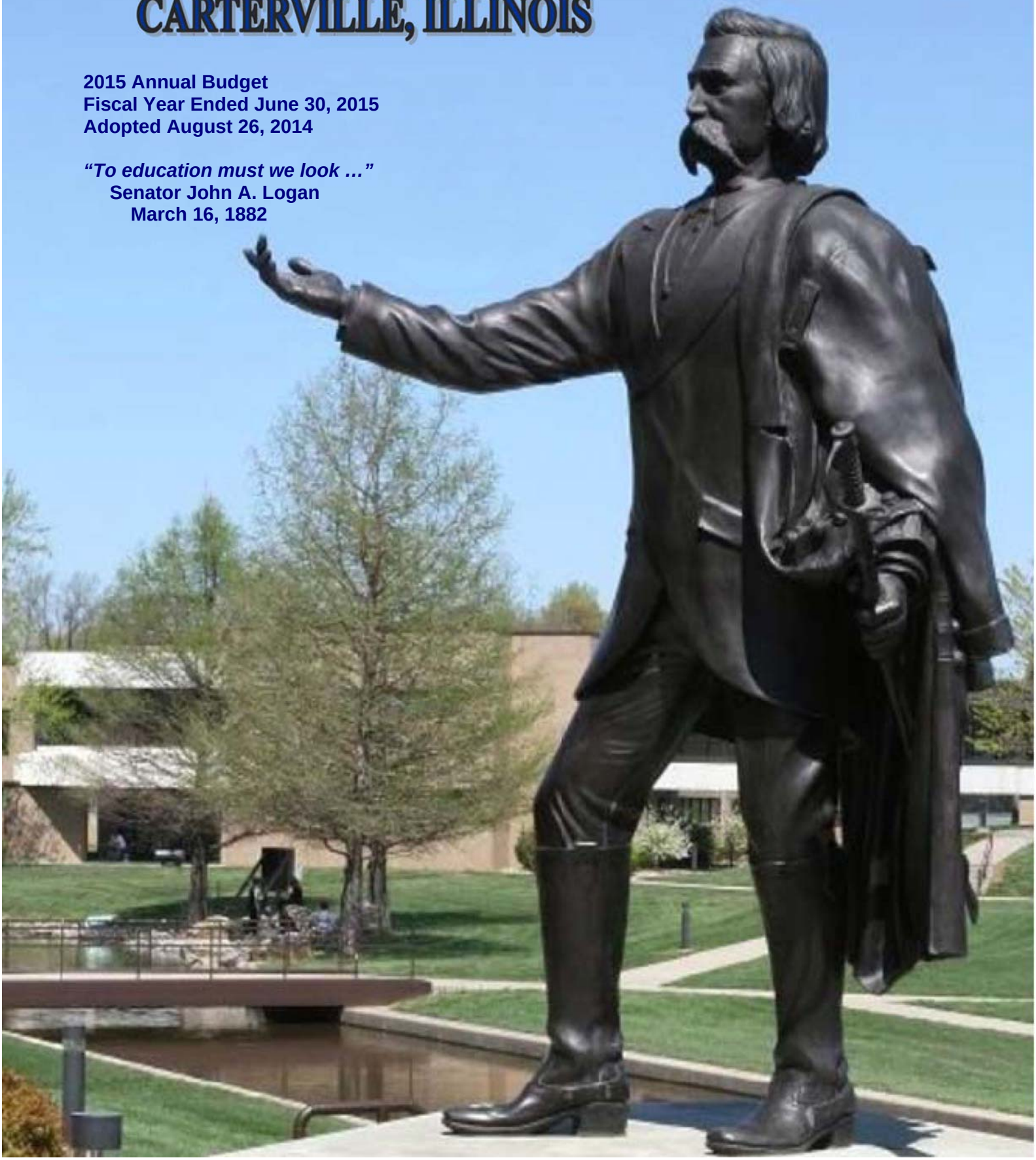
JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT 530
CARTERVILLE, ILLINOIS

2015 Annual Budget
Fiscal Year Ended June 30, 2015
Adopted August 26, 2014

"To education must we look …"
Senator John A. Logan
March 16, 1882



JOHN A. LOGAN COLLEGE
Community College District 530
700 Logan College Road
Carterville, IL 62918
www.jalc.edu

Annual Budget for the fiscal year
Beginning July 1, 2014 and Ending June 30, 2015
Adopted August 26, 2014
By the Board of Trustees

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to John A. Logan College, Illinois for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

GOVERNMENT FINANCE OFFICERS ASSOCIATION
Distinguished
Budget Presentation
Award
PRESENTED TO
John A. Logan College
Illinois
For Fiscal Year Beginning
July 1, 2013
Executive Director

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INTRODUCTION TO THE COLLEGE

The College has 660,116 sq. ft. at the Carterville campus with additional extension centers located in the towns of Du Quoin (Perry County) and West Frankfort (Franklin County).

COLLEGE HISTORY

John A. Logan College (JALC) is an open admission, comprehensive community college designed to provide high-quality, affordable educational opportunities to its citizens. The College owes its existence to the Illinois Public Community College Act of July 15, 1965 which provided legislation to create a junior college system in the state of Illinois. John A. Logan College district citizens approved the creation of the Junior College district in September, 1967.

The College is named in honor of John Alexander Logan, a prominent southern Illinoisan whose political career led from county clerk to U.S. Congressman. During the Civil War, Logan volunteered as a citizen soldier and fought in eight major campaigns and is considered one of the premier volunteer generals of the Civil War. After the war, Logan returned to Congress and he helped found Memorial Day as a national holiday. In 1871, and again in 1874, Logan was elected to the U.S. Senate and was James G. Blaines' vice-presidential running mate. Throughout his political career, he was a strong advocate for public education. Logan drafted legislation that established normal schools, teachers' institutes, and instruction in the industrial and mechanical arts.

Senator Logan's speech in support of this public education legislation attracted attention throughout the country. His emphasis on planning for the future helped to refocus and rebuild the nation. The College motto, "To education must we look . . .," is derived from the following excerpt:

> *"To education, therefore, must we look for all the elements of national strength, and the more generally it is diffused and the higher its grade, in like proportion will our national power be increased." (Congressional Record, March 16, 1882)*

John A. Logan College offers comprehensive programming to serve the needs of citizens in Jackson and Williamson counties and portions of Franklin, Perry, and Randolph counties. Governance of the College resides with an elected seven-member Board of Trustees. The College is a community-minded organization that focuses on the needs of its students and communities. Dual credit programs assist high school students in the transition to college. Transfer programs articulate with colleges and universities in the state of Illinois and surrounding states. Career programs support students who desire a one- or two-year program to enter the workforce. Business and Industry and Workforce Development programs offer training and services to workers and displaced workers. John A. Logan College, over the past several years, has been number one in the State of Illinois in providing customized training. The College also has very comprehensive adult and continuing education programs.

SERVICE AREA

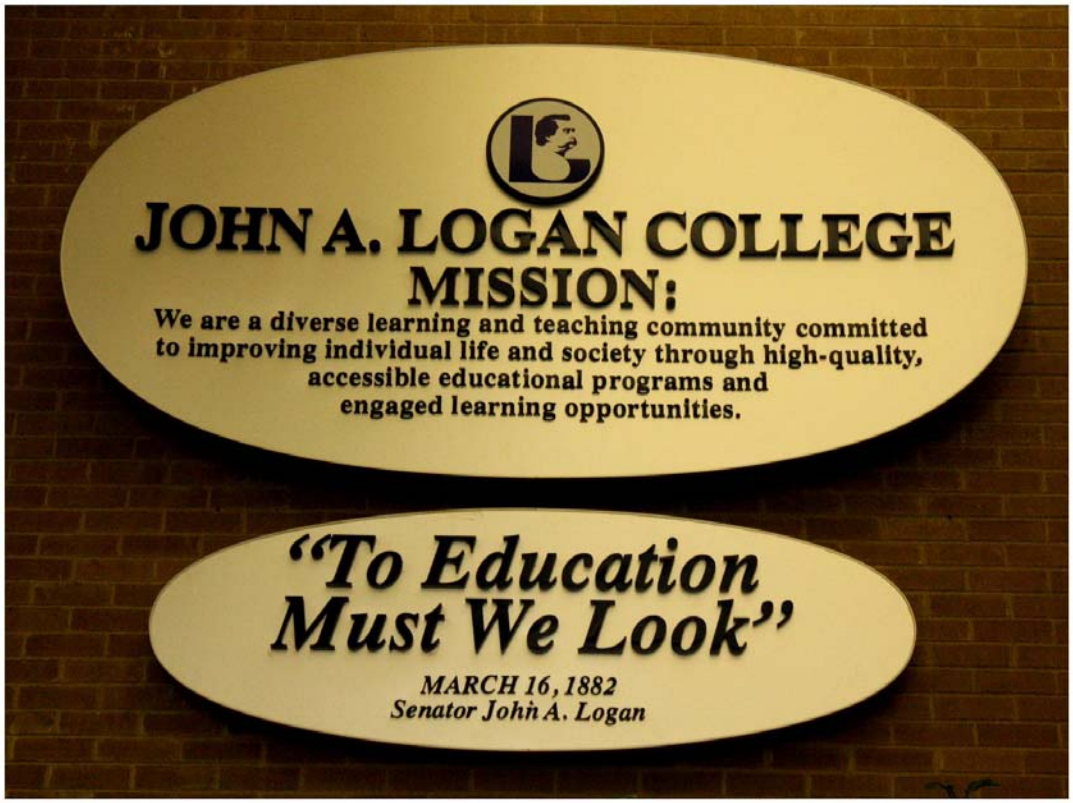
The John A. Logan College district consists of one central campus and extension centers in the towns of DuQuoin and West Frankfort. Many courses in baccalaureate transfer, career education, continuing education and adult literacy are taught in high schools and public facilities throughout the five-county district. The College takes pride in providing high-quality, affordable education to its citizens. JALC is in very close proximity to a four-year educational institution, Southern Illinois University-Carbondale (SIU-C). Please see a district map in the supplemental materials section at the end of this document.

The College district serves the following high school districts in Illinois: Marion, Johnston City, Herrin, Crab Orchard, Carterville, Carbondale, Tri-Co, Elverado, Murphysboro, West Frankfort, and DuQuoin. The area has a long history of manufacturing and coal-mining. With closures of many mines and manufacturing plants, the College has successfully worked with state and local agencies to provide transition services and training programs to help these workers obtain degrees and training to obtain employment.

ACCREDITATION

John A. Logan College is accredited by The Higher Learning Commission (HLC), a part of the North Central Association of Colleges and Schools (NCA). NCA, founded in 1895, is one of six regional institutional accreditors in the United States. The College's last comprehensive evaluation was in February of 2007, and was approved for a ten-year accreditation. The next comprehensive evaluation is scheduled for 2016 – 2017.

LONG-TERM GOALS AND CONCERNS



MISSION STATEMENT

John A. Logan College first adopted a mission statement in September of 1968. It has been amended at various times over the years as the institution and the needs of its constituents have evolved. The most recent revision of the Mission and Goals Statement began in 2004 as a part of the College's operational planning process. A committee comprised of faculty, staff, and administration was formed to review and revise the existing mission documents to reflect current institutional priorities. On October 25, 2004, the College Board of Trustees modified and adopted a revised statement of mission and goals. Additional evaluation of the philosophy, mission, and goals just occurred as a part of the College's most recent strategic planning process which was completed in June of 2013. Most of those interviewed during the process felt that the current mission statement accurately represents what JALC does and stands for as an institution. Therefore, no revisions were recommended at this time. The current version of the College's mission and the corresponding goals are stated below:

"John A. Logan College is a diverse learning and teaching community committed to improving individual life and society through high-quality, accessible educational programs and engaged learning opportunities."

