	4.4671	4.2200	4.2048	4.1994	4.2039	4.063	4.137	4.2769	4.2761	4.1220
Knox County	1.3157	1.1608	1.1625	1.1472	1.1282	1.108	1.0826	1.0838	1.0799	1.0392
Galesburg City Fire	0.9425	0.8913	1.0498	1.0063	0.9927	0.9254	0.8782	0.5875	0.5833	0.5464
Galesburg Sanitary District	0.3125	0.3064	0.3005	0.2873	0.3063	0.304	0.3075	0.3141	0.3052	0.2906
<b>Total Overlapping Rate</b>	<b>8.7464</b>	<b>8.2957</b>	<b>8.2957</b>	<b>8.2579</b>	<b>8.2298</b>	<b>8.0432</b>	<b>8.0857</b>	<b>8.1796</b>	<b>8.1788</b>	<b>7.8096</b>
Carl Sandburg College Dist. 518										
Educational	0.2146	0.2088	0.2021	0.2000	0.2013	0.1953	0.2020	0.2063	0.2015	0.1989
Building	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0495	0.0500	0.0500	0.0500
Bond and Interest	0.2187	0.2202	0.2195	0.2244	0.2262	0.2193	0.2106	0.1943	0.1833	0.1813
Audit	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050	0.0050
Tort Immunity	0.1205	0.1220	0.1240	0.1225	0.1099	0.1070	0.1167	0.1168	0.1191	0.1095
Protection, Health, and Safety	0.0058	0.0060	0.0061	0.0060	0.0062	0.0264	0.0239	0.0149	0.0000	0.0000
Social Security and Medicare	0.0106	0.0108	0.0108	0.0108	0.0129	0.0110	0.0128	0.0167	0.0170	0.0083
<b>Total</b>	<b>0.6252</b>	<b>0.6228</b>	<b>0.6175</b>	<b>0.6187</b>	<b>0.6115</b>	<b>0.6140</b>	<b>0.6205</b>	<b>0.6040</b>	<b>0.5759</b>	<b>0.5530</b>
<b>Total rate</b>	<b>9.3716</b>	<b>8.9185</b>	<b>8.9132</b>	<b>8.8766</b>	<b>8.8413</b>	<b>8.6572</b>	<b>8.7062</b>	<b>8.7836</b>	<b>8.7547</b>	<b>8.3626</b>
Carl Sandburg College Percentage of Total	6.67%	6.98%	6.93%	6.97%	6.92%	7.09%	7.13%	6.88%	6.58%	6.61%

See Accompany Independent Auditor's Report.

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

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

Source: Knox County Clerk's Office



# Carl Sandburg College - Community College District 518

## Principal Taxpayers

Current Year and Nine Years Ago

Table F

Taxpayer	Type of Business	2014		2005	
		Taxable Assessed Value(approx.)	Percent District's Total EAV	Taxable Assessed Value (approx.)	Percent District's Total EAV
Burlington Northern Santa Fe	Railroad	\$40,005,881	1 2.55%	\$19,810,000	1 1.62%
Union Electric Co	Utilities	13,066,633	2 0.83%	12,574,270	2 1.03%
Galesburg Hospital Corporation	Hospital	7,035,440	3 0.45%	5,310,000	4 0.43%
KC Acquisition Inc	Processing Plant	5,083,600	4 0.32%		
Consolidated Grain	Grain	4,699,211	5 0.30%	2,865,830	7 0.23%
Wal-Mart Stores	Retailer	4,055,460	6 0.26%	2,500,000	9 0.20%
Menard Inc.	Retailer	3,035,810	7 0.19%		
The Villas at Carl Sandburg LLC	Commercial Housing	2,446,530	8 0.16%		
Hy Vee Food Stores Inc.	Retailer	2,390,470	9 0.15%	2,640,000	8 0.22%
OSF St. Francis Inc.	Hospital	2,347,920	10 0.15%		
Lowe's Home Centers, Inc.	Retailer			2,210,000	10 0.18%
Admiral-Maytag Co.	Manufacturer			6,360,000	3 0.52%
First Property Management Corp	Mall			4,560,000	5 0.37%
United Facilities, Inc.	Shipping			3,650,000	6 0.30%
		\$84,166,955	5.37%	\$62,480,100	5.12%

See Accompany Independent Auditor's Report.

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

# Carl Sandburg College - Community College District 518

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

TABLE G

Fiscal Year	General Bonded Debt	Capital Leases	Total Primary Government	Estimated Actual Value Taxable Property	Ratio Total Debt to Est. Actual Taxable Prop. Value	Estimated Population	Net Bonded Debt Per Capita	Personal Income (amounts expressed in thousands)	Ratio of Total Outstanding Debt to Personal Income
2014	\$25,912,657		\$25,912,657	\$4,703,257,503	0.551%	100,165	259	\$2,386,531	1.09%
2013	28,240,401		28,070,000	4,595,016,903	0.611%	105,835	267	2,261,164	1.25%
2012	27,247,150		27,325,000	4,503,010,200	0.607%	105,835	257	2,215,656	1.23%
2011	29,825,000		29,825,000	4,379,417,943	0.681%	105,835	282	2,204,225	1.35%
2010	29,255,000		29,255,000	4,281,173,280	0.683%	120,186	243	2,226,085	1.31%
2009	28,610,000	\$7,288	28,617,288	4,124,629,695	0.694%	120,877	237	2,063,975	1.39%
2008	26,610,000	105,200	26,715,200	3,953,705,376	0.648%	121,300	219	2,071,198	1.28%
2007	24,795,000	180,861	24,975,861	3,700,878,384	0.632%	121,300	204	2,087,816	1.19%
2006	25,830,000	834,901	26,664,901	3,610,437,843	0.739%	121,986	212	2,099,623	1.23%
2005	26,805,000	919,899	27,724,899	3,662,878,517	0.757%	123,180	218	2,120,174	1.26%

Note: Details regarding the District's outstanding debt can be found in Note 4, in the Notes to Basic Financial Statements.

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

**Carl Sandburg College - Community College District 518**  
**Ratio of Net General Bonded Debt to Assessed Value and**  
**Net General Bonded Debt Per Capita**  
 Last Ten Fiscal Years

TABLE H

<b>Fiscal Year</b>	<b>Net General Bonded Debt</b>	<b>Estimated Actual Taxable Value of Property</b>	<b>Estimated Population</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2014	\$25,912,657	\$4,703,257,503	100,165	0.551%	259
2013	28,240,401	4,595,016,903	105,835	0.615%	267
2012	27,247,150	4,503,010,200	105,835	0.605%	257
2011	29,825,000	4,379,417,943	105,835	0.681%	282
2010	29,255,000	4,281,173,280	120,186	0.683%	243
2009	28,610,000	4,124,629,695	120,877	0.694%	237
2008	26,610,000	3,953,705,376	121,300	0.673%	219
2007	24,795,000	3,700,878,384	121,300	0.670%	204
2006	25,830,000	3,610,437,843	121,986	0.715%	235
2005	26,805,000	3,662,878,512	123,180	0.732%	242

Note: Details regarding the District's outstanding debt can be found in Note 4 - Debt, in the Notes to Basic Financial Statements.

Sources: Knox County Clerk's Office  
 College records

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Computation of Direct and Overlapping Bonded Debt

June 30, 2014

TABLE I

Overlapping Agencies	Outstanding Debt	Percent (1)	Amount
Knox County	\$7,755,000	100.00%	\$7,755,000
Hamilton Park District	430,000	100.00%	430,000
Monmouth Park District	168,000	100.00%	168,000
City of Monmouth	22,690,211	100.00%	22,690,211
City of Galesburg	16,325,000	100.00%	16,325,000
City of Abingdon	1,145,000	100.00%	1,145,000
City of Carthage	1,515,000	100.00%	1,515,000
City of Warsaw	1,315,000	100.00%	1,315,000
Village of East Galesburg	1,396,000	100.00%	1,396,000
Dallas Rural Water District	9,935,000	100.00%	9,935,000
Spoon River Valley CUSD #4	555,000	28.64%	158,952
Wyoming CUSD #100	6,980,000	2.95%	205,910
West Prairie CUSD #103	695,000	100.00%	695,000
Bushnell-Prairie City CUSD #170	700,000	86.54%	605,780
Avon CUSD #176	390,000	5.63%	21,957
Knoxville CUSD #202	11,425,000	100.00%	11,425,000
Galesburg CUSD #205	32,175,000	96.32%	30,990,960
ROWVA CUSD #208	8,375,000	94.91%	7,948,713
Abingdon CUSD #217	1,679,993	88.80%	1,491,834
Galva CUSD #224	380,000	6.62%	25,156
Alwood CUSD #225	2,415,000	8.10%	195,615
West Central CUSD #235	2,752,540	2.66%	73,217
Monmouth-Roseville CUSD #238	1,482,000	100.00%	1,482,000
Farmington CUSD #265	4,601,964	20.30%	934,199
Alexis CUSD #304	7,635,000	0.11%	8,399
Warsaw CUSD #316	2,080,000	100.00%	2,080,000
Elmwood CUSD #322	2,485,000	0.15%	3,727
Nauvoo-Colusa CUSD #325	890,000	100.00%	890,000
Hamilton CUSD #328	415,000	100.00%	415,000
Dallas City CUSD #336	675,000	100.00%	675,000
LaHarpe Elementary District #347	2,315,000	100.00%	2,315,000
Community College Dist #503	27,565,000	0.35%	96,477
Community College Dist #534	14,140,000	0.16%	22,624
			125,434,731
Community College Dist. #518	\$25,912,657	100.00%	25,912,657
Total Direct & Overlapping General Obligation Bonded Debt			\$151,347,388

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

(1) Debt percentage applicable to the College is calculated by applying the ratio of assessed value of the governmental unit applicable to the College district compared to the total assessed value of the governmental unit.