MISSION GOALS

- To foster an environment where diverse individuals, groups, and views are valued.
- To provide programs and services for lifelong learning that create and enhance opportunities for achieving career and personal goals in a changing society.
- To serve with integrity and accountability as a model of institutional excellence.
- To offer affordable programs and services enhanced by technology in an accessible and safe learning and working environment.
- To be a center for intellectual, economic, cultural, and recreational resources for individuals and communities.

CORE VALUES

In September of 2013, John A. Logan College revised its Core Values from those originally adopted in 2006. This was a result of input received during the development of the College's new *Five-Year Strategic Plan FY 2014 – 2018* which was adopted in June of 2013. Surveys of all constituent groups and discussion by the strategic plan steering committee indicated a strong preference for the values of service and integrity. It was felt that integrity encompassed both the previous values of fairness and honesty. As a result, stated below are the revised Core Values and their definitions:

- **Service**
  We are committed to the cultivation of positive relationships and common experiences among students, faculty, staff and the communities we serve.
- **Responsibility**
  We accept responsibility for our own actions and accountability for the use, preservation, and enhancement of human and material resources.
- **Respect**
  While recognizing and valuing the dignity and uniqueness of every person, we are committed to creating a community where everyone is appreciated and considered for their contributions and performance.
- **Compassion**
  We respond to the feelings of each person with kindness, concern, and empathy for their needs.
- **Integrity**
  We are committed to creating trust and confidence in our college community. We act with honesty and forthrightness, and hold ourselves to high academic and ethical standards.

PHILOSOPHY

The philosophy provides an internal view of what the College hopes to become, whereas the mission statement has an external focus on present goals and commitments.

The JALC Statement of Philosophy is listed below:

"John A. Logan College believes in the inherent worth and dignity of the individual. Derived from that belief is the concept that education is important to the cultural, intellectual, and social enlightenment of the individual; that high-quality educational opportunities are the right of the citizens to whom the College belongs; and that education is vital to the area's economic growth.

Because our citizens have worth, dignity, and potential regardless of their age, economic status, or social station, the College assumes the obligation to serve its citizens through an open admission concept with lifelong learning opportunities.

Within the limits of the College's ability to attain and maintain a solid financial base, it is ready and eager to provide low-cost traditional and non-traditional education opportunities whenever, wherever, and however they are needed by the citizens to improve the quality of their lives."

VISION

John A. Logan College strives to be a learning-centered institution that prepares students for effective global citizenship and responds to regional needs.

EDUCATIONAL GOALS

The faculty and staff of John A. Logan College are committed to providing students with opportunities to develop learning abilities that will last a lifetime. Graduates will be prepared to succeed in their personal and professional lives because of achieved competence in the following general education goals:

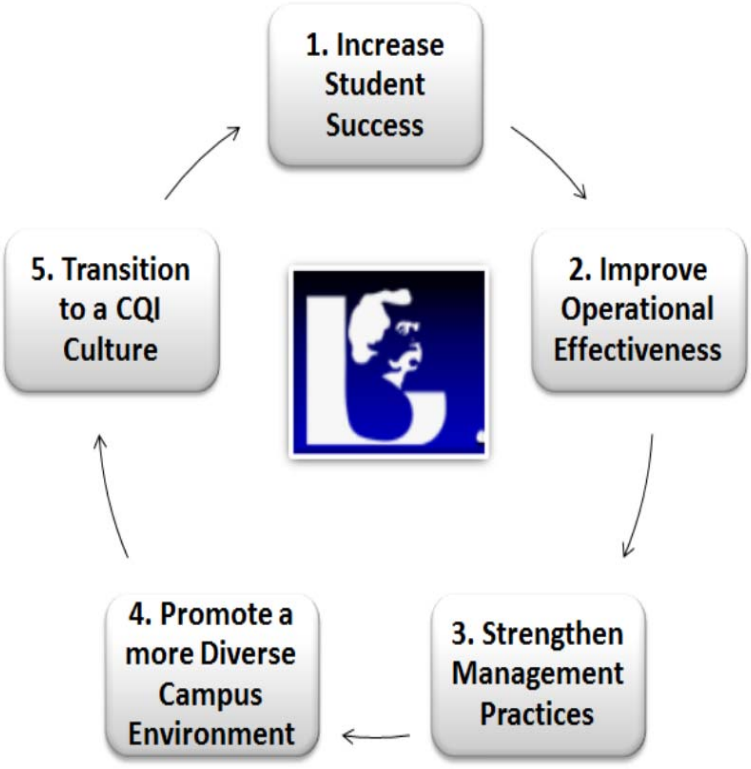
- **Communication** - To participate in the entire communication process of listening, speaking, reading, and writing.
- **Critical Thinking** - To cultivate the process of critical thinking by analyzing, synthesizing and evaluating objects, concepts, theories, and hypotheses.
- **Mathematical Reasoning** - To develop mathematical reasoning and an ability to apply quantitative methods.
- **Workplace Readiness** - To accomplish workplace readiness by acquiring competencies and technological application skills related to chosen careers.
- **Ethical Awareness** - To develop an ethical awareness which focuses on the values of integrity, honesty, and personal responsibility.
- **Community Responsibility** - To become a responsible member of local, national, and global communities by recognizing the values of diverse histories, economies, and cultures.
- **Wellness** - To achieve physical and psychological wellness by learning to take responsibility for personal well-being.
- **Aesthetic Response** - To develop an aesthetic appreciation of life through creative, artistic, and cultural experiences.

FIVE-YEAR STRATEGIC PLAN FY 2014 - 2018

In September of 2012, the Board of Trustees contracted with Wunderle Consulting Inc. to develop a five-year institutional strategic plan. It was understood that at the end of the process ownership of the plan would transfer to the College. The process was guided by three planning principles – strategic alignment, inclusiveness, and actionable recommendations, and began with reaffirmation of the mission, vision, and values.

It included an environmental scan that examined strengths, opportunities, challenges, change drivers, and mandates. The process spanned eight months and involved eight major steps, including the environmental scan, gap analysis, development of strategies and goals, development of projects, an implementation strategy, clarification of steps, and presentation of the final report. All JALC's constituencies were invited to participate in some way, including interviews, surveys, focus groups, and invitations to comment. In addition, a review of existing documentation was performed and a 17 member steering committee was formed. Listed below are some of the reasons why a new strategic plan was very crucial to the College and the five strategic goals that resulted.

- To set institutional priorities for the future.
- To direct limited resources where they will have the most effect.
- To reaffirm foundational statements of purpose and value.
- To inspire and guide the individual and collective effort to grow and improve.
- To complement and support the Higher Learning Commission (HLC) Open Pathways reaccreditation process.



Sixteen strategic projects were identified with a proposed timeline for implementation phased-in over the five-year period. Project owners were then assigned from within the original steering committee. These owners are now considered the Project Oversight Committee. They will meet monthly to present status reports, including accomplishments to-date, next steps, and any other matters critical to the success of the projects. See below the complete list of projects and their owners:

1. Student Success Initiative: VP for Instruction
2. ERP System: Chief Information Technology Officer
3. IT Staffing: Chief Information Technology Officer
4. Assessment: Senior Director of Assessment & Quality Assurance
5. Knowledge & Information Management: Dean for Financial Operations
6. Process Improvements: VP for Student Affairs & Community Education
7. Office Productivity: Dean for Student Services
8. Internal Communications: Executive Director of JALC Foundation
9. Website Redesign: Director for College Relations & Marketing
10. Strengthening Management Practices: Executive Director of Human Resources
11. Diversity: President
12. CQI Transition: President
13. LMS Implementation: Dean for Academic Affairs
14. Planning & Institutional Effectiveness: VP for Instruction
15. Career and Job Readiness: Dean for Workforce Development
16. Capital Construction/Renovation/Maintenance: VP for Business Services & College Facilities

Due to normal financial and staffing limitations, it is not reasonable for all strategic projects to be implemented at once. The plan includes a detailed implementation schedule for each project including which budget years they are expected to affect and the projected financial impact. The steering committee is meeting with the College President on a regular basis to provide updated status reports on their assigned projects.

STRATEGIC PLAN ITEMS EMPHASIZED IN FY 2015 BUDGET

Listed below are some of the items emphasized in the FY 2015 budget that are directly related to one of the sixteen strategic plan projects shown previously.

- Jenzabar Enterprise Resource Planning (ERP) System
  - Implementation, Training, Maintenance, Hosting Services
    - Full implementation of the Finance module will take place in FY 15
    - Initial implementation of both the Student Registration module and the A/R Manager module will occur towards the end of FY 15
  - Contract with CampusWorks for project management and business process review
    - This is a continuing contract scheduled to end in FY 16
- Desire2Learn Learning Management System (LMS)
  - Addition of Student Retention Software to integrate with LMS
- Higher Learning Commission (HLC) training for Open Pathways model
- Development of budget for Institutional Effectiveness department
- Diversity department budget was fully developed
- Proposed new curriculum in Electronics program
- Network upgrade to increase bandwidth, improve student wireless access, & support digital camera system for increased campus safety
- Student Success Items:
  - EMSI Career Coach and Analyst
  - Resources for IT Academy in Computer Information System program
  - Robotic Automated Welding Equipment

FACILITY MASTER PLAN

In April 2009, John A. Logan College began the process of developing a comprehensive Facility Master Plan. The final draft was presented in June of 2010. The purpose of the Master Plan is to serve as documentation of the needs and concerns of the College as it moves forward and guidance in response to those issues. The premise of the Master Plan is to look forward for the coming ten to fifteen years and predict the needs of the College and develop responses to them.

From the beginning, the importance of staff, student and community participation in the process was recognized. With this in mind a Master Planning Committee was formed, consisting of a cross section of administrators and staff. Additionally, public hearings were scheduled to generate and receive suggestions and input.

Three public forums were held to discuss and document issues relating to sustainability and the environment, buildings and facilities, and campus parking and roadways. These gave opportunities for the entire John A. Logan community to learn about the planning process and how it might impact the future of the College, and to help identify the issues considered to be important to address in the Facility Master Plan.

After the conclusion of the public forum period, meetings of the Master Planning Committee were held to discuss the issues identified during those forums and to establish importance and priorities. Goals were developed that reflected the culture, identity and needs of the College. Committee members sought and gathered specific information and data from their respective constituents.

The various options that were identified were explored and discussed by the Committee. Pros and cons were reviewed for each, and thoroughly discussed. Priorities and viability were established for each option with respect to the entire list. The results of these meetings were presented to the Board of Trustees for approval.

Information was also gathered regarding the condition and needs with respect to the physical infrastructure of the John A. Logan main campus. The issues identified and documented will help to address these maintenance and infrastructure upgrades in a planned and comprehensive manner.

John A. Logan College, in response to a requirement of the Illinois Community College Board, had prepared a master plan for the immediate three years and submitted it in September, 2008. The issues addressed in that document have been included in this Master Plan which is being referred to as Phase II.

This Master Plan strives to serve the needs of John A. Logan College, the surrounding communities, and the region to assure the College's role as an educational and cultural resource. The recommendations can help fulfill the mission of the College, realize goals, and enhance its role as an educational and cultural center for the region. The Facility Master Plan is meant to be a living document, to be periodically reviewed and necessarily revised. It is not an inflexible path of action, but rather a guide for the orderly development of the campus. Without a plan for the future, development can become emergency reactions to growth of enrollment, program revisions and advancements, and the need for expansion of services, rather than thoughtful patterns of development.

Future decisions can, therefore, vary from the results and recommendations of this plan. They should, however, be made with understanding of their context within the document and careful evaluation of their impact on the direction and vision that the Master Plan represents.

Stated below are the goals developed during the Master Plan process:

- Promote sustainability in campus operations, improvements and expansions, and create a campus culture committed to sustainability.
  - Illinois Community College Sustainability Network - JALC a founding member
  - Existing building LEED certification
  - Nurture environmental responsibility with staff
- Provide facilities with the flexibility to respond to and facilitate the changing needs of the College and Community.
  - Education shouldn't suffer because of the facility
  - Multi-purpose spaces and facilities
- Improve the functional relationships of programs, classes, and services.
  - Optimize use of existing spaces
- Establish entrance hierarchies and improve way finding throughout the campus from roadways and parking to building interiors.
  - Building entrances - distinctive and welcoming
  - Front of campus is changing
  - Signage
  - Parking relationships
- Continue the current high level of campus care and maintenance including grounds and building exteriors and interiors.
  - Plan for deferred maintenance
  - Provide for spaces to enhance productivity

INTEGRATED TECHNOLOGY COMMITTEE (ITC)

The Committee's mission is to proactively develop strategic technology initiatives that promote educational and institutional growth. While it is headed by the Instructional division, it has representation from across the College. Among other technology related issues, its work includes the learning management system and the campus-wide administrative ERP system. The goal is for the revised committee membership to have more decision making authority than the previous version and a stronger instructional voice. Current plans include the addition of a student representative on the ITC committee to provide input on the use of a newly approved Technology fee.

ADVISORY COMMITTEES

Authorized by a long-standing board policy, the College utilizes both a General Advisory Committee and a Program Advisory Committee for Career Education. The College believes that training people for employment in career education fields is a task that should be shared by the College and the community. To provide quality programs and competent graduates, the College must understand the needs of area businesses and industries. It is important that a two-way system of communication between the College and the community be maintained to meet the educational and training needs of the College district.

The feedback from advisory committees enables the College to develop or modify programs of career education to reflect current needs of the community. Each committee assists the College in determining industry needs, developing curricula, establishing work experiences, identifying equipment and facility needs, and assessing program objectives and content. In addition to reviewing existing programs and recommending new programs, they also assist with the development of a one-year and a five-year plan for vocational education. These committees are comprised of community and business representatives in a specific occupational area from the College district, plus the chairperson of each program's advisory committee.

COLLEGE COUNCIL

The College Council provides a forum for discussion of College-wide issues, and is advisory to the president of John A. Logan College on matters regarding the instructional curriculum, physical facilities, and support services of the College. Membership on the Council includes all full-time faculty and non-teaching professional staff; representatives of the part-time faculty; elected representatives of the operational and building and maintenance staffs; representatives of the Student Senate; and the student trustee. The Council meets monthly during the fall and spring semesters. The standing committees of the College all report to the College Council and are composed of members of the College Council. Action taken by College Council is forwarded to the appropriate vice-president who then makes a recommendation to the president of the College.

CURRICULUM AND INSTRUCTION COMMITTEE (C&I)

The Curriculum and Instruction Committee ensures that course objectives meet one or more of the educational goals, and that course objectives are written in a measurable form.

In addition, this committee is responsible for:

- Approving all new curriculum and course proposals which are then subject to College Council for final approval
- Assisting in the development of curriculum
- Developing internal policies delineating the procedures through which curricular changes are achieved
- Developing policies and procedures designed to encourage the improvement of instruction

PRESIDENT'S CABINET

During the fall and spring terms, the President has bi-weekly meetings with College administrators designated as the President's Cabinet. The group includes the three Vice-Presidents, the Deans of each area, the Chief Information Technology Officer, the Executive Director of Human Resources, the Executive Director of the JALC Foundation, the Athletic Director, the Director of College Relations, and the Senior Director of Assessment & Quality Assurance. The meetings provide a two-way communication method on current issues across the institution.

BOARD RETREATS

Annually, the John A. Logan College Board of Trustees schedules a retreat for the purpose of future planning, self-evaluation, examination of policies and procedures, and evaluation of the President. The President reports on institutional initiatives and each of the vice-presidents present a review of his/her division over the past year.

At this retreat, the Board also receives an update on the overall financial status of the College and an overview of the outlook for the coming fiscal year. The Board has been able to use this break from the normal monthly business that it must perform as an opportunity for future planning and the development of new ideas. The financial status report helps the Board gain important insight before making decisions concerning things like tuition, building projects, and major purchases.

SHORT-TERM BUDGET ISSUES

FY 2015 CONCERNS

There were several macro financial questions looming during the budget process. There was continued discussion by the Illinois legislature regarding the possibility of a temporary state income tax not being extended which would have a detrimental effect on higher education funding. This issue is combined with other statewide issues such as the constitutionality of recent pension reforms and the possibility of a state minimum wage increase. On the federal front, the College was in the preparation stage of offering health insurance eligibility, as required under the Affordable Care Act, to a portion of previously uninsured term (adjunct) faculty employees.

Though the College has held expenditure increases in the operating funds to an average of less than 1% over the past 5 years, the continual drop in revenues since 2011 make a deficit in 2015 certain.

Prior to its conclusion, a significant operating deficit was predicted for the 2014 fiscal year. One contributing factor was a transfer from the Education Fund to the Debt Service Fund. This was part of a repayment schedule for the issuance of $3,000,000 in Taxable General Obligation Debt Certificates, Series 2013. The proceeds of the Certificates had been used for the purchase and implementation of enterprise resource planning (ERP) software. The College had hoped to generate additional operating revenue with a $2 per credit hour tuition increase to support the repayment. However with the College beginning to see a decline in headcount numbers and a trend of students taking fewer credit hours on average, overall credit hour generation is on the decline. Therefore, no additional tuition revenue materialized during FY 2014. You can find student enrollment and credit hour data in the section at the end of this document labeled “Supplemental Material”.

Early in the budget process, the College had become aware that it had two areas of technology that were in serious need of modernization. The entire campus IT network and an outdated analog camera system. A new network would be faster, more secure, provide better wireless access, improve resource management, support additional equipment, and most importantly implement a single vendor solution. The new camera system would aid the Campus Police department. It was decided that these two areas of technology were critical to student success and to the safety of students and staff. The College had already been planning for the installation of 175 new digital cameras across the campus. A grant contract of $181,000 had been awarded and a PHS tax levy had been done to assist with the remaining cost of that project. However, the digital camera system would also need a network capable of supporting it. See the “Actions Taken” in the “Budget Summary” section below.

While finalizing the 2015 budget, an unexpected challenge arose related to a significant credit hour reduction. The College had been experiencing a general decline in credit hour production since 2009 and that was known. What was unknown was that the decline would become more pronounced for the academic year preceding the 2015 budget year. The additional credit hour loss is attributed to a decision made by the Illinois Community College Board regarding the eligibility courses taught in the College’s Community Health Education Center (CHEC). The decision to remove these courses, and other courses the College later determined ineligible, from eligibility was finalized at a fall 2014 ICCB board meeting resulting in a further reduction in hours of 14%. Though this additional credit hour reduction did not play a significant role in the FY 2015 budget process, it cast a shadow over the process and will certainly have a dramatic impact on the FY 2016 budget as the state revenue associated with the 2014 year will come due to the College. One of the biggest concerns of discussion in FY 2015 was looking just ahead to FY 2016. The College cannot maintain a cycle of operating deficits.

BUDGET SUMMARY

Brad McCormick, Vice President for Business Services & College Facilities

BUDGET MESSAGE

By Brad McCormick, Vice-President of Business Services & College Facilities

State funding in the John A. Logan College budget is almost entirely performance based with the performance measurement being simple credit hours generated two (2) years past. In a time when aggregate, statewide community college funding being static, funding becomes a relative measure of performance with each individual college being impacted most by individual college production of credit hours as compared to the same measure of performance across the state. For FY 2015, the credit hour production in FY 2013 is the determining factor for funding. The College's credit hour production was down by 3.0% compared to a statewide increase of 2.7%, resulting in a loss of Credit Hour Grant funding, as described earlier in the budget document.

Sound management and budget planning have historically allowed John A. Logan College to operate consistently below the statewide average unit cost per hour of instruction. This is evidenced by the most recent comparative per capital costs of $321.01, which is the measure of what it costs to produce a credit hour of instruction according to information provided by the Illinois Community College Board. Results of the study show John A. Logan College was the 3rd most financially efficient college district out of 39 districts, operating at 74% of the statewide average cost.

The College must continue to utilize sound financial management and planning to meet future needs. Although the FY 2015 budget may not meet every staff member's expectation, the College feels it continues its history of sound financial planning and excellent service to our district. The resources provided in this budget should allow the College to continue its commitment to our mission by improving individual life and society through high quality, accessible educational programs, and engaged learning opportunities.

PRIORITIES

This year with the approved *Five-Year Strategic Plan* fully in place, it was crucial to set budget priorities based on the strategic projects that evolved out of that very planning effort. You can see a list of these supported projects in the earlier section “Strategic Plan Items Emphasized in FY 2015 Budget”. It was also important to meet any policy requirements, contractual obligations, or regulatory obligations such as new Affordable Care Act requirements.

One goal of this budget process was to seek even more input from across the entire campus and determine what was most important to each department. But, it was even more crucial that division heads had the details they needed to make informed decisions. A complete list of budget goals is shown below:

- Alignment with Strategic Plan
- Provide more line item detail and justification of expenditures
- Budget Officers given access to original requests compared to detailed final budget
- Deans and Division Heads more detailed review of total departmental expenditures
- Enhanced reporting capabilities during budget development
- Enhanced capability for historical comparison at line item level
- Expenditures better allocated to reflect appropriate department and expense category
- Breakdown certain areas into additional departments to better track cost centers
- Automation of entry of budget data into the ERP system
- Continue to develop a foundation for FY 2016 and future budgeting

The end result of this budget process was that it provided much greater detail at the departmental level and provided better feedback to Budget Officers on which requested items had been approved, rejected, or modified during the review phase.

PRIOR YEAR COMPARISON

For FY 2015, there were increased requests for additional equipment of just over 45% and instructional supplies of over 10%. A new Robotic Welding System was requested. There were also two new proposed instructional programs in the Electronics department. Both programs, Biomedical and Industrial, have large startup costs related to the purchase of equipment. If the programs are approved by the ICCB to go forward, the College will still have to consider its current financial state at that point in time before making such a large initial investment.

For FY 2014, the College budgeted only a 4.00% premium increase for health insurance. For FY 2015, a 10% premium increase was expected, plus additional budgeting was done related to the Affordable Care Act requirements for adjunct faculty members. A small decrease of $170,000 or 12.98% was budgeted in contingency funds. Utility budgets remained basically flat in FY 2015 as the College had already worked very hard the prior year to reduce energy costs.