# Carl Sandburg College - Community College District 518

## Legal Debt Margin

Last Ten Fiscal Years

TABLE J

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
2014	\$45,072,884	\$25,912,657	\$19,160,227	57.491%
2013	44,035,579	28,070,000	15,965,579	63.744%
2012	43,153,848	27,325,000	15,828,848	63.320%
2011	41,969,422	29,825,000	12,144,422	71.064%
2010	41,027,911	29,255,000	11,772,911	71.305%
2009	39,527,701	28,617,288	10,910,413	72.398%
2008	37,889,677	26,715,200	11,174,477	70.508%
2007	35,467,875	24,975,861	10,492,014	70.418%
2006	34,600,029	26,664,901	7,935,128	77.066%
2005	35,102,586	27,724,899	7,377,687	78.982%

Assessed valuation - 2013 levy \$1,567,752,501

Debt limit (2.875% of total assessed value) \$45,072,884

Debt applicable to limit:

General obligation bonds 25,912,657

Capital leases 0

Total net debt applicable to limit 25,912,657

Legal debt margin \$19,160,227

Sources: Knox County Clerk's Office College records

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Demographic and Economic Statistics\*

Last Ten Fiscal Years

TABLE K

Fiscal Year	Estimated Population*	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	District Student Enrollment	Average Class Size
2014	100,165	\$2,386,531	\$23,826	44.0	21,466	7.7%	2,200	15
2013	105,835	2,261,164	21,365	40.4	37,187	9.1%	2,460	14
2012	105,835	2,215,656	20,935	40.1	37,858	7.6%	2,383	17
2011	105,835	2,204,225	20,827	39.2	39,111	7.1%	2,538	17
2010	120,186	2,226,085	18,522	35.7	36,481	10.0%	2,661	17
2009	120,877	2,063,975	17,075	36.6	36,897	6.4%	2,615	12
2008	121,300	2,071,198	17,075	36.6	36,897	7.2%	2,693	12
2007	121,300	2,087,816	17,212	36.6	36,897	4.6%	2,490	10
2006	121,986	2,099,623	17,212	36.6	36,897	5.6%	2,930	10
2005	123,180	2,120,174	17,212	36.6	36,897	5.8%	3,260	10

Sources: U.S. Census Bureau, QuickFacts  
 2007-2011 American Community Survey 5-Year Estimates  
 College records  
 IL Dept. of Employment Security, Economic Information & Analysis Division  
 ICCB Data and Characteristics  
 Esri.com  
 Navteq  
[http://www.isbe.net/research/htmls/fall\\_housing.htm](http://www.isbe.net/research/htmls/fall_housing.htm)

See Accompanying Independent Auditor's Report.

# Carl Sandburg College - Community College District 518

## Principal Employers

Current Year and Nine Years Ago

TABLE L

Employer	2014			2005		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Farmland Foods	1,400	1	2.28%	1,275	1	1.98%
Burlington Northern Santa Fe Railroad	1,115	2	1.81%	1,000	3	1.55%
OSF (Galesburg, Monmouth)	1,100	3	1.79%	525	6	0.81%
School District Number 205	594	4	0.97%	800	4	1.24%
Hy-Vee	574	5	0.93%	440	8	0.68%
Dick Blick Company	530	6	0.86%	450	7	0.70%
Galesburg Cottage Hospital	500	7	0.81%	650	5	1.01%
Bridgeway/Bridgeway Training	450	8	0.73%			
Carl Sandburg College	430	9	0.70%			
Knox County	420	10	0.68%	420	9	0.65%
Knox College				375	10	0.58%
Methode Electronics				1,075	2	1.67%
<b>Total</b>	<b>7,113</b>		<b>11.58%</b>	<b>7,010</b>		<b>10.86%</b>

Source: 2014 Principal Employers

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

Source: 2005 Principal Employers

Illinois Department of Commerce and Economic Opportunity Community Profiles  
[http://www.ildceo.net/dceo/Bureaus/Business\\_Development/Resources+and+Support](http://www.ildceo.net/dceo/Bureaus/Business_Development/Resources+and+Support)  
 College records

Source: Labor Force Population

[http://www.ides.illinois.gov/LMI/Pages/Annual\\_Average\\_Data.aspx](http://www.ides.illinois.gov/LMI/Pages/Annual_Average_Data.aspx)  
[http://lehd.did.census.gov/cgi-bin/qwitop\\_main?xstate=il](http://lehd.did.census.gov/cgi-bin/qwitop_main?xstate=il)

**Carl Sandburg College - Community College District 518**  
**Full-Time Equivalent Employees**  
**Last Ten Fiscal Years**

TABLE M

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction-Faculty	109	116	113	112	119	110	112	143	134	135
Full-time	54	57	56	55	64	62	64	68	64	65
Part-time	55	59	57	57	55	48	48	75	70	70
Administrative Staff	23	21	19	20	20	20	21	21	22	28
Full-time	23	21	19	20	20	20	21	21	22	28
Part-time	0	0	0	0	0	0	0	0	0	0
Other Non-Teaching Professional	64	69	70	72	75	73	73	71	74	86
Full-time	62	65	66	67	70	69	69	70	74	86
Part-time	2	4	4	5	5	4	4	1	0	0
Classified Staff	53	56	56	55	52	54	58	63	56	53
Full-time	51	55	53	53	49	51	55	60	56	53
Part-time	2	1	3	2	3	3	3	3	0	0
<b>Total</b>	<b>249</b>	<b>262</b>	<b>258</b>	<b>259</b>	<b>266</b>	<b>264</b>	<b>298</b>	<b>286</b>	<b>302</b>	<b>310</b>



# Carl Sandburg College - Community College District 518

## Operating Indicators

Last Ten Fiscal Years

TABLE N

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction: <sup>1</sup>										
Annual unduplicated										
Headcount Enrollment:										
Bacc/Transfer	2,326	2,740	2,784	3,270	2,965	2,844	2,731	2,972	2,349	2,289
Vocational	0	0	2	19	23	26	85	101	1,281	1,209
Occupational	932	1,046	1,101	1,055	1,220	1,206	1,311	1,536	1,880	2,572
ABE	123	154	196	225	266	201	153	146	43	50
ASE	94	126	140	142	182	209	206	226	226	382
ESL	118	128	84	74	67	71	39	46	14	61
General Studies	0	0	0	0	1	0	2	3	1	1
General Associates	115	91	85	83	80	71	88	170	241	55
<b>Total</b>	<b>3,708</b>	<b>4,285</b>	<b>4,392</b>	<b>4,868</b>	<b>4,804</b>	<b>4,628</b>	<b>4,615</b>	<b>5,200</b>	<b>6,035</b>	<b>6,619</b>
Annual FTE Students <sup>2</sup>	1,450	1,599	1,644	1,737	1,772	1,641	1,682	1,914	2,283	2,443
Total Reimbursable Credit Hours <sup>3</sup>	43,511	47,972	49,316	52,113	53,174	49,219	50,471	57,435	68,499	73,314
Degrees awarded: <sup>4</sup>										
Associate (transfer)	167	148	129	118	106	108	102	98	109	130
Associate in applied science	134	156	140	119	122	118	123	181	295	190
Career & technical certificates	236	133	176	152	137	141	139	187	157	123
Average annual faculty salary <sup>5</sup>	\$54,670	\$52,907	\$55,771	\$49,897	\$49,074	\$47,889	\$48,158	\$47,731	\$45,867	\$44,921
Students per faculty <sup>6</sup>	15	16	16	17	17	16	11	13	17	18
Institutional support: <sup>7</sup>										
Operation and maintenance of plant:										
Utility cost per gross square feet	1.29	1.40	1.45	1.80	1.85	1.71	1.69	1.30	1.50	1.34

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

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

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

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

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

<sup>6</sup>Source: IPEDS Fall Enrollment 2013-14

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

# Carl Sandburg College - Community College District 518

## Capital Asset Statistics

Last Ten Fiscal Years

TABLE O

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Building - acres	6.9	6.9	6.9	6.9	6.9	6.9	6.6	6.6	6.4	6.4
Classroom - sq. ft.	45,898	47,195	45,756	47,128	46,167	45,938	46,327	42,489	38,455	38,538
Lab - sq. ft.	66,251	70,989	69,154	70,124	70,124	71,505	71,505	64,704	65,743	67,128
Academic support:										
Support - sq. ft.	3,763	3,530	3,530	3,530	3,385	3,385	3,385	3,736	3,980	2,678
Study - sq. ft.	18,760	17,750	18,784	18,784	18,784	19,349	19,349	19,056	17,945	15,483
Student services:										
PE & athletic fields - acres	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Athletic/PE - sq. ft.	11,694	11,694	11,694	11,694	11,694	11,694	11,694	18,133	18,133	18,133
General administration:										
Office - sq. ft.	36,954	37,154	37,154	37,154	37,025	39,963	39,574	30,666	29,464	31,306
Institutional support:										
Landscaped grounds - acres	37.9	37.9	37.9	37.9	37.9	37.9	36.5	36.5	36.7	36.7
Parking lots - acres	9.9	9.9	9.9	9.9	9.9	9.9	9.0	9.0	9.0	9.0
Roadways - acres	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Acres - ICCB Table 2