Overall budgeted operating expenditures increased from $$38,028,476 in FY 2014 to $39,229,210. This is an increase of $1,200,734 or 3.16%.

One major difference in the current budget as compared to the prior year related to funds budgeted for operating transfers. FY 2014 budgeted transfers from the Education Fund totaled $2,102,938 with only $1,587,851 budgeted in FY 2015. A $355,201 transfer from the Education Fund to the Bond and Interest Fund for the repayment of debt certificates was able to be eliminated between the tentative budget and the final adopted budget. The College decided to pursue the issuance of General Obligation Bonds to refinance the debt. In the FY 2014 budget, this operating transfer was budgeted at $386,088.

State payments continued to be delayed throughout FY 2014, all of the funds were able to be accrued at year-end. The delay continues to be stable at a consistent three to four months. However in FY 2015, the possibility of the State's revenue being decreased due to the elimination of its income tax increase could worsen cash flows.

This year's budget contains $33,655,318 of operating revenue as compared to $33,905,956 for the prior year. This is a ($250,638) or (0.74%) decrease for FY 2015. As in the prior year, a concern still exists that overall enrollment trends continue to reflect an expected decrease. In this year, revenue from the ICCB related to Base Operating Grants and Equalization payments was decreased by 4.0%. This is an expected reduction of $473,288 for these two revenue sources. Based on the proposed $5 per credit hour technology fee, the budget included $225,000 of new student fee revenue. Due to overall enrollment concerns, student tuition and fees revenue was budgeted at $14,569,000 which was only an $116,600 or 0.81% increase as compared to the prior year.

ACTIONS TAKEN

For the second year, it was decided to approach the budget from a zero-based budgeting perspective for most discretionary line items. However, it was determined that performing this process in an Excel program was not efficient. Therefore, a new budgeting software was purchased and implemented. The software chosen was specifically designed for budgeting and higher education. It allows for both the College's account structure and departmental units to be included. In addition, historical data from the prior budget and actual expenditures from the year before that were imported as references points for comparison purposes. Approximately 60 departmental budget officers and budget assistants across the campus were trained. The software allowed for line item detail and notes. This provided valuable information for division heads that were charged with reviewing departments and making necessary revisions. Due to many key retirements, this was particularly important for FY 2015.

As mentioned in the earlier section "FY 2015 Concerns" the College's administration recognized that it had a pressing need in two areas of technology. While funding was in place for the camera project, the College could not move forward without an additional source of revenue to support the IT network modernization. The administration began discussions with the Board finance committee and key student representatives concerning a technology fee. Based on a proposed fee of $5 per credit hour, a new revenue source was added to the final budget version for FY 2015. The proposed fee was taken to the full Board for consideration. After much discussion, it was approved effective with the spring of 2015 term. The new student fee will be tracked in a separate revenue account and at this time is designated to support the network project. As part of the proposal, a new student representative will be given a seat on the Integrated Technology Committee (ITC).

Even with a new revenue source, the College still had to take additional steps to fund the network project which had a price of just under $1,000,000. In order to manage the cost, the College entered into a five year lease/purchase agreement with Dell. The agreement included both the labor and equipment needed to complete the network project.

It was clear in the months prior to the end of FY 2014, the College would experience a year-end deficit in operating funds. Early projections were as high as $1.2m. The College's CFO called for a spending slow down and partially reduced the operating transfer to support the Auxiliary Fund. The final operating deficit was ($857,277). A significant portion of this deficit $352,188 was related to the repayment schedule for the debt certificates used to purchase the College's new ERP system. This was the amount transferred from the Education fund to the Debt Service Fund.

In FY 2015, the transfer was tentatively budgeted at $355,201. As the final budget process was taking place, it became clear that the College was not realizing enough operating revenue to support the repayment of the debt certificates as originally planned. Discussions began with the Board finance committee concerning the issuance of general obligation bonds that would be used to refinance the debt certificates and include the debt in the College's tax levy. The operating transfer of $355,201 was removed from the final budget version taken to the Board for approval.

At the August 26, 2014 Board meeting, both the issuance of general obligation bonds and the $5 technology fee were approved along with the adoption of the final budget. These were actions taken to lessen the expected deficit in FY 2015. Still yet to come, measures will need to be put underway for FY 2016 to plan the necessary, significant reductions in spending to adjust to new realities.

BUDGET OVERVIEW

John A. Logan College President Dr. Mike Dreith and Board Chairman Jake Rendleman

Summary of Fiscal Year 2015 Budget by Fund

Summary of Budget by Fund:	General		Special Revenue		
Fiscal Year 2015	Education Fund	Operations & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection, Settlement Fund
Beginning Balance	$10,600,000	$2,400,000	$0	$78,472	$1,450,000
Budgeted Revenue	29,888,088	3,767,230	20,495,174	45,300	1,391,700
Budgeted Expenditures	33,061,513	4,579,846	20,513,025	41,495	1,944,911
Budgeted Transfers from (to) Other Funds	(1,587,851)		17,851		
Budgeted Ending Balance (Deficit)	**$5,838,724**	**$1,587,384**	**$0**	**$82,277**	**$896,789**

Summary of Budget by Fund:	Debt Service	Capital Projects	Proprietary Fund
Fiscal Year 2015	Bond & Interest Fund	Operations & Maintenance Fund (Restricted)	Auxiliary Enterprises Fund
Beginning Balance	$802,000	$1,175,000	$2,700,000
Budgeted Revenue	1,736,701	874,166	477,486
Budgeted Expenditures	1,768,876	1,212,260	1,705,861
Budgeted Transfers from (to) Other Funds	0	570,000	1,000,000
Budgeted Ending Balance (Deficit)	**$769,825**	**$1,406,906**	**$2,471,625**

The official budget which is accurately summarized in this document was approved by the Board of Trustees on August 26, 2014

Budgeted vs. Actual Expenditures
Operating Funds
FY 2000 - FY 2014

Fiscal Year	Education Fund			Operations & Maintenance Fund			Total
	Budget	Actual	Percent Expended	Budget	Actual	Percent Expended	Percent Expended
00	19,046,734	18,087,634	94.96%	2,737,552	2,398,964	87.63%	94.04%
01	20,297,130	18,693,545	92.10%	3,672,809	2,753,882	74.98%	89.48%
02	21,918,087	19,615,565	89.49%	3,600,289	2,682,108	74.50%	87.38%
03	24,195,342	21,998,391	90.92%	4,027,502	2,816,047	69.92%	87.92%
04	24,365,041	22,054,461	90.52%	4,538,181	3,242,083	71.44%	87.52%
05	26,571,301	23,638,275	88.96%	5,004,526	3,361,046	67.16%	85.51%
06	28,109,073	24,231,031	86.20%	5,741,445	3,720,629	64.80%	82.57%
07	30,337,763	26,266,022	86.58%	5,487,059	3,713,583	67.68%	83.68%
08	33,235,496	27,359,283	82.32%	5,844,366	3,831,804	65.56%	79.81%
09	33,397,236	29,026,580	86.91%	6,096,541	4,320,310	70.86%	84.44%
10	35,436,271	29,680,518	83.76%	5,490,121	4,220,129	76.87%	82.83%
11	33,393,581	30,048,418	89.98%	4,889,387	3,671,076	75.08%	88.08%
12	34,407,822	31,052,279	90.25%	4,489,562	3,811,960	84.91%	89.63%
13	33,443,145	30,253,591	90.46%	4,607,250	3,830,393	83.14%	89.58%
14	33,521,198	30,567,165	91.19%	4,507,278	4,096,243	90.88%	91.15%

INSTITUTIONAL OVERVIEW

Brad McCormick, Vice-President for Business Services and College Facilities, gives a report at the College's monthly Board of Trustees meeting

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ORGANIZATIONAL STRUCTURE

The College is governed by a Board of Trustees that consists of seven elected officials and one Student Representative. The Board exercises its responsibility to the public to ensure that the organization operates legally, responsibly, and with fiscal integrity. The Board of Trustees Policy Manual and Administrative Procedures Manual outline the policies and procedures that are to be followed in virtually all areas of the district's operations, whether they are instructional, financial, or otherwise.

The College President oversees three divisional Vice-Presidents. They oversee the Instructional Division, the Student Affairs and Community Education Division, and the Business Services Division. Additional administrators assist the vice-presidents in managing the College: the Dean for Student Services, the Dean for Workforce and Community Education, the Dean for Financial Operations, the Dean for Academic Affairs, the Dean for Career and Technical Education, the Dean for Institutional Effectiveness, and a Chief Information Technology Officer. These administrators are assisted by a network of associate deans, directors, and coordinators as outlined in the organizational chart.

Six of the on-campus employee groups are represented by educational associations or union bargaining units (John A. Logan College Operational Staff Association, IEA-NEA, Teamsters Local Union Number 347, Laborers' International Union of North America, AFL-CIO, the Logan Professional Staff Association, and the Southern & Central Illinois Laborers' District Council, Laborers Local 773).

Board of Trustees:

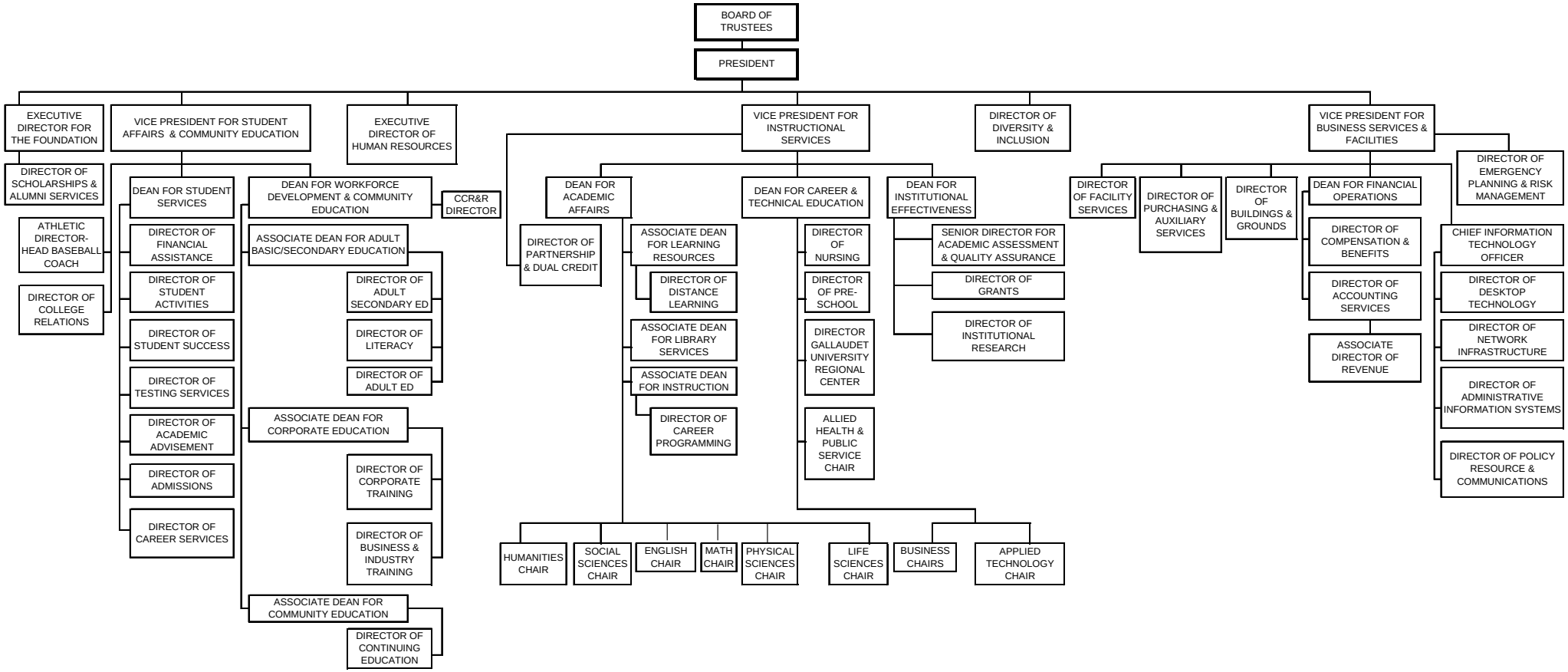
Jacob "Jake" Rendleman, Chair
Jackie Hancock, Vice-Chair
Cheryl Graff, Secretary
Donald L. Brewer
Michael Hopkins
William J. Kilquist
John Sanders
Kayla Malone, Student Trustee