Source: Sq.ft. - ICCB R3

***This Page Intentionally Left Blank***

**SPECIAL REPORTS SECTION**

***This Page Intentionally Left Blank***

## **Supplemental Financial Information**

# **Carl Sandburg College – Community College District 518**

## **Supplemental Financial Information Section**

---

### **Uniform Financial Statements**

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

The Uniform Financial Statements include the following:

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

### **Certificate of Chargeback Reimbursement**

- No. 6 - Certificate of Chargeback Reimbursement

***This Page Intentionally Left Blank***



# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #1

### All Funds Summary

For the year ended June 30, 2014

	Education Fund **	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Capital Endowment
Fund balance (deficit) at July 1, 2013	\$3,906,491	\$465,176	\$1,723,285	\$8,902,845
Revenue:				
Local taxes	3,333,737	868,847	90,517	
All other local government				
ICCB grants	2,372,274	194,641	414,455	
All other state revenue				
Federal revenue				
Student tuition and fees	5,895,409	593,554		
All other revenue	96,754	34,411	75,183	265,351
<b>Total revenue</b>	<b>11,698,174</b>	<b>1,691,453</b>	<b>580,155</b>	<b>265,351</b>
Expenditures:				
Instruction	6,170,340			
Academic support	471,047			
Student services	2,120,407			
Public service	226,596			
Auxiliary services				
Operation and maintenance		1,532,233		
Institutional support	2,750,018	114,949	44,000	1,250
Scholarships, student grants, and waivers				
Principal retirement				
Interest, service charges, and issuance costs				
Building construction, building improvements, and equipment		172,892	2,160,720	
<b>Total expenditures</b>	<b>11,738,408</b>	<b>1,820,074</b>	<b>2,204,720</b>	<b>1,250</b>
Issuance of refunding bonds and serial bonds				
Net premium (discount) on bonds sold				
Payment to refunded bonds escrow agent				
Transfers in	125,000	140,215	46,569	
Transfers out			(26,753)	(310,370)
	125,000	140,215	19,816	(310,370)
<b>Fund balance (deficit) at June 30, 2014</b>	<b>\$3,991,257</b>	<b>\$476,770</b>	<b>\$118,536</b>	<b>\$8,856,576</b>

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

Bond and Interest Fund	Auxiliary Enterprise Fund	Restricted Purpose Fund	Audit Fund	Liability Protection Funds	Sandburg Initiates Life-changing Opportunities	Nonexpendable Trust Fund	Total
\$244,853	\$123,661	\$386,657	(\$123,298)	\$2,654,395	\$1,131,409	\$8,183,938	\$27,599,412
3,350,595		16,630	76,070	2,021,051			9,740,817
		134,114					16,630
		796,760					3,115,484
	18,447	6,255,448					796,760
	241,479						6,273,895
10,907	749,193	68,934	140	55,747	5,967	33,948	6,730,442
3,361,502	1,009,119	7,271,886	76,210	2,076,798	5,967	33,948	1,396,535
							28,070,563
		434,835					6,605,175
							471,047
		479,831					2,600,238
		139,033					365,629
	1,105,069						1,105,069
							1,532,233
4,499		25,154	71,785	1,870,388			4,882,043
		6,099,497					6,099,497
2,310,000							2,310,000
1,012,773							1,012,773
							2,734,418
		81,334		319,472			
3,327,272	1,105,069	7,259,684	71,785	2,189,860	0	0	29,718,122
	70,723						382,507
		(5,215)			(6,019)	(34,150)	(382,507)
0	70,723	(5,215)	0	0	(6,019)	(34,150)	0
\$279,083	\$98,434	\$393,644	(\$118,873)	\$2,541,333	\$1,131,357	\$8,183,736	\$25,951,853

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #2

### Summary of Fixed Assets and Debt\*

For the years ended June 30, 2014

	Fixed Assets/ Debt Account Groups July 1, 2013	Additions	Deletions	Reclassification	Fixed Assets/ Debt Account Groups June 30, 2014
Fixed assets:					
Land	\$405,483				\$405,483
Work in progress	1,160,295	\$2,480,192		(\$599,628)	3,040,859
Furniture and equipment	4,117,391	120,354	\$56,479		4,181,266
Land improvements	399,021	91,500	142,027		348,494
Buildings and additions	32,729,233	64,488		599,628	33,393,349
Vehicles	198,457	8,000			206,457
Infrastructure	2,420,338				2,420,338
<b>Total fixed assets</b>	<b>41,430,218</b>	<b>2,764,534</b>	<b>198,506</b>	<b>0</b>	<b>43,996,246</b>
Accumulated depreciation	20,931,880	1,354,835	198,506		22,088,209
<b>Total net fixed assets</b>	<b>\$20,498,338</b>	<b>\$1,409,699</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,908,037</b>
Fixed debts:					
Bonds payable	\$28,070,000		\$2,310,000		\$25,760,000
Other fixed liabilities	377,752	227,029	253,620		351,161
<b>Total fixed debts</b>	<b>\$28,447,752</b>	<b>\$227,029</b>	<b>\$2,563,620</b>	<b>\$0</b>	<b>\$26,111,161</b>

\* Carl Sandburg College had no tax anticipation warrants or tax anticipation notes outstanding during the year ended June 30, 2014.

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures

For the year ended June 30, 2014

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government:			
Local taxes	\$3,168,332	\$760,699	\$3,929,031
Corporate personal property replacement tax	162,223	108,148	270,371
Tuition chargeback revenue	3,182	0	3,182
<b>Total local government</b>	<b>3,333,737</b>	<b>868,847</b>	<b>4,202,584</b>
State government:			
ICCB base operating grant	1,536,969	133,432	1,670,401
ICCB equalization grant	703,901	61,209	765,110
ICCB career and technical education	131,404		131,404
Other state sources *	0		0
<b>Total state government</b>	<b>2,372,274</b>	<b>194,641</b>	<b>2,566,915</b>
<b>Total federal government</b>	<b>0</b>	<b>0</b>	<b>0</b>
Student tuition and fees:			
Tuition	5,569,942	469,641	6,039,583
Fees	325,467	123,913	449,380
<b>Total tuition and fees</b>	<b>5,895,409</b>	<b>593,554</b>	<b>6,488,963</b>
Other sources:			
Interest	18,701	2,522	21,223
Other	78,053	31,889	109,942
<b>Total other sources</b>	<b>96,754</b>	<b>34,411</b>	<b>131,165</b>
<b>Total revenue</b>	<b>11,698,174</b>	<b>1,691,453</b>	<b>13,389,627</b>
Less nonoperating items -			
Tuition chargeback revenue	3,182	0	3,182
<b>Adjusted revenue</b>	<b>\$11,694,992</b>	<b>\$1,691,453</b>	<b>\$13,386,445</b>

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

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #3

### Operating Funds Revenues and Expenditures (Continued)

For the year ended June 30, 2014

	Education Fund *	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$6,170,340		\$6,170,340
Academic support	471,047		471,047
Student services	2,120,407		2,120,407
Public services	226,596		226,596
Operation and maintenance of plant		\$1,705,125	1,705,125
Institutional support **	2,750,018	114,949	2,864,967
Scholarships, student grants, and waivers			0
Total expenditures	11,738,408	1,820,074	13,558,482
Less nonoperating items -*			
Tuition chargeback	5,486	0	5,486
Adjusted expenditures	\$11,732,922	\$1,820,074	\$13,552,996
By object:			
Salaries	\$7,840,133	\$628,875	\$8,469,008
Employee benefits **	1,193,358	170,881	1,364,239
Contractual services	400,969	199,706	600,675
General materials and supplies	831,643	79,193	910,836
Conference and meeting expense	191,601	1,975	193,576
Fixed charges	112,255	22,523	134,778
Utilities		564,446	564,446
Capital outlay	114,007	25,461	139,468
Other	1,054,442	127,014	1,181,456
Total expenditures	11,738,408	1,820,074	13,558,482
Less nonoperating items -*			
Tuition chargeback	5,486	0	5,486
Adjusted expenditures	\$11,732,922	\$1,820,074	\$13,552,996

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

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

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #4

### Restricted Purposes Fund Revenues and Expenditures

For the year ended June 30, 2014

---

Revenue by source:

Local government:	
United Way	\$9,469
Great River Bend Grant	7,161
Other	0

---

Total local government 16,630

---

State government:

ICCB:	
State Adult Education Restricted Funds Grants	124,416
Program Improvement Grant	9,698
S.O.S. Family Literacy	89,775
Illinois Map Grant	706,985

---

Total state government 930,874

---

Federal government:

Department of Education:	
College Work Study Grants	54,267
Pell Grants	4,421,962
Supplemental Educational Opportunity Grant	37,025
Direct Loans	879,258
Federal Adult Basic	58,995
Federal Adult EL/Civics	18,085
Trio-Student Support services	167,579
Trio-Upward Bound	260,081
Perkins Postsecondary-Federal Allocation	165,228
CTE Programs of Study	5,000
CTE Dual Credit Enhancement	10,000
Department of Labor:	
Illinois Green Economy Network	177,968

---

Total federal government 6,255,448

---

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #4

### Restricted Purposes Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2014

---

Revenue by source (continued):	
Other sources	68,934
<b>Total restricted purposes fund revenues</b>	<b>\$7,271,886</b>