Officers of the College:

Mike Dreith, President
Brad McCormick, Vice President for Business Services and College Facilities
Tim Daugherty, Vice President for Student Affairs and Community Education
Laurel Klinkenberg, Vice President for Instructional Services

ORGANIZATIONAL CHART – INSTITUTIONAL

The College's organizational chart establishes clear lines of authority through which decisions about the organization are made. See the institutional chart on the following page.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CCR&R DIRECTOR
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DEAN FOR ACADEMIC AFFAIRS
DIRECTOR OF PARTNERSHIP & DUAL CREDIT
ASSOCIATE DEAN FOR LEARNING RESOURCES
DIRECTOR OF DISTANCE LEARNING
ASSOCIATE DEAN FOR LIBRARY SERVICES
ASSOCIATE DEAN FOR INSTRUCTION
DIRECTOR OF CAREER PROGRAMMING
DEAN FOR CAREER & TECHNICAL EDUCATION
DIRECTOR OF NURSING
DIRECTOR OF PRE-SCHOOL
DIRECTOR GALLAUDET UNIVERSITY REGIONAL CENTER
ALLIED HEALTH & PUBLIC SERVICE CHAIR
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SENIOR DIRECTOR FOR ACADEMIC ASSESSMENT & QUALITY ASSURANCE
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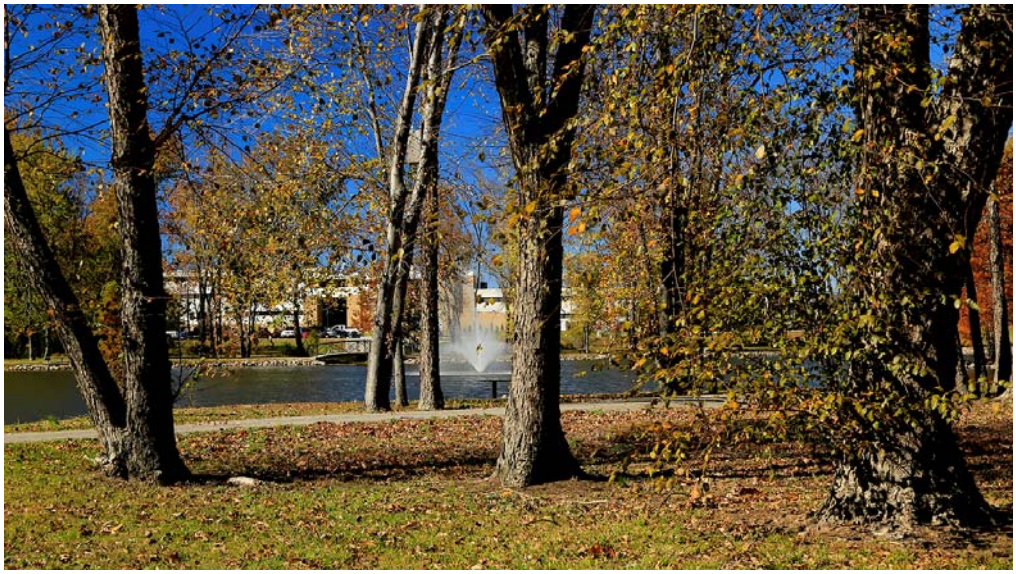
DIRECTOR OF INSTITUTIONAL RESEARCH
HUMANITIES CHAIR
SOCIAL SCIENCES CHAIR
ENGLISH CHAIR
MATH CHAIR
PHYSICAL SCIENCES CHAIR
LIFE SCIENCES CHAIR
BUSINESS CHAIRS
APPLIED TECHNOLOGY CHAIR
DIRECTOR OF DIVERSITY & INCLUSION
VICE PRESIDENT FOR BUSINESS SERVICES & FACILITIES
DIRECTOR OF FACILITY SERVICES
DIRECTOR OF PURCHASING & AUXILIARY SERVICES
DIRECTOR OF BUILDINGS & GROUNDS
DEAN FOR FINANCIAL OPERATIONS
DIRECTOR OF COMPENSATION & BENEFITS
DIRECTOR OF ACCOUNTING SERVICES
ASSOCIATE DIRECTOR OF REVENUE
DIRECTOR OF EMERGENCY PLANNING & RISK MANAGEMENT
CHIEF INFORMATION TECHNOLOGY OFFICER
DIRECTOR OF DESKTOP TECHNOLOGY
DIRECTOR OF NETWORK INFRASTRUCTURE
DIRECTOR OF ADMINISTRATIVE INFORMATION SYSTEMS
DIRECTOR OF POLICY RESOURCE & COMMUNICATIONS

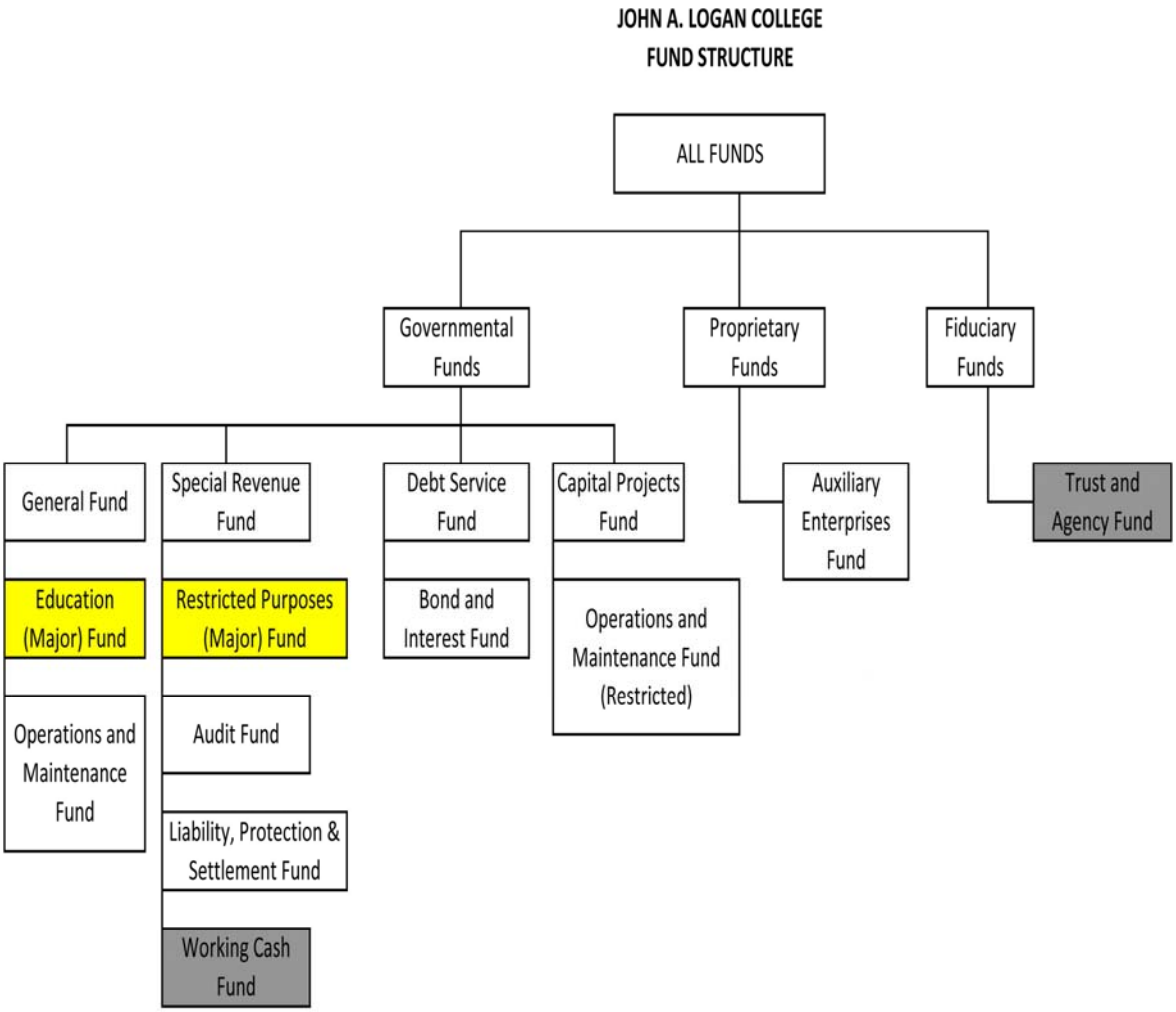
FUND DESCRIPTIONS



John A. Logan College Campus

ORGANIZATIONAL CHART ACCOUNTING FUNDS

The Illinois Community College Board (ICCB) requires Illinois Community Colleges to adopt a Uniform Financial Accounting Model for consistency of reporting and analysis. Fund groups and account groups are used in accounting for financial transactions. Each fund is composed of a series of self-balancing accounts. (ICCB Fiscal Management Manual ~ *August 2013)*



Designates a "Major" fund (a fund whose revenues or expenditures are 10% or more of the total appropriated funds)

Designates a non-budgeted fund

The following chart from the ICCB Financial Management Manual summarizes the codification system:

Code Classification
XX-0000-00000-00 Fund
00-XX00-00000-00 Program
00-00XX-00000-00 Subprogram
00-0000-X0000-00 Type
00-0000-0XX00-00 Object
00-0000-000XX-00 Sub-object
00-0000-00000-XX Detailed Sub-object

Fund Overview:	**Fund Type**	**Budget Basis**	**Accounting Basis**
Education	General	Accrual	Accrual
Operations & Maintenance	General	Accrual	Accrual
Operations & Maintenance (Restricted)	Capital Projects	Accrual	Accrual
Bond & Interest	Debt Service	Accrual	Accrual
Auxiliary Enterprises	Proprietary	Accrual	Accrual
Restricted Purposes	Special Revenue	Accrual	Accrual
Working Cash	Special Revenue	Not Budgeted	Accrual
Trust & Agency	Fiduciary	Not Budgeted	Accrual
Audit	Special Revenue	Accrual	Accrual
Liability, Protection & Settlement	Special Revenue	Accrual	Accrual

FUND DESCRIPTIONS

John A. Logan College has two Operating funds: the Education Fund and the Operations and Maintenance Fund. The Education fund works in combination with the Operations and Maintenance fund to make up the College's General Fund.

EDUCATION FUND

The Education Fund is used to account for the revenues and expenditures of the academic and service programs of the college. It includes the cost of instructional, administrative, and professional salaries; supplies and moveable equipment; library books and materials; maintenance of instructional and administrative equipment; and other costs pertaining to the educational programs of the college. (See Sections 3-20.3 and 7-18 of the *Public Community College Act*.) The total budgeted expenditures for the Education Fund are $34,649,364 which includes $1,587,851 in transfers to other funds. Education Fund revenues are projected at $29,888,088.

OPERATIONS AND MAINTENANCE FUND

This fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property for community college purposes; payment of all premiums for insurance upon buildings and building fixtures. If approved by resolution of the local board, the payment of salaries of janitors, engineers, or other custodial employees; all costs of fuel, lights, gas, water, telephone service, custodial supplies, and equipment; and professional surveys of the condition of college buildings are allowed. (See Sections 3-20.3 and 7-18 of the *Public Community College Act*.) The total budgeted expenditures for the Operations and Maintenance Fund are $4,579,846. Operations and Maintenance Fund revenues are projected at $3,767,230.

OPERATIONS AND MAINTENANCE (Restricted)

This fund is utilized to account for monies restricted for building purposes and site acquisition. This fund primarily will be expending bond proceeds acquired for the new building project, protection, health and safety levies, plus transfers from operating funds and interest earnings. The amount of $1,212,260 is being budgeted in this fund. Funds are provided in the Operation and Maintenance (Restricted) for completion of approved protection, health, safety projects.

BOND AND INTEREST FUND

This fund is established for the payment of principal, interest and related charges of any outstanding bond issue. For FY 2015, $1,768,876 in principal and interest payments are scheduled. Of this amount, $355,201 is specifically related to the repayment of principal and interest for the debt certificates related specifically for the purpose of purchasing and implementing the Enterprise Resource Planning (ERP) system. The remaining budgeted expenditures are related to bonds issued in 2007 for the purpose of construction.

WORKING CASH FUND

The Working Cash Fund is used primarily to ensure that the College has adequate cash required for necessary expenditures. It is used to provide temporary loans to other College funds. Primarily, John A. Logan has had to utilize this fund to loan monies to the Restricted Purposes Fund due to the significant delay in grant payments from the State of IL. Sometimes due to a shorter timing issue, it may be necessary to make a temporary loan to the Trust and Agency fund. The College has an agency relationship with the Southern Illinois Collegiate Common Market (SICCM). This is explained in more detail below in the fund description.

AUXILIARY ENTERPRISES FUND

The Auxiliary Enterprises Fund accounts for college services where a fee is charged to students/staff and the activity is intended to be self-supporting. Examples of accounts in this fund include food services, bookstore, copy/supply center, and intercollegiate athletics. Subsidies for Auxiliary Services by the Education Fund should be shown as transfers to the appropriate account. For FY 2015, expenditures in this fund are estimated at $1,705,861 with $1,477,486 in budgeted revenue of which $1,000,000 is being provided by transfers from the Education Fund.

RESTRICTED PURPOSES FUND

This fund is for the purpose of the accounting for monies that have restrictions regarding their use. This fund accounts for state and federal grants plus other specific use contracts. Student financial aid funds are a primary source of expenditures in this fund. During FY 2015, we will budget $20,513,025 in this fund. The College feels this will adequately meet the needs of the Restricted Fund.

TRUST AND AGENCY FUND

The Trust and Agency Fund, established by Section 3-27c of the *Public Community College Act*, is used to receive and hold funds when the college serves as a custodian or fiscal agent for another body. The college has an agency rather than a beneficial interest in these monies. Each agency's monies should are accounted for by a complete group of self-balancing accounts, or sub-fund, within this fund.

Monies from the various John A. Logan College student clubs are accounted for in this fund. In addition, John A. Logan College has an agency relationship with the Southern Illinois Collegiate Common Market (SICCM). SICCM is a consortium of colleges that offers programs that would be too cost prohibitive for individual institutions to offer. JALC is the payroll and fringe benefit processor for SICCM employees and is reimbursed for these monies. The Trust and Agency Fund has no revenues, expenditures, or fund balances of its own. The Trust and Agency Fund is not a budgeted fund.

AUDIT FUND

The Audit Fund is established for recording the payment of auditing expenses. During FY 2015, $41,495 will be budgeted to cover expenditures in this fund. As required by board policy, the College is subject to an annual external audit by a CPA firm which is included in this budget along with some additional required actuarial costs related to a GASB requirement. Revenue related to the Audit Fund is obtained through the College's annual property tax levy and a small amount of allocated interest.

LIABILITY, PROTECTION AND SETTLEMENT FUND

This fund accepts special levies for tort liability, property insurance, Medicare insurance, FICA taxes and workers' compensation. The monies in this fund should be used only for the payment of tort liability, property, unemployment or workers compensation insurance or claims, and the cost of participation in the Federal Medicare program. During FY 2015, the budget amount for expenditures is $1,944,911. Expenditures in this fund include insurance costs for property and casualty, and the cost of maintaining and expanding the Campus Safety operations. The College will include attorney fees pertaining to liability protection plus a portion of staff members' time that are active in the functions of this fund. Revenue related to the Liability, Protection, and Settlement Fund is also obtained through the College's annual property tax levy and a small amount of allocated interest.

FUNCTIONAL RELATIONSHIPS

Associate Professor, Cheryl Bernhardt, instructs Business students

FUND GROUPS / DEPARTMENTAL UNITS

Education Fund

Instruction

Instruction consists of those activities dealing directly with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, and remedial and ABE/ASE programs. It includes expenditures for department chairpersons, administrators, and support staff for whom instruction is an important role. Instructional salaries are allocated among the subprograms according to teaching assignment. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- All Instructional Programs (i.e. English, Math, Humanities, Nursing Programs, Dental Programs, etc.)
- ABE/GED Programs
- Continuing Education

A complete list of instructional programs can be seen in the section on Personnel Information: Faculty Position Counts.

Academic Support

This category includes activities designed to provide support services for the institution's primary missions of instruction, public service, and research. Academic support includes the operation of the library, educational media services, instructional materials center, and academic computing used in the learning process. Some other activities include tutoring, learning skills centers, and reading and writing centers. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Library Services
- Media Services
- Office of the Dean for Academic Affairs
- Office of the Dean for Career and Technical Education
- Office of Baccalaureate/Transfer Education
- Special Programs
- Word Processing Center

Student Services

The student services function provides assistance in the areas of financial aid, admissions and records, health, placement, testing, counseling, and student activities. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Admissions
- Extension Centers
- Academic Advisement Center
- Student Support Services
- Financial Assistance, Veteran's Office
- Testing Services
- Career Services, Career Development Office
- Student Activities
- Office of the Dean for Student Services

Public Service/Continuing Education

Public service consists of noncredit classes and other activities of an educational nature, such as workshops, seminars, forums, exhibits, and the provision of college facilities and expertise to the community designed to be of service to the public. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Community Services
- Small Business Workshops
- Scheduling Office
- Intergenerational Learning

Institutional Support

Institutional support includes expenditures for central executive-level activities and support services that benefit the entire institution. This includes expenses for the governing board, administrative data processing, fiscal operations, legal services, etc. (ICCB Fiscal Management Manual ~ *August 2013)*

***JALC Department Examples*:**

- President's Office
- Offices of the Vice President's
- Board of Trustees
- Business Services
- College Relations
- Foundation/Alumni Office
- Human Resources
- Diversity
- Institutional Research, Grant Development
- Information Systems

Scholarships, Student Grants, and Waivers

This category includes activities in the form of grants to students, prizes and awards, chargebacks, and aid to students in the form of state-mandated and institutional tuition and fee waivers. Employees/family tuition waivers are not included in this category. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Waivers
- Chargebacks

Operations and Maintenance Fund

Operation of plant consists of housekeeping activities necessary in order to keep the physical facilities open and ready for use. Maintenance of plant consists of those activities necessary to keep the grounds, buildings, and equipment operating efficiently. This function also provides for plant utilities. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Custodial
- Building Maintenance
- Grounds Maintenance
- Plant Utilities

Auxiliary Enterprises Fund

Auxiliary Services provides for the operation of the cafeteria, bookstore, student organizations, athletics, and other related activities. Activities included in Auxiliary Services should be self-supporting. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Athletic Programs
- Food Service, Bookstore
- Cosmetology Retail Sales
- Copy Center, Supply Room
- Auto Shop, Auto Pool

Restricted Purposes Fund

ICCB grants are be accounted for in this fund. Additionally, this fund is also used to account for other state, federal, or other funds which are restricted for a specific purpose. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples:

- Grant Programs and Contracts (State Federal, and Locally Funded)
- Financial Aid (Pell, Student Loans, FSEOG)
- Federal College Work-study

Liability, Protection, and Settlement Fund

The tort liability and Medicare insurance/FICA tax levies should be recorded in this fund. The monies in this fund, including interest earned on the assets of this fund, should be used only for the purposes authorized under 745 ILCS 10/9-107, for example, the payment of tort liability, unemployment, or worker's compensation insurance or claims, or 40 ILCS5/21-110.1, i.e., the cost of participation in the federal Medicare/Social Security programs. (ICCB Fiscal Management Manual ~ *August 2013)*

JALC Department Examples*:*

- Campus Safety
- Employer Fringe Benefits / Insurance (Medicare, Workers Compensation, Unemployment, Social Security, Fixed Charges)
- Tort Liability

REPORTING BASIS

John A. Logan College Board of Trustees-Chair, Jacob “Jake” Rendleman, also serves on the Illinois Community College Board (ICCB).

BUDGET AND ACCOUNTING BASIS

The accounting policies of John A. Logan College conform to accounting principles generally accepted in the United States of America applicable to colleges and universities or otherwise referred to as generally accepted accounting principles (GAAP). The College reports are based on all 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 Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The College also presents its financial statements in accordance with accounting practices prescribed by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual. The College operates on a fiscal year basis beginning on July 1st and ending June 30th.

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Tuition and fees, which are either collected or recorded in the current fiscal year but are applicable to future periods (i.e. Summer term) and grant funds which have been received but not yet expended are deferred to the subsequent year.

The College budgets on the same basis as its financial reporting to ensure consistency. As required by GASB 24, the College reports retirement contributions made by the State of IL on behalf of the College as both a revenue and expenditure. This is not reflected in the College budget.

LONG-TERM FINANCIAL POLICIES & PROCEDURES

John A. Logan College Bell Tower and Front Entrance

BALANCED BUDGET

John A. Logan College does not have a Board Policy in place to define a balanced budget, but the College has historically operated with that philosophy in mind. Since FY 1998, there have been three (3) fiscal years that did not result in an operating surplus. Those years were FY 2009 ($50,300 deficit), FY 2000 ($45,430 deficit), and FY 2014 ($857,277). Over the last three (3) years, the College has maintained a "Stages of Action" cash management tool that includes the current cash position and four levels of action if the balance falls within corresponding ranges.

Historically, the College's optimal goal is to adopt a budget where current year revenues are equal to or greater than its budgeted expenditures. FY 2015 expenditures reflect an increase of $1,200,734 or a 3.16% increase from the prior FY 2014 budget. This along with declining state and local revenues and with a conservative approach to the budgeting of tuition and fees revenue have resulted in an expected current year deficit if Budget Officers spend 100% of requested budget. Without considering the fund balance accumulated from prior years, the current operating revenue of $33,655,318 reflects a ($250,638) or (0.74%) decrease as compared to $33,905,956 from FY 2014.