---

Expenditures by program:	
Instruction	\$516,169
Academic support	0
Student services	479,831
Public services	139,033
Operations and maintenance	0
Institutional support	25,154
Scholarships, student grants, and waivers	6,099,497
<b>Total restricted purposes fund expenditures by program</b>	<b>\$7,259,684</b>

---

Expenditures by object:	
Salaries	\$583,791
Employee benefits	111,268
Contractual services	34,382
General materials and supplies	109,447
Travel, conference and meeting expense	43,462
Student financial aid	6,099,497
Fixed charges	0
Utilities	0
Capital outlay	128,368
Other	149,469
<b>Total restricted purposes fund expenditures by object</b>	<b>\$7,259,684</b>

---

# Carl Sandburg College - Community College District 518

## Uniform Financial Statement #5

### Current Funds\* - Expenditures by Activity

For the year ended June 30, 2014

Instructional:	
Programs	\$5,453,022
Support	1,233,487
Total instructional	6,686,509
Academic support:	
Learning resource center	126,682
Instructional materials center	221,097
Educational media services	0
Other academic support	123,268
Total academic support	471,047
Student services:	
Admissions and records	163,105
Counseling and career guidance	560,127
Financial aid administration	190,035
Other student services	1,686,971
Total student services	2,600,238
Public service/continuing education:	
Community education	75,813
Customized training (instructional)	90,062
Community services	189,754
Other public service	10,000
Total public service/continuing education	365,629
Auxiliary services	1,105,069
Operations and maintenance of plant:	
Maintenance	627,621
Custodial	299,339
Grounds	148,081
Plant utilities	459,203
Other operations and maintenance	170,881
Total operations and maintenance of plant	1,705,125
Institutional support:	
Executive management	305,718
Fiscal operations **	508,415
Community relations	519,551
Administrative support services	2,031,514
Board of trustees	46,984
General institution	854,615
Institutional research	36,300
Administrative data processing	559,843
Other institutional support	288,826
Total institutional support	5,151,766
Scholarships, student grants, and waivers	6,099,497
Total current funds expenditures	\$24,184,880

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

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



# Carl Sandburg College - Community College District 518

## Certification of Chargeback Reimbursement

For Fiscal Year 2015

All fiscal year 2014 noncapital audited operating expenditures from the following funds:		
1	Education Fund	\$11,738,408
2	Operations and Maintenance Fund	1,647,182
3	Bond and Interest Fund	3,327,272
4	Restricted Purposes Fund	7,178,350
5	Audit Fund	71,785
6	Liability, Protection, and Settlement Fund	<u>1,870,388</u>
7	Total noncapital expenditures (sum of lines 1-6)	<u><u>\$25,833,385</u></u>
8	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$840,172</u>
9	Total costs included (line 7 plus line 8)	<u><u>\$26,673,557</u></u>
10	Total certified semester credit hours for FY 2014	<u>43,525</u>
11	Per capita cost (line 9 divided by line 10)	\$612.83
12	All FY 2014 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$6,978,150</u>
13	FY 2014 state and federal grants per semester credit hour (line 12 divided by line 10)	160.33
14	District's average ICCB grant rate (excluding equalization grants) for FY 2015	71.99
15	District's student tuition and fee rate per semester credit hour for FY 2015	<u>145.00</u>
16	Chargeback reimbursement per semester credit hour (line 11 less lines 13, 14, and 15)	<u><u>\$235.51</u></u>

Approved: \_\_\_\_\_  
Chief Financial Officer

9/17/2014  
Date

\_\_\_\_\_  
President

9/17/2014  
Date

## **Other Supplemental Financial Information**

# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types

June 30, 2014

ASSETS	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
Cash and cash equivalents	\$4,743,358			
Deposits	1,000,000			
Investments	1,319,126		\$36,623	9,703,898
Receivables:				
Property taxes	2,226,739	\$519,313	59,929	
Government claims and grants	565,401	71,119		
Other	533,725			52,553
Advances to other funds		863,405	112,404	
Prepaid items	205,293	4,178		
Inventories				
Property and equipment, net				
<b>Total assets</b>	<b>\$10,593,642</b>	<b>\$1,458,015</b>	<b>\$208,956</b>	<b>\$9,756,451</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$444,477			
Accrued liabilities	62,663			
Advances from other funds	2,734,899			\$899,875
Unearned tuition and fees		\$197,708		
Accrued compensated absences				
Bonds payable, net of amortized premiums (discounts)				
<b>Total liabilities</b>	<b>3,242,039</b>	<b>197,708</b>	<b>\$0</b>	<b>899,875</b>
Deferred inflows of resources:				
Unavailable property taxes	3,360,346	783,537	90,420	
Unavailable grant revenue				
<b>Total deferred inflows</b>	<b>3,360,346</b>	<b>783,537</b>	<b>90,420</b>	<b>0</b>
Fund balance (deficit):				
Net investment in capital assets				
Restricted	1,522	0		
Unrestricted	3,989,735	476,770	118,536	8,856,576
<b>Total fund balance (deficit)</b>	<b>3,991,257</b>	<b>476,770</b>	<b>118,536</b>	<b>8,856,576</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$10,593,642</b>	<b>\$1,458,015</b>	<b>\$208,956</b>	<b>\$9,756,451</b>

Bond and Interest	Auxiliary Enterprise Fund	Restricted Purpose	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust
	\$650					\$4,023,083
\$6,719				\$4,273,719		550,000
2,271,060			\$51,931	1,361,951		2,801,597
		\$272,557				
	2,779			17,293		2,460
1,427,869	195,690	185,757		5,165	\$1,131,357	806,596
	11,850					
	33,295					
<b>\$3,705,648</b>	<b>\$244,264</b>	<b>\$458,314</b>	<b>\$51,931</b>	<b>\$5,658,128</b>	<b>\$1,131,357</b>	<b>\$8,183,736</b>

	\$1,844	\$28				
	9,541		\$92,450	\$1,061,890		
	134,445					
\$0	145,830	28	92,450	1,061,890	\$0	\$0

3,426,565			78,354	2,054,905		
		64,642				
3,426,565	0	64,642	78,354	2,054,905	0	0

279,083	33,295					
	65,139	393,644	(118,873)	2,541,333	1,131,357	8,183,736
279,083	98,434	393,644	(118,873)	2,541,333	1,131,357	8,183,736
<b>\$3,705,648</b>	<b>\$244,264</b>	<b>\$458,314</b>	<b>\$51,931</b>	<b>\$5,658,128</b>	<b>\$1,131,357</b>	<b>\$8,183,736</b>

# Carl Sandburg College - Community College District 518

## Balance Sheet - All Fund Types - (Continued)

June 30, 2014

ASSETS	Agency Fund	Total	GASB			Adjusted Total
			General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
Cash and cash equivalents		\$8,767,091				\$8,767,091
Deposits		1,550,000				1,550,000
Investments		18,141,682				18,141,682
Receivables:						
Property taxes		6,490,923				6,490,923
Government claims and grants		909,077				909,077
Other		608,810				608,810
Advances to other funds	\$60,871	4,789,114			(\$4,789,114)	0
Prepaid items		209,471				209,471
Inventories		11,850				11,850
Property and equipment, net		33,295	\$21,874,742			21,908,037
<b>Total assets</b>	<b>\$60,871</b>	<b>\$41,511,313</b>	<b>\$21,874,742</b>	<b>\$0</b>	<b>(\$4,789,114)</b>	<b>\$58,596,941</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$60,871	\$507,220				\$507,220
Accrued liabilities		72,204		\$28,423	(\$9,541)	91,086
Advances from other funds		4,789,114			(4,789,114)	0
Unearned tuition and fees		332,153			326,510	658,663
Accrued compensated absences		0			351,161	351,161
Bonds payable, net of amortized premiums (discounts)		0		25,912,657		25,912,657
<b>Total liabilities</b>	<b>60,871</b>	<b>5,700,691</b>	<b>\$0</b>	<b>25,941,080</b>	<b>(4,120,984)</b>	<b>27,520,787</b>
Deferred inflows of resources:						
Unavailable property taxes		9,794,127				9,794,127
Unavailable grant revenue		64,642				64,642
<b>Total deferred inflows</b>	<b>0</b>	<b>9,858,769</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,858,769</b>
Fund balance (deficit):						
Net investment in capital assets		33,295	21,874,742	(12,114,779)		9,793,258
Restricted		280,605			(1,522)	279,083
Unrestricted		25,637,953		(13,826,301)	(666,608)	11,145,044
<b>Total fund balance (deficit)</b>	<b>0</b>	<b>25,951,853</b>	<b>21,874,742</b>	<b>(25,941,080)</b>	<b>(668,130)</b>	<b>21,217,385</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$60,871</b>	<b>\$41,511,313</b>	<b>\$21,874,742</b>	<b>\$0</b>	<b>(\$4,789,114)</b>	<b>\$58,596,941</b>

***This Page Intentionally Left Blank***

**Carl Sandburg College - Community College District 518**  
**Combining Schedule of Revenues, Expenditures/Expenses, and Changes**  
**in Fund Balance (Deficit) - All Fund Types**  
For the year ended June 30, 2014

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Capital Endowment
<b>Revenues:</b>				
Local government	\$3,333,737	\$868,847	\$90,517	
State government	5,998,279	194,641	414,455	
Federal government				
Student tuition and fees	5,895,409	593,554		
Sales and service fees				
Interest	18,701	2,522	182	\$254,233
Net increase (decrease) in fair value of investments				11,118
Other	78,053	31,889	75,001	
<b>Total revenues</b>	<b>15,324,179</b>	<b>1,691,453</b>	<b>580,155</b>	<b>265,351</b>
<b>Expenditures/expenses:</b>				
<b>Current:</b>				
Instruction	6,170,340			
Academic support	471,047			
Student services	2,120,407			
Public services	226,596			
Auxiliary services				
Operation and maintenance of plant		1,705,125		
Institutional support	6,376,023	114,949	2,204,720	1,250
Scholarships, student grants, and waivers				
Depreciation expense				
<b>Debt service:</b>				
Principal retirement				
Interest				
Bond issuance costs				
<b>Total expenditures/expenses</b>	<b>15,364,413</b>	<b>1,820,074</b>	<b>2,204,720</b>	<b>1,250</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>(40,234)</b>	<b>(128,621)</b>	<b>(1,624,565)</b>	<b>264,101</b>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds and serial bonds				
Net premium (discount) on bonds sold				
Gain on disposal of fixed assets				
Payment to refunded bonds escrow agent				
Transfers in	125,000	140,215	46,569	
Transfers out			(26,753)	(310,370)
<b>Total other financing sources (uses)</b>	<b>125,000</b>	<b>140,215</b>	<b>19,816</b>	<b>(310,370)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>84,766</b>	<b>11,594</b>	<b>(1,604,749)</b>	<b>(46,269)</b>
<b>Fund balance (deficit) at beginning of year - previously reported</b>	<b>3,906,491</b>	<b>465,176</b>	<b>1,723,285</b>	<b>8,902,845</b>
<b>Prior period adjustment</b>				
<b>Fund balance (deficit) at beginning of year - restated</b>	<b>3,906,491</b>	<b>465,176</b>	<b>1,723,285</b>	<b>8,902,845</b>
<b>Fund balance (deficit) at end of year</b>	<b>\$3,991,257</b>	<b>\$476,770</b>	<b>\$118,536</b>	<b>\$8,856,576</b>

Bond and Interest	Auxiliary Enterprise Fund	Restricted Purpose	Audit	Liability Protection Funds	Sandburg Initiates Life-Changing Opportunities	Nonexpendable Trust
\$3,350,595		\$16,630 930,874 6,255,448	\$76,070	\$2,021,051		
10,907	\$18,447 241,479 599,619		140	36,743	\$5,967	\$42,475
	149,574	68,934		7,619 11,385		(8,805) 278
3,361,502	1,009,119	7,271,886	76,210	2,076,798	5,967	33,948
		516,169				
		479,831 139,033				
	1,095,972					
4,499		25,154 6,099,497	71,785	2,189,860		
	9,097					
2,310,000 1,012,773 0						
3,327,272	1,105,069	7,259,684	71,785	2,189,860	0	0
34,230	(95,950)	12,202	4,425	(113,062)	5,967	33,948
	70,723					
		(5,215)			(6,019)	(34,150)
0	70,723	(5,215)	0	0	(6,019)	(34,150)
34,230	(25,227)	6,987	4,425	(113,062)	(52)	(202)
244,853	123,661	386,657	(123,298)	2,654,395	1,131,409	8,183,938
244,853	123,661	386,657	(123,298)	2,654,395	1,131,409	8,183,938
\$279,083	\$98,434	\$393,644	(\$118,873)	\$2,541,333	\$1,131,357	\$8,183,736



**Carl Sandburg College - Community College District 518**  
**Combining Schedule of Revenues, Expenditures/Expenses, and Changes**  
**in Fund Balance (Deficit) - All Fund Types - (Continued)**  
For the year ended June 30, 2014

	Agency Fund	Totals	GASB			Adjusted Total
			General Fixed Assets Account	General Long Term Debt Account	Other Adjustments	
<b>Revenues:</b>						
Local government		\$9,757,447				\$9,757,447
State government		7,538,249			(\$3,626,005)	3,912,244
Federal government		6,273,895				6,273,895
Student tuition and fees		6,730,442			(2,727,460)	4,002,982
Sales and service fees		599,619				599,619
Interest		371,870				371,870
Net increase (decrease) in fair value of investments		9,932				9,932
Other		415,114			3,626,005	4,041,119
<b>Total revenues</b>	<b>\$0</b>	<b>31,696,568</b>	<b>\$0</b>	<b>\$0</b>	<b>(2,727,460)</b>	<b>28,969,108</b>
<b>Expenditures/expenses:</b>						
<b>Current:</b>						
Instruction		6,686,509	(81,334)		(578)	6,604,597
Academic support		471,047			3,467	474,514
Student services		2,600,238			9,352	2,609,590
Public services		365,629			(1,514)	364,115
Auxiliary services		1,095,972				1,095,972
Operation and maintenance of plant		1,705,125	(172,892)		(4,797)	1,527,436
Institutional support		10,988,240	(2,480,192)		(2,820)	8,505,228
Scholarships, student grants, and waivers		6,099,497			(2,782,969)	3,316,528
Depreciation expense		9,097	1,345,738			1,354,835
<b>Debt service:</b>						
Principal retirement		2,310,000		(2,310,000)		0
Interest		1,012,773		(21,161)		991,612
Bond issuance costs		0				0
<b>Total expenditures/expenses</b>	<b>0</b>	<b>33,344,127</b>	<b>(1,388,680)</b>	<b>(2,331,161)</b>	<b>(2,779,859)</b>	<b>26,844,427</b>
<b>Excess (deficiency) of revenues over expenditures/expenses</b>	<b>0</b>	<b>(1,647,559)</b>	<b>1,388,680</b>	<b>2,331,161</b>	<b>52,399</b>	<b>2,124,681</b>
<b>Other financing sources (uses):</b>						
Issuance of refunding bonds and serial bonds		0				0
Net premium (discount) on bonds sold		0				0
Gain on disposal of fixed assets		0				0
Payment to refunded bonds escrow agent		0				0
Transfers in		382,507				382,507
Transfers out		(382,507)				(382,507)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>0</b>	<b>(1,647,559)</b>	<b>1,388,680</b>	<b>2,331,161</b>	<b>52,399</b>	<b>2,124,681</b>
<b>Fund balance (deficit) at beginning of year - previously reported</b>	<b>0</b>	<b>27,599,412</b>	<b>20,486,062</b>	<b>(28,272,241)</b>	<b>(457,266)</b>	<b>19,355,967</b>
<b>Prior period adjustment</b>					<b>(263,263)</b>	<b>(263,263)</b>
<b>Fund balance (deficit) at beginning of year - restated</b>	<b>0</b>	<b>27,599,412</b>	<b>20,486,062</b>	<b>(28,272,241)</b>	<b>(720,529)</b>	<b>19,092,704</b>
<b>Fund balance (deficit) at end of year</b>	<b>\$0</b>	<b>\$25,951,853</b>	<b>\$21,874,742</b>	<b>(\$25,941,080)</b>	<b>(\$668,130)</b>	<b>\$21,217,385</b>

# Carl Sandburg College - Community College District 518

## Schedule of Revenues, Expenditures, and Changes in Fund Balance -

### Budget and Actual

### Education Fund

For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Local government:			
Property taxes	\$3,193,175	\$3,168,332	(\$24,843)
Corporate personal property replacement tax	127,200	162,223	35,023
Chargeback/contractual agreement	0	3,182	3,182
<b>Total local government</b>	<b>3,320,375</b>	<b>3,333,737</b>	<b>13,362</b>
State government:			
ICCB base operating grant	1,389,288	1,536,969	147,681
ICCB equalization grant	712,078	703,901	(8,177)
ICCB career and technical education formula grant	110,000	131,404	21,404
State of Illinois SURS on-behalf payments	1,000,000	3,626,005	2,626,005
<b>Total state government</b>	<b>3,211,366</b>	<b>5,998,279</b>	<b>2,786,913</b>
Student tuition and fees	6,681,974	5,895,409	(786,565)
Interest	12,674	18,701	6,027
Miscellaneous - other	80,819	78,053	(2,766)
<b>Total revenues</b>	<b>13,307,208</b>	<b>15,324,179</b>	<b>2,016,971</b>
<b>Expenditures:</b>			
Instruction:			
Salaries	5,510,406	5,080,340	430,066
Employee benefits	432,500	572,556	(140,056)
Contractual services	154,708	170,024	(15,316)
General materials and supplies	363,251	111,178	252,073
Conference and meeting expense	106,069	103,863	2,206
Fixed charges	0	0	0
Capital Outlay	124,708	114,007	10,701
Other	152,622	18,372	134,250
<b>Total instruction</b>	<b>6,844,264</b>	<b>6,170,340</b>	<b>673,924</b>

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Continued)**  
**Education Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
<b>Expenditures (continued):</b>			
<b>Academic support:</b>			
Salaries	292,844	277,457	15,387
Employee benefits	57,350	38,828	18,522
Contractual services	62,131	58,477	3,654
General materials and supplies	97,988	92,979	5,009
Conference and meeting expense	5,231	3,306	1,925
<b>Total academic support</b>	<b>515,544</b>	<b>471,047</b>	<b>44,497</b>
<b>Student services:</b>			
Salaries	1,145,462	1,144,682	780
Employee benefits	188,720	170,881	17,839
Contractual services	57,688	1,108	56,580
General materials and supplies	51,915	29,020	22,895
Conference and meeting expense	42,558	32,216	10,342
Fixed charges	413	0	413
Other	690,345	742,500	(52,155)
<b>Total student services</b>	<b>2,177,101</b>	<b>2,120,407</b>	<b>56,694</b>
<b>Public services:</b>			
Salaries	153,199	100,522	52,677
Employee benefits	23,200	23,258	(58)
Contractual services	123,650	61,994	61,656
General materials and supplies	63,700	27,933	35,767
Conference and meeting expense	20,300	12,889	7,411
Fixed charges	200	0	200
Other	6,600	0	6,600
<b>Total public services</b>	<b>390,849</b>	<b>226,596</b>	<b>164,253</b>
<b>Institutional support:</b>			
Salaries	1,344,958	1,237,132	107,826
Employee benefits	1,879,789	4,013,840	(2,134,051)
Contractual services	138,406	109,366	29,040
General materials and supplies	530,007	570,533	(40,526)
Conference and meeting expense	79,977	39,327	40,650
Fixed charges	148,294	112,255	36,039
Other	154,142	293,570	(139,428)
<b>Total institutional support</b>	<b>4,275,573</b>	<b>6,376,023</b>	<b>(2,100,450)</b>