Therefore, it was necessary to balance the budget through the use of carryover funds as an available resource. Based on accounting principles, the College does not consider fund balance appropriations earned in earlier years as current revenue. So when fund balance appropriations are used to balance the budget, audited financial statements at year-end must still reflect a deficit for accounting purposes.

However, based on past trends from many years of history (pg. 24), the College is expending only around 90% of its expense budgets. FY 2014 had a budgeted deficit of ($4.1m), but actual operations resulted in a ($857,277) deficit. An operating deficit is expected for FY 2015. However, based on the past history of actual expenditures, projections would be just under ($1.8m).

To maintain its financial stability, the College is already anticipating major reductions for the FY 2016 budget. It must break the current cycle and feels it cannot sustain a deficit for a third fiscal year. For FY 2014, the fund balances related to operating funds were at 37.5% of operating expenditures. This is compared to 40.7% for FY 2013.

AUDIT OF COLLEGE ACCOUNTS

See below the language contained in Board Policy 7130 regarding an external audit of the College:

- The Board shall cause an audit to be made at the end of each fiscal year by an accounting firm with at least one (1) accountant licensed to practice public accounting in Illinois. The auditing firm shall be selected for a three (3) year audit cycle, which may be extended one (1) additional year if mutually agreeable. An auditing firm may perform this service for no more than two (2) cycles, after which the auditing firm will be ineligible for consideration for the next auditing cycle.
- The auditor shall perform the examination in accordance with generally accepted auditing standards and regulations prescribed by the ICCB and submit the report in accordance with generally accepted accounting principles.
- The examination and report will include a verification of student enrollment and other figures upon which claims are filed with the ICCB. The report will contain a statement of the scope and findings of the audit and a professional opinion signed by the auditor. If a professional opinion is denied, the auditor will set forth the reasons for the denial. The Board will not limit the scope of the examination so as to cause a qualification of the professional opinion.
- The Board Finance Committee shall serve as the audit committee for purposes of reviewing and discussing the final audit with the lead auditor and the board treasurer prior to submission to the whole board.
- Copies of the audit report shall be filed with the ICCB in accordance with its regulations and shall be filed with the official records of the Board.

MASTER PLAN REVIEW PROCEDURE

With the adoption of the Facility Master Plan, John A. Logan College has also committed to regular and comprehensive updates that will document the progress of campus development and revise and add recommendations to reflect changing needs. The review process will be a phased effort.

- Review the plan and development progress of the previous three years.
- Prepare a summary of those recommendations that have been implemented.
- Host public forums for the community, staff, and students to offer input regarding revisions.
- Meet with the Master Plan Committee to review progress and develop updates.
- Present the draft of the revised Master Plan to the JALC Board of Trustees.
- Incorporate feedback from the Board of Trustees into the Master Plan.
- Review the final document with the Master Plan Committee.
- Upon approval by the Trustees, publish the Master Plan and post on the College website.

PURCHASING POLICY AND SPENDING AUTHORITY

Per Board Policy 7154, College purchasing is the responsibility of the president and the vice-president for business services and college facilities with day-to-day assistance from the Director of Purchasing. Purchases must be handled in accordance with a commonly accepted business procedure and substantiated with the necessary records to satisfy audit and inventory requirements. All expenditures must be compatible with the current budget, and fully comply with all Illinois Statutes affecting purchasing. Products with recycled-content shall be procured wherever and whenever cost, specifications, standards, and availability are comparable to products without recycled-content.

1. Whenever possible, competitive prices are to be secured on items costing $25,000 or less. With the exception of clothing, book and postage purchases, written evidence documenting compliance with this statement will be maintained in the purchasing files of the Business Office for all purchases exceeding $1,000 where available.
2. Purchase of supplies, materials or work involving an expenditure in excess of $25,000 must be awarded to the lowest responsible bidder considering conformity with specifications, terms of delivery, quality, and serviceability, after due advertisement, except the following:

    a. contracts for the services of individuals possessing a high degree of professional skill (however, the Board may use a competitive selection process for such service whenever it is deemed appropriate);
    b. contracts for the printing or engraving of bonds, tax warrants and other evidences of indebtedness;
    c. contracts for materials and work which have been awarded to the lowest responsible bidder after due advertisement, but due to unforeseen revisions, not the fault of the contractor for materials and work, must be revised, causing expenditures not in excess of ten (10) percent of the contract price;
    d. contracts for the maintenance or servicing of, or provision of repair parts for, equipment which are made with the manufacturer or authorized service agent of that equipment where the provision of parts, maintenance, or servicing can best be performed by the manufacturer or authorized service agent;
    e. purchases and contracts for the use, purchase, delivery, movement, or installation of data processing equipment, software, or services and telecommunications and interconnect equipment, software, and services;
    f. contracts for duplicating machines and supplies;
    g. contracts for the purchase of natural gas when the cost is less than that offered by a public utility;
    h. purchase of equipment previously owned by some entity other than the district itself;
    i. contracts for repair, maintenance, remodeling, renovation, or construction, or a single project involving an expenditure not to exceed $50,000 and not involving a change or increase in the size, type, or extent of an existing facility;
    j. contracts for goods or services procured from another governmental agency;

k. contracts for goods or services which are economically procurable from only one source, such as for the purchase of magazines, books, periodicals, pamphlets and reports;
l. contracts for utility services such as water, light, heat, or telephone;
m. Emergency expenditures approved by three-fourths (3/4) of the members of the Board.

3. Specifications on contracts for supplies or work involving expenditures of more than $25,000, which are not included in the budget, must be brought to the Board for approval before bids are sought. For contracts involving less than $25,000, the president shall use his judgment as to the most appropriate way to complete the transaction.
4. Sealed bids must be opened and announced at a public bid opening. Bidders must be given at least three (3) days notice of time and place of bid opening and at least one (1) public notice in a newspaper published in the district must be given ten (10) days before the bid date.
5. The administration may utilize joint purchasing with the State of Illinois when such joint purchasing will benefit the College. As with contracts for supplies or work involving expenditures of more than $25,000, which are not included in the budget, prior approval of the Board of Trustees will be obtained.
6. The administration will report to the Board of Trustees all purchases and contracts between $10,000 and $25,000.

All expenditures must be within the scope of the approved budget and in compliance with this Board Policy 7154. Purchasing not requiring Board approval in advance is subject to the following limitations:

President	$25,000
Vice-Presidents	$5,000
Professional Level 11	$2,500
Professional Level 8-10	$1,500
Professional Level 5-7	$1,000
Professional Level 3-4 & Department Chairs	$500
Professional Level 1-2	$250

DISBURSEMENT POLICY

Board Policy 7155 sets the guidelines for disbursements. The treasurer of the Board of Trustees is authorized to make payment on invoices received from vendors as necessary, with review and certification of these disbursements to be made by the Board at its next regular meeting. The Vice-President for Business Services and College Facilities acts as the treasurer. Disbursements must be made in compliance with the State Prompt Payment Act. These disbursements shall be made only upon express authorization by the Board:

1. Site and Construction Fund payments, except for movable equipment purchases included in the annual budget adopted by the Board, or payments made as part of projects previously approved.
2. Expenditures which, in the President's judgment, should be made only upon Board authorization.

INVESTMENT POLICY

Board Policy 7160 establishes the objectives, guidelines, responsibility, performance measures, reporting, investment vehicles, and safekeeping of the College's funds. This investment policy applies to the investment activities of any funds which are or may come under the jurisdiction of the College. Anything in this policy notwithstanding, the mandates of the Illinois Compiled Statutes shall take precedence over this policy except where this policy is more restrictive.

All transactions involving the funds and related activity of any funds shall be administered in accordance with the provisions of this procedure and the canons of the "prudent person rule."

The purpose of this College's Investment Policy is to establish cash management and investment guidelines for the stewardship of public funds that are under the jurisdiction of the College. The specific objectives of this policy are:

1. **Safety**-The safety of principal and the security of monies, whether on hand or invested, shall be the primary concern of the Treasurer in selecting depositories or investments.
2. **Liquidity**-The investment portfolio shall remain sufficiently liquid to meet the College's reasonably anticipated operating requirements.
3. **Return**-To the extent consistent with safety and the restriction imposed by this policy, the Treasurer shall seek to attain a market average or better rate of return throughout budgetary and economic cycles, taking into account risk, constraints, cash flow, and legal restriction.
4. **Local Considerations**-The Treasurer shall use sound federally insured depositories located within the College District provided that the afore described objectives are met, and such investments would be in compliance with all other conditions and limitations of this Policy.

To assist in attaining the stated objectives, the following guidelines shall be observed:

1. Investments shall be undertaken in a manner that seeks to insure preservation of capital in the overall portfolio. To avoid unreasonable risks, diversification of investments is required. No one institution shall have more than 75% of the College's invested funds at any one time.
2. The portfolio should remain sufficiently liquid to meet operating requirements, which may be reasonably anticipated. Cash flows shall be reviewed quarterly.
3. Investments shall be limited to those permitted by law; to the extent this policy is not more restrictive than the law.
4. All funds shall be deposited / invested within three working days.
5. When appropriate, investments shall be selected on the basis of competitive bids.

Diversification of the investment portfolio shall be consistent with the objectives described above.

Except as may be further limited by these policies, the treasurer shall limit investments of College funds to those permitted in Illinois Compiled Statutes 30 ILCS 235/2.

1. To meet the objective of safety of capital, the treasurer will always require deposits in excess of the federally insured amount to be appropriately collateralized to the extent of One Hundred and Ten Percent (110%) and such collateralization shall be evidenced by an approved written agreement.
2. Eligible collateral instruments and collateral rates (market value divided by deposit) are as follows:

    a. Negotiable obligations of the United States Government = 110%
    b. Negotiable obligations of any agency or instrumentality of the United States Government backed by the full faith and credit of the United States Government = 110%
    c. Negotiable obligations of the State of Illinois which are rated A or better by Moody or Standard and Poor = 110%
    d. Negotiable obligations of the College which are rated A or better by Moody or Standard and Poor = 110%

3. Maturity of acceptable collateral shall not exceed 120 months.
4. The ratio of fair market value of collateral to the amount of funds secured shall be reviewed weekly and additional collateral will be requested when the ratio declines below the level required.
5. Safekeeping of Collateral: Third party safekeeping is required for all collateral. To accomplish this, the securities will be held at a safekeeping depository as approved from time to time by the treasurer. Safekeeping will be documented by an approved written agreement. Substitution, exchange or release of securities held in safekeeping may be done upon two (2) days prior written notice to the Treasurer.

DEBT COLLECTION POLICY

Board Policy 7180 addresses the issue of debt collection. The Business Office should make all efforts possible to collect debts owed to the College by any person. After reasonable attempts have been made to collect a debt, the Business Office should use all methods available to it, including a collection agency.

When any student owes money to the College for any reason, including, but not limited to tuition, laboratory fees, and library charges, and does not pay the debt by the prescribed time, the College will not release the student's official transcript. The student may, however, view his/her own educational records.

Students with outstanding debts equating to three (3) credit hours of current tuition or greater may make arrangements with the Business Office for paying the debt while continuing enrollment. The payment period for the collection of the past due amount shall not exceed six (6) months. Students with outstanding balances equating to less than three (3) credit hours of current tuition must pay the entire balance prior to being allowed to re-enroll.