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Continued)**  
**Education Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
<hr/>			
Expenditures (continued):			
Total expenditures	14,203,331	15,364,413	(1,161,082)
Excess (deficiency) of revenues over expenditures	(896,123)	(40,234)	855,889
Other financing sources:			
Transfers in	751,700	125,000	(626,700)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$144,423)</u>	84,766	<u>\$229,189</u>
Fund balance at beginning of year		<u>3,906,491</u>	
Fund balance at end of year		<u><u>\$3,991,257</u></u>	

# Carl Sandburg College - Community College District 518

## Schedule of Revenues, Expenditures, and Changes in Fund Balance -

### Budget and Actual

### Operations and Maintenance Fund

For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Revenues:			
Local government:			
Property taxes	\$766,485	\$760,699	(\$5,786)
Corporate personal property replacement tax	84,800	108,148	23,348
Total local government	851,285	868,847	17,562
State government:			
ICCB base operating grant	120,808	133,432	12,624
ICCB equalization grant	61,920	61,209	(711)
Total state government	182,728	194,641	11,913
Student tuition and fees	646,375	593,554	(52,821)
Interest	1,710	2,522	812
Other:			
Rent	21,600	23,622	2,022
Miscellaneous	150	8,267	8,117
Total other revenue	21,750	31,889	10,139
Total revenues	1,703,848	1,691,453	(12,395)
Expenditures:			
Operation and maintenance of plant:			
Salaries	686,426	628,875	57,551
Employee benefits	119,320	170,881	(51,561)
Contractual services	154,731	190,100	(35,369)
General materials and supplies	90,617	79,193	11,424
Conference and meeting expense	5,696	1,875	3,821
Fixed charges	27,029	22,523	4,506
Utilities	576,222	459,203	117,019
Capital outlay	24,700	25,461	(761)
Other	153,840	127,014	26,826
Total operation and maintenance of plant	1,838,581	1,705,125	133,456

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Continued)**  
**Operations and Maintenance Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Expenditures (continued):			
Institutional support:			
Contractual services	9,000	9,606	(606)
General materials and supplies	616	0	616
Conference and meeting expense	514	100	414
Utilities	117,310	105,243	12,067
Total institutional support	127,440	114,949	12,491
Total expenditures	1,966,021	1,820,074	145,947
Excess (deficiency) of revenues over expenditures	(262,173)	(128,621)	133,552
Other financing sources (uses) -			
Transfers in	110,200	140,215	30,015
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(\$151,973)</u>	11,594	<u>\$163,567</u>
Fund balance at beginning of year		465,176	
Fund balance at end of year		<u>\$476,770</u>	

# Carl Sandburg College - Community College District 518

## Schedule of Revenues, Expenses, and Changes in Fund Balance

### Budget and Actual

### Auxiliary Enterprise Fund

For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Operating revenues:			
State government	\$130	\$0	(\$130)
Federal government	21,000	18,447	(2,553)
Student tuition and fees	248,500	241,479	(7,021)
Sales and service fees	662,696	599,619	(63,077)
Other	192,279	149,574	(42,705)
<b>Total operating revenues</b>	<b>1,124,605</b>	<b>1,009,119</b>	<b>(115,486)</b>
Operating expenses:			
Salaries	521,278	506,303	14,975
Employee benefits	69,414	63,152	6,262
Contractual services	129,698	133,020	(3,322)
General materials and supplies	241,664	249,506	(7,842)
Conference and meeting expense	66,480	65,547	933
Capital outlay	26,100	27,414	(1,314)
Depreciation	10,000	9,097	903
Other	102,699	51,030	51,669
<b>Total operating expenses</b>	<b>1,167,333</b>	<b>1,105,069</b>	<b>62,264</b>
Operating income before transfers in (out)	(42,728)	(95,950)	(53,222)
Transfers in	43,300	70,723	27,423
<b>Net income</b>	<b><u>\$572</u></b>	<b><u>(25,227)</u></b>	<b><u>(\$24,655)</u></b>
Fund balance at beginning of year		123,661	
<b>Fund balance at end of year</b>		<b><u>\$98,434</u></b>	

***This Page Intentionally Left Blank***



**Carl Sandburg College - Community College District 518**  
**Schedule of Operating Revenues and Expenses, by Program**  
**Auxiliary Enterprise Fund**  
For the year ended June 30, 2014

---

	<b>Message Therapy</b>	<b>Auto Mechanics</b>
Operating revenues:		
Federal government grants		
Student tuition and fees		
Sales and service fees	\$1,085	\$35,078
Other		
<b>Total operating revenues</b>	<b>1,085</b>	<b>35,078</b>
Operating expenses:		
Salaries		
Employee benefits		
Contractual services		151
General materials and supplies		33,325
Conference and meetings		
Capital outlay		
Depreciation		
Other		
<b>Total operating expenses</b>	<b>0</b>	<b>33,476</b>
<b>Operating income (loss)</b>	<b>\$1,085</b>	<b>\$1,602</b>

Bookstore	Child Care Center	Cosmetology	Dental Hygiene	Food Service	Athletics	Student Activities - Other Services	Totals
	\$18,447						\$18,447
	369,014	\$23,829	\$28,686			\$241,479	241,479
\$127,407	417			\$10,941		141,927	599,619
						10,809	149,574
127,407	387,878	23,829	28,686	10,941	\$0	394,215	1,009,119
	333,226				95,865	77,212	506,303
	63,152						63,152
	33,058	2,299		53,623	38,835	5,054	133,020
	1,702	5,059	24,476	330	42,889	141,725	249,506
	208				65,339		65,547
			246			27,168	27,414
						9,097	9,097
	169			1,327	2,183	47,351	51,030
0	431,515	7,358	24,722	55,280	245,111	307,607	1,105,069
\$127,407	(\$43,637)	\$16,471	\$3,964	(\$44,339)	(\$245,111)	\$86,608	(\$95,950)

# Carl Sandburg College - Community College District 518

## Combining Balance Sheet - Liability Protection Funds

June 30, 2014

ASSETS	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Investments			\$4,273,719	\$4,273,719
Receivables:				
Property taxes		\$1,361,951		1,361,951
Other			17,293	17,293
Due from other funds	\$5,165			5,165
<b>Total assets</b>	<b>\$5,165</b>	<b>\$1,361,951</b>	<b>\$4,291,012</b>	<b>\$5,658,128</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities -				
Due to other funds		\$766,882	\$295,008	\$1,061,890
Deferred inflows of resources -				
Unavailable property taxes		2,054,905		2,054,905
Fund balance:				
Restricted				0
Unrestricted	5,165	(1,459,836)	3,996,004	2,541,333
<b>Total fund balance</b>	<b>5,165</b>	<b>(1,459,836)</b>	<b>3,996,004</b>	<b>2,541,333</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$5,165</b>	<b>\$1,361,951</b>	<b>\$4,291,012</b>	<b>\$5,658,128</b>

**Carl Sandburg College - Community College District 518**  
**Combining Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance (Deficit)**  
**Liability Protection Funds**  
For the year ended June 30, 2014

	Employee Insurance	Liability, Protection, and Settlement	Insurance Reserve	Totals
Revenues:				
Local government		\$2,021,051		\$2,021,051
Interest		3,712	\$33,031	36,743
Net (decrease) in fair value of investments			7,619	7,619
Other	\$11,385			11,385
<b>Total revenues</b>	<b>11,385</b>	<b>2,024,763</b>	<b>40,650</b>	<b>2,076,798</b>
Expenditures -				
Current -				
Institutional support	13,928	2,175,932	0	2,189,860
Excess (deficiency) of revenues over expenditures	(2,543)	(151,169)	40,650	(113,062)
Other financing sources -				
Transfers in (out)		360,649	(360,649)	0
Excess (deficiency) of revenues and other financing sources over expenditures	(2,543)	209,480	(319,999)	(113,062)
Fund balance (deficit) at beginning of year	7,708	(1,669,316)	4,316,003	2,654,395
Fund balance (deficit) at end of year	\$5,165	(\$1,459,836)	\$3,996,004	\$2,541,333

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance - Budget and Actual**  
**Employee Insurance Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Revenues - Other	\$16,626	\$11,385	(\$5,241)
Expenditures - Employee benefits	16,626	13,928	2,698
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$0</u>	(2,543)	<u>(\$2,543)</u>
Fund balance at beginning of year		<u>7,708</u>	
Fund balance at end of year		<u>\$5,165</u>	

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -**  
**Budget and Actual**  
**Liability, Protection, and Settlement Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Revenues:			
Property taxes	\$2,033,921	\$2,021,051	(\$12,870)
Interest income	2,515	3,712	1,197
<b>Total revenues</b>	<b>2,036,436</b>	<b>2,024,763</b>	<b>(11,673)</b>
Expenditures:			
Salaries	1,180,280	1,095,224	85,056
Employee benefits	248,390	230,425	17,965
Contractual services	247,118	263,517	(16,399)
General materials and supplies	22,373	13,205	9,168
Conference and meetings	4,466	1,516	2,950
Fixed charges	263,025	251,713	11,312
Capital Outlay	0	277,290	(277,290)
Other	3,731	43,042	(39,311)
<b>Total expenditures</b>	<b>1,969,383</b>	<b>2,175,932</b>	<b>(206,549)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>67,053</b>	<b>(151,169)</b>	<b>(218,222)</b>
Other financing sources (uses) -			
Transfer in	0	360,649	360,649
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>\$67,053</u></b>	<b>209,480</b>	<b><u>\$142,427</u></b>
<b>Fund balance (deficit) at beginning of year</b>		<b>(1,669,316)</b>	
<b>Fund balance (deficit) at end of year</b>		<b><u>(\$1,459,836)</u></b>	

**Carl Sandburg College - Community College District 518**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**Insurance Reserve Fund**  
For the year ended June 30, 2014

	Budget	Actual	Variance With Budget
Revenues:			
Interest income	\$110,000	\$33,031	(\$76,969)
Net increase in fair value of investments	0	7,619	7,619
<b>Total revenues</b>	<b>110,000</b>	<b>40,650</b>	<b>(69,350)</b>
Expenditures -			
Other	0	0	0
<b>Excess (deficiency) of revenues over expenditures</b>	<b>110,000</b>	<b>40,650</b>	<b>(69,350)</b>
Other financing sources (uses) -			
Transfers out	0	(360,649)	(360,649)
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b><u>\$110,000</u></b>	<b><u>(319,999)</u></b>	<b><u>(\$429,999)</u></b>
Fund balance at beginning of year		<u>4,316,003</u>	
Fund balance at end of year		<u><u>\$3,996,004</u></u>	

**Carl Sandburg College - Community College District 518**  
**Assessed Valuations, Tax Rates, Tax Extensions**  
**and Tax Collections**  
 Levy Years 2013, 2012, and 2011

	2013	2012	2011
Assessed Valuations:			
Knox County	\$701,823,859	\$696,149,598	\$691,839,527
Fulton County	14,593,594	13,719,949	13,058,063
Hancock County	270,583,029	265,894,226	263,098,933
Henderson County	127,878,404	122,957,378	118,677,416
Henry County	3,865,268	2,262,019	619,466
McDonough County	147,789,230	141,361,384	135,330,374
Mercer County	21,088,230	19,742,693	19,188,500
Schuyler County	2,788,734	2,590,055	2,474,496
Stark County	124,573	114,405	104,478
Warren County	277,217,580	266,880,594	256,612,147
<b>Total assessed valuations</b>	<b>\$1,567,752,501</b>	<b>\$1,531,672,301</b>	<b>\$1,501,003,400</b>
Tax Rate (per \$100 assessed valuation):			
Educational Accounts	0.2146	0.2088	0.2021
Operations and Maintenance Accounts	0.0558	0.0560	0.0561
Bond and Interest Fund	0.2187	0.2202	0.2195
Audit Fund	0.0050	0.0050	0.0050
Liability, Protection, Settlement, Social Security, and Medicare Accounts	0.1311	0.1328	0.1348
<b>Total tax rate</b>	<b>0.6252</b>	<b>0.6228</b>	<b>0.6175</b>
Tax Extensions:			
Educational Accounts	\$3,360,346	\$3,197,198	\$3,037,383
Operations and Maintenance Accounts	873,957	858,609	843,133
Bond and Interest Fund	3,426,565	3,376,172	3,298,890
Audit Fund	78,354	76,661	75,145
Liability, Protection, Settlement, Social Security, and Medicare Accounts	2,054,905	2,036,129	2,025,924
<b>Total tax extensions</b>	<b>\$9,794,127</b>	<b>\$9,544,769</b>	<b>\$9,280,475</b>



# Carl Sandburg College - Community College District 518

## Assessed Valuations, Tax Rates, Tax Extensions

### and Tax Collections (Continued)

Levy Years 2013, 2012, and 2011

---

	2013	2012	2011
Tax Collections to June 30:			
Education Fund	\$1,133,949	\$3,184,454	\$3,035,090
Operations and Maintenance Fund	264,201	762,561	750,888
Bond and Interest Fund	1,155,402	3,358,318	3,296,399
Audit Fund	26,420	76,256	75,089
Protection, Health, Safety	30,489	91,507	91,608
Liability, Protection, and Settlement Fund	692,893	2,025,362	2,024,394
<b>Total tax collections</b>	<b>\$3,303,354</b>	<b>\$9,498,458</b>	<b>\$9,273,468</b>
Percent of extensions collected	33.73%	99.51%	99.92%

---

## **State Grant Activity and Schedule of Enrollment Data**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS  
FOR STATE ADULT EDUCATION AND FAMILY LITERACY GRANTS AND  
CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANT**

Board of Trustees  
Carl Sandburg College  
Community College District 518  
Galesburg, Illinois 61401

**Report on the Financial Statements**

We have audited the accompanying financial statements of the State Adult Education and Family Literacy and Career and Technical Education-Program Improvement Grants of Carl Sandburg College – Community College District 518 (the College) as of and for the year ended June 30, 2014, and the related notes to the financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy and Career and Technical Education-Program Improvement Grants of Carl Sandburg College – Community College District 518 (the College) as of June 30, 2014, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States of America.

### **Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to materially comply with the provisions of laws, regulations, contracts and grants between the College and the State of Illinois and the Illinois Community College Board (ICCB). However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the College is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines with respect to restricted grants.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy and Career and Technical Education-Program Improvement Grants and do not purport to, and do not present fairly the financial position of Carl Sandburg College – Community College District 518 (the College), the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Wipfli LLP*

Sterling, Illinois  
September 17, 2014

# Carl Sandburg College - Community College District 518

## Balance Sheet

### State Adult Education Restricted Funds Grants

June 30, 2014

---

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

---

# Carl Sandburg College - Community College District 518

## Statement of Revenues, Expenditures and Changes in Fund Balance

### State Adult Education Restricted Funds Grants

For the year ended June 30, 2014

	State Basic	State Public Assistance	State Performance	Total
Revenues -				
Grant revenue	\$68,553	\$7,696	\$48,167	\$124,416
Expenditures:				
Instruction	48,485	5,857	23,228	77,570
Social work services				0
Guidance services	2,137		8,442	10,579
Assistive and adaptive equipment				0
Assessment and testing		1,839	11,364	13,203
Student transportation services			2,733	2,733
Literacy services	9,621			9,621
Child care services				0
Subtotal instructional and student services	60,243	7,696	45,767	113,706
Improvement of instructional services			1,000	1,000
General administration	8,310		1,400	9,710
Operation and maintenance of plant services				0
Workforce coordination				0
Data and information services				0
Approved indirect costs				0
Subtotal program support	8,310	0	2,400	10,710
Total expenditures	68,553	7,696	48,167	124,416
Excess of revenues over expenditures	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	\$0	\$0	\$0	\$0

# Carl Sandburg College - Community College District 518

## ICCB Compliance Statement for the Adult Education and Family Literacy Grant - Expenditure Amounts and Percentages for ICCB Grant Funds Only State Adult Education Restricted Funds Grants

For the year ended June 30, 2014

---

<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$48,485	70.73%
General Administration (15% maximum allowed)	\$8,310	12.12%

<b>State Public Assistance</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$5,857	76.10%
General Administration (15% maximum allowed)	\$0	0.00%

# Carl Sandburg College - Community College District 518

## Balance Sheet

### Career and Technical Education Program Improvement Grant

June 30, 2014

---

---

#### ASSETS

---

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

---

---

---

#### LIABILITIES AND FUND BALANCE

---

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

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

---

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

---

---



**Carl Sandburg College - Community College District 518**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Career and Technical Education Program Improvement Grant**  
For the year ended June 30, 2014

---

Revenues -	
State sources	\$9,698
<hr/>	
Expenditures -	
Equipment	9,698
<hr/>	
Excess of revenues over expenditures	0
<hr/>	
Fund balance at beginning of year	0
<hr/>	
Fund balance at end of year	\$0
<hr/> <hr/>	

# **Carl Sandburg College – Community College District 518**

## **Notes to ICCB Grant Programs Financial Statements**

---

### **Note 1. Summary of Significant Accounting Policies:**

#### **General**

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

#### **Basis of Accounting**

The statements have been prepared on the modified accrual basis of accounting. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2014. Funds obligated for goods prior to June 30, for which the goods are received prior to August 31, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the Illinois Community College Board by October 15.

#### **Fixed Assets**

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

### **Note 2. Payment of Prior Year's Encumbrances:**

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

# **Carl Sandburg College – Community College District 518**

## **Background Information on State Grant Activity**

---

### **Restricted Adult Education Grants/State**

State Basic: Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Public Assistance: Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

Performance: Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

### **Restricted Grants**

Career and Technical Education-Program Improvement Grant: This grant funding recognizes that keeping career and technical education programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services.

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

Board of Trustees  
Carl Sandburg College  
Community College District 518  
Galesburg, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Carl Sandburg College – Community College District 518 (the College) for the year ended June 30, 2014. The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's management. Our responsibility is to express an opinion on the schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, and accordingly, including examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the College's compliance with statutory requirements.

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 and the reconciliation of semester credit hours of Carl Sandburg College – Community College District 518 (the College) for the year ended June 30, 2014, in conformity with the Illinois Community College Board's *Fiscal Management Manual*.

*Wipfli LLP*

Sterling, Illinois  
September 17, 2014

# Carl Sandburg College - Community College District 518

## Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed

For the year ended June 30, 2014

	Total Semester Credit Hours by Term *							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	2,301.5		11,622.5		10,817.5		24,741.5	0.0
Business Occupational	329.0		857.0		1,099.5		2,285.5	0.0
Technical Occupation	143.0		1,199.5		1,200.0		2,542.5	0.0
Health Occupational	1,243.5		3,499.0		2,965.0		7,707.5	0.0
Remedial Development	413.0		1,856.0		1,171.0		3,440.0	0.0
Adult Basis Education/ Adult Secondary Education	208.3	144.0	55.0	1,137.5	421.0	842.5	684.3	2,124.0
Total credit hours certified	4,638.3	144.0	19,089.0	1,137.5	17,674.0	842.5	41,401.3	2,124.0

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester credit hours	37,698.8	0.0	37,698.8
	Dual Credit	Dual Enrollment	
Reimbursable semester credit hours (all terms)	3,803.0	0.0	
District equalized assessed valuation			\$1,567,752,501

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

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

Signatures \_\_\_\_\_  
President

\_\_\_\_\_  
Chief Financial Officer (CFO)

**Carl Sandburg College - Community College District 518**  
**Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed**  
**(Continued)**

For the year ended June 30, 2014

Reconciliation of Total Semester Credit Hours For the year ended June 30, 2014						
	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit hours Certified to the ICCB	Difference
Categories:						
Baccalaureate	24,741.5	24,741.5	-	-	-	-
Business Occupational	2,285.5	2,285.5	-	-	-	-
Technical Occupation	2,542.5	2,542.5	-	-	-	-
Health Occupational	7,707.5	7,707.5	-	-	-	-
Remedial Development	3,440.0	3,440.0	-	-	-	-
Adult Basis Education/Adult Secondary Education	684.3	684.3	-	2,124.0	2,124.0	-
<b>Total</b>	<b>41,401.3</b>	<b>41,401.3</b>	<b>-</b>	<b>2,124.0</b>	<b>2,124.0</b>	<b>-</b>

Reconciliation of In-District/Chargeback and Cooperative/ Contractual Agreement Credit Hours			
	Total Attending (Unrestricted and Restricted)	Total Attending as Certified to the ICCB	Difference
In-district residents	37,698.8	37,698.8	-
Out-of-districts on chargeback or contractual agreement	0.0	0.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
Dual credit	3,803.0	3,803.0	-
Dual enrollment	0	0	-

Reconciliation of Total Correctional Semester Credit Hours For the year ended June 30, 2014			
	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Categories:			
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupation	-	-	-
Remedial Development	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.

# **Carl Sandburg College – Community College District 518**

## **Note to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed**

---

### **Note 1. Residency Verification Process**

#### **Procedures for Verifying and Classifying Residency**

Every credit student must submit an application to the College which contains biographic and demographic information. The student signs the application verifying the accuracy of the information and the ability to provide documentation to verify it. The College will use the data contained in the application and on the subsequent enrollment forms to determine residency.

In order to be classified as in-district for tuition, the student must indicate one or more of the following:

- Current residence for at least 30 days at an in-district address
- Permanent residence at an in-district address
- Graduation from or current enrollment in an in-district high school
- Current enrollment at another institution of higher education located in-district
- Although the student resides out-of-district, the student or his parent or guardian maintains full-time employment in-district
- Although the student resides out-of-district, the student owns land and pays taxes in-district.

In the case of an address change, a student will submit the change in writing to the Records Department or via the self service address change in our online system.

The student's signature on the forms mentioned above indicates that he/she is able to produce appropriate documentation to verify residency in-district. Proper documentation includes one or more of the following:

- Drivers license
- State-issued ID
- Voter registration card
- Utility bill
- Bank statement
- ID card from another institution of higher education in district
- Progress summary from another institution of higher education in district
- Home/apartment lease
- Cell phone bill

**ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION**



## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

Board of Trustees  
Carl Sandburg College – Community  
College District 518  
Galesburg, Illinois

We have audited, in accordance with the 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, the financial statements of the business-type activities and discretely presented component unit of Carl Sandburg College – Community College District 518 (the College), as of and for the years ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Carl Sandburg College – Community College District 518's basic financial statements, and have issued our report thereon dated September 17, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carl Sandburg College – Community College District 518's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of Carl Sandburg College – Community College District 518's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Sterling, Illinois  
September 17, 2014

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Trustees  
Carl Sandburg College – Community  
College District 518  
Galesburg, Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited Carl Sandburg College – Community College District 518's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Carl Sandburg College – Community College District 518's major federal programs for the year ended June 30, 2014. Carl Sandburg College – Community College District 518's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility for Compliance***

Management of Carl Sandburg College – Community College District 518 is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Carl Sandburg College – Community College District 518's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carl Sandburg College – Community College District 518's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Carl Sandburg College – Community College District 518's compliance.

### ***Opinion***

In our opinion, Carl Sandburg College – Community College District 518 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### ***Other Matters***

#### **Report on Internal Control Over Compliance**

Management of Carl Sandburg College – Community College District 518 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Carl Sandburg College – Community College District 518's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carl Sandburg College – Community College District 518's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Wipac LLP*

Sterling, Illinois  
September 17, 2014

**Carl Sandburg College - Community College District 518**  
**COMMUNITY COLLEGE DISTRICT NO. 518**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture -</b>			
Pass-through the Illinois State Board of Education:			
Child & Adult Care Food Program	10.558	XX-4226-00	\$16,454
<b>U.S. Department of Labor:</b>			
Pass-through College of Lake County			
Trade Adjustment Assistance Community College and Career Training Illinois Green Economy Network Department of Energy Program	17.282	TC-22517-11-60-A17	\$177,965
<b>U.S. Department of Education:</b>			
Pass-through Illinois Community College Board:			
Adult Education:			
Federal Adult EL/Civics	84.002	51801	\$18,085
Federal Adult Basic	84.002	51801	58,995
Total CFDA 84.002			77,080
Direct awards:			
Student Financial Assistance:			
Federal Supplemental Educational Opportunity Grants (m)	84.007	P007AXX1115	37,025
Federal Work Study Program (m)	84.033	P033AXX1115	54,267
Federal Pell Grant Program (m)	84.063	P063XXX0511	4,429,522
Federal Direct Loan Program (m)	84.268	P268KXX0511	879,258
Total student financial assistance cluster			5,400,072
Pass-through Southeastern Community College -			
TRIO - Student Support Services	84.042	P042A100091	174,897
Direct awards -			
TRIO - Upward Bound -			
Crossing the Bridge to Success	84.047	P047A070128-XX	260,053
Total TRIO cluster			434,950
Pass-through Illinois Community College Board:			
Career and Technical Education Programs:			
Perkins Postsecondary Grants	84.048	CTE51814	165,228
Dual Credit Enhancement	84.048	14CTEDUAL518	10,000
Program of Study	84.048	14CTEPOSI518	5,000
Total CFDA 84.048			180,228
Total U.S. Department of Education			\$6,092,330
<b>Total federal awards expended</b>			<b>\$6,286,749</b>

(m) Denotes major program

# Carl Sandburg College – Community College District 518

## Notes to the Schedule of Expenditures of Federal Awards

---

- **General** – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Carl Sandburg College – Community College District 518. Carl Sandburg College – Community College District 518 reporting entity is defined in Note (1) to the College’s basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.
- **Basis of Accounting** – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in Note (1) to the College’s basic financial statements.
- **Program Totals** – Subtotals for major programs are as follows:

Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268)	\$5,400,072
--	-------------
- **Subrecipient Payments** - Carl Sandburg College – Community College District 518 did not provide any federal payments to subrecipients during the year ended June 30, 2014.
- **Non-Cash Assistance** - Carl Sandburg College – Community College District 518 did not expend any federal awards in the form of non-cash assistance during the year ended June 30, 2014.
- **Other Federal Award Information** - Carl Sandburg College – Community College District 518 did not receive or administer any insurance, loans or loan guarantees during fiscal year ended June 30, 2014.

**Carl Sandburg College – Community College District 518**  
**Schedule of Findings and Questioned Costs**

---

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

Financial Statements

Type of auditor’s report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

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

Type of auditor’s report issued on compliance for major programs:		Unmodified
---	--	------------

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
--	------------------------------	--

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>300,000</u>
--	-------------------

Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
--	---	-----------------------------

# **Carl Sandburg College – Community College District 518**

## **Schedule of Findings and Questioned Costs**

---

### **Section II – Financial Statement Findings**

A. Internal Control

None

B. Compliance Finding

None

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

A. Internal Control

None

B. Compliance Findings

None



# Carl Sandburg College – Community College District 518

## Summary Schedule of Prior Audit Findings

---

### Prior Year Findings:

#### June 30, 2013

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards
  - A. Internal Control  
None
  - B. Compliance Finding  
None
- II. Findings and Questioned Costs for Federal Awards
  - A. Internal Control  
None
  - B. Compliance Finding  
None

#### June 30, 2012

- I. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards
  - A. Internal Control  
None
  - B. Compliance Finding  
None
- II. Findings and Questioned Costs for Federal Awards
  - A. Internal Control  
None
  - B. Compliance Finding  
None