Only the Bursar Office may release registration locks related to student indebtedness.

BUDGET PROCESS

BUDGET PREPARATION PROCESS

The overall budget process is guided under the direction of the Vice-President for Business Services and College Facilities and the day-to-day coordination of the Dean for Financial Operations. For the second year, FY 2015 included a modified form of zero-based budgeting. However, this year the steps were performed in a newly purchased Budgeting Software package that was implemented using the College's account and departmental structure. The entire list of steps completed during the budget preparation process are detailed below:

- Review of anticipated current year expenses, revenues, and projected ending fund balances
- Budgeting for Salary & Benefits performed by Payroll staff
- A modified form of zero-based budgeting was utilized for non-salary related items
- A new budget development software tool was purchased and implemented
- Multiple trainings were held with departmental Budget Officers across the campus
- Held discussions with Administration on their role and the review/approval process
- Budget Officers were given a "Starting Point" for FY 15 their budgets
- For the following line items, a starting point of $0.00 was given and budget was detailed from the ground up with justifications: Contractual Services, Publications & Dues, Computer Software, Conference & Meeting Expense (except for F/T Faculty contractual obligation), Other Supplies and Materials, and Capital Outlay items
- For the following line items, the budgeted starting point was the lesser of FY 14 original budget or the FY 13 actual expenditures and any increases had to be detailed and justified: Office Supplies, Printing, Postage, and Advertising
- Budget Officers were given the opportunity to reallocate funds equally between line items and also between departments within their budget control without justification
- Detailed departmental budgets were submitted first at the Dean's level and then to the Head of the Division for review, approval, or revision
- Submitted back to the Dean for Financial Operations for review of accuracy
- Meetings were held with the President and Vice-President's for review and discussion
- Reports were generated and the Tentative legal budget was prepared
- Budget was reviewed with Board Finance Committee
- Board of Trustees met to approve tentative budget on July 22, 2014
- Budget was put on public display for 30-day period of inspection
- Additional review was performed by the Vice-Presidents and the President
- Revisions to the tentative budget were performed
- Explanation of changes to the tentative budget presented at the public budget hearing
- FY 2015 budget was adopted at the August 26, 2014 Board meeting

General Budget Calendar – FY 2015

JANUARY to MARCH

- Salary and Fringe Benefit Projections Developed
- Budgeting Software Implemented
- Historical Data Imported into Software
- Multiple Trainings Held with Budget Officers & Staff to Explain Budget Development Tool

- **APRIL**
- Budget Officers Work to Build Detailed Departmental Budgets and Justify Requests

- **MAY**
- President and Vice-President's Meet with Dean Financial Operations to Discuss Budget
- Budget Officers Submit Departmental Budgets to respective Deans

- **JUNE**
- Deans Submit Departmental Budgets to Division Heads
- Budget Preparation by Dean for Financial Operations & Vice-President Business Services

- **JULY**
- Budget Presented to Board Finance Committee
- Tentative Budget Submitted to Board of Trustees
- Tentative Budget put on Public Display

- **AUGUST**
- Final Budget Review by Vice-Presidents and President for Possible Revisions
- Board Finance Committee Meeting
- Budget Hearing Held Prior to Board Meeting
  - Explanation of Changes from Tentative Budget to Proposed
- Proposed Budget Submitted to the Board of Trustees

BUDGET ADOPTION POLICY AND TRANSFERS

The Board of Trustees shall adopt an annual budget. The College adopts an expanded operational budget. The budget must be on display for public inspection for at least 30 days prior to final approval.

Transfers of funds affecting the adopted budget shall be reported to the Board on a monthly basis in conjunction with the monthly financial report. This will include a comparison of the original budget and the budget as amended to insure the legal limit of 10% is not exceeded.

BUDGET CONTROL

The College utilizes an ERP computer software package called APECS. This software contains modules for the higher education student system, finance, payroll, and human resources. The system allows employees real time access to view their series of departmental accounts. Any requested expenditures beyond the available departmental balance will not be processed without an approved budget transfer. The College has purchased a new ERP system called Jenzabar which will replace APECS. Preparation for the conversion will occur in FY 2014 with a transition of the finance module occurring at the beginning of FY 2015.

The College utilizes an encumbrance process for purchasing. Online requisitioning is utilized for requesting purchase orders and required approvals are done electronically while adhering to the chain of command. Any remaining encumbrances lapse at year end. The College makes monthly financial reports to its Board of Trustees including a Treasurer's Report, a Financial Report, and a Report of Purchasing Card details.

FINANCIAL SUMMARIES

The John A. Logan College dental assisting and hygiene programs, along with cosmetology and Early Childhood Education, hosted “Project Smile”.

REVENUE OVERVIEW

Operating revenue includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees and sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions.

Student tuition is the amount of money charged to students for instructional services. John A. Logan College charges tuition on a per credit hours basis and has different tuition rates for in-district residents, out-of-district, and out-of-state students. It also has a variable tuition rate for some high cost programs. Currently, in-district tuition is $99 per credit hour.

The College receives various types of state funds through the Illinois Community College Board (ICCB). Base Operating Grants are general operating funds provided to colleges based on credit enrollment. Performance Grants are provided based on measures for advancing success of students who are academically or financially at risk and focus on completion. Equalization Grants are provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student. Career and Technical Education Grants recognize that keeping career and technical education programs current and of the highest quality is necessary to prepare students to be successful. These funds are dedicated to enhancing instruction and academic support activities in the career and technical programs.

Local taxes are levied on property owners for all real property within the counties of the College district. Property taxes can be used to support educational purposes, operations and maintenance, protection health and safety projects, financial audit, social security and Medicare insurance purposes, and for governmental employees' tort immunity tax.

These are the major sources of operating revenue budgeted each year.

RESOURCE COMPARISON BY SOURCE
OPERATING FUNDS

BY SOURCE:	FY15 Adopted Budget	FY14 Adopted Budget	$ Increase (Decrease)	% Increase (Decrease)	% of Total FY14 Revenue
CARRYOVER	$ 13,000,000	$ 14,226,090	$ (1,226,090)	(8.62%)	
LOCAL TAXES	6,240,000	6,125,000	115,000	1.88%	18.54%
CHARGEBACKS	10,000	8,000	2,000	25.00%	0.03%
ICCB CREDIT HOUR GRANTS	3,964,233	4,129,409	(165,176)	(4.00%)	11.78%
ICCB EQUALIZATION GRANTS	7,394,685	7,702,797	(308,112)	(4.00%)	21.97%
ICCB VOCATIONAL GRANTS-INSTRUCTIONAL	410,000	413,000	(3,000)	(0.73%)	1.22%
ICCB PERFORMANCE ALLOCATION GRANT	20,000	20,000	-		0.06%
ICCB VETERANS GRANT	54,900	54,900	-		0.16%
CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	550,000	550,000	-	0.00%	1.63%
TUITION / FEES	14,569,000	14,452,400	116,600	0.81%	43.29%
SALES & SERVICE FEES	233,000	279,000	(46,000)	(16.49%)	0.69%
INTEREST ON INVESTMENTS	33,000	36,450	(3,450)	(9.47%)	0.10%
FACILITY USE	32,000	30,000	2,000	6.67%	0.10%
OTHER INCOME	144,500	105,000	39,500	37.62%	0.43%
TOTAL	**$ 46,655,318**	**$ 48,132,046**	**$ (1,476,728)**	**(3.07%)**	**100.00%**

Note: Includes Education and Operations & Maintenance Funds.

REVENUES, EXPENDITURES, TRANSFERS & CHANGES IN FUND BALANCE - ALL FUNDS
FY 2015 BUDGET

	GENERAL FUND		SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ENTERPRISE FUND	
FY 2015	**Education Fund**	**Operations & Maintenance Fund**	**Restricted Purposes Fund**	**Audit Fund**	**Liability, Protection & Settlement Fund**	**Bond & Interest Fund**	**Operations & Maintenance Restricted Fund**	**Auxiliary Enterprises Fund**	**Total All Funds**
Revenues:									
Local Property Taxes	$5,350,000	$890,000	-	$45,000	$1,390,000	$1,735,201	$800,000	-	$10,210,201
Personal Property Rep Tax	550,000	-	-	-	-	-	-	-	550,000
Other Local Revenues	10,000	-	-	-	-	-	-	-	10,000
State Government	9,004,088	2,839,730	4,575,174	-	-	-	-	-	16,418,992
Federal Government	-	-	15,920,000	-	-	-	-	-	15,920,000
Student Tuition & Fees	14,569,000	-	-	-	-	-	-	-	14,569,000
Sales & Service Fees	233,000	-	-	-	-	-	-	477,486	710,486
Facilities Rental	-	32,000	-	-	-	-	-	-	32,000
Interest Income	32,000	1,000	-	300	1,700	1,500	2,500	-	39,000
Non-Governmental Gifts, Grants	-	-	-	-	-	-	-	-	0
Other	140,000	4,500	-	-	-	-	71,666	-	216,166
Total Revenues	29,888,088	3,767,230	20,495,174	45,300	1,391,700	1,736,701	874,166	477,486	58,675,845
Expenditures:									
Instruction	13,509,118	-	1,065,000	-	-	-	-	-	14,574,118
Academic Support	2,772,173	-	580,000	-	-	-	-	2,700	3,354,873
Student Services	3,218,487	-	620,000	-	-	-	-	-	3,838,487
Public Service	1,094,057	-	2,252,000	-	-	-	-	-	3,346,057
Independent Operations	-	-	-	-	-	-	-	1,177,932	1,177,932
Operations & Maintenance	-	4,579,846	-	-	745,890	-	-	115,805	5,441,541
Institutional Support	7,506,178	-	1,916,025	41,495	1,199,021	1,768,876	1,212,260	85,100	13,728,955
Scholarships, Grants, Waivers	4,961,500	-	14,080,000	-	-	-	-	324,324	19,365,824
Total Expenditures	33,061,513	4,579,846	20,513,025	41,495	1,944,911	1,768,876	1,212,260	1,705,861	64,827,787
Excess (Deficiency) of Revenues Over Expenditures	(3,173,425)	(812,616)	(17,851)	3,805	(553,211)	(32,175)	(338,094)	(1,228,375)	(6,151,942)
Other Financing Sources (Uses):									
Bond Proceeds	-	-	-	-	-	-	-	-	0
Transfers In (Out)	(1,587,851)	-	17,851	-	-	-	570,000	1,000,000	0
Total Other Financing Sources (Uses)	(1,587,851)	0	17,851	0	0	0	570,000	1,000,000	0
(Deficit) / Surplus	(4,761,276)	(812,616)	0	3,805	(553,211)	(32,175)	231,906	(228,375)	(6,151,942)
Prior Year Fund Balance Resource	-	-	-	-	-	-	-	-	0
Net Change	(4,761,276)	(812,616)	0	3,805	(553,211)	(32,175)	231,906	(228,375)	(6,151,942)
Beginning Fund Balance	10,600,000	2,400,000	0	78,472	1,450,000	802,000	1,175,000	2,700,000	19,205,472
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$5,838,724	$1,587,384	$0	$82,277	$896,789	$769,825	$1,406,906	$2,471,625	$13,053,530

YEARLY COMPARISON

REVENUE/ EXPENDITURE SUMMARY
ALL FUNDS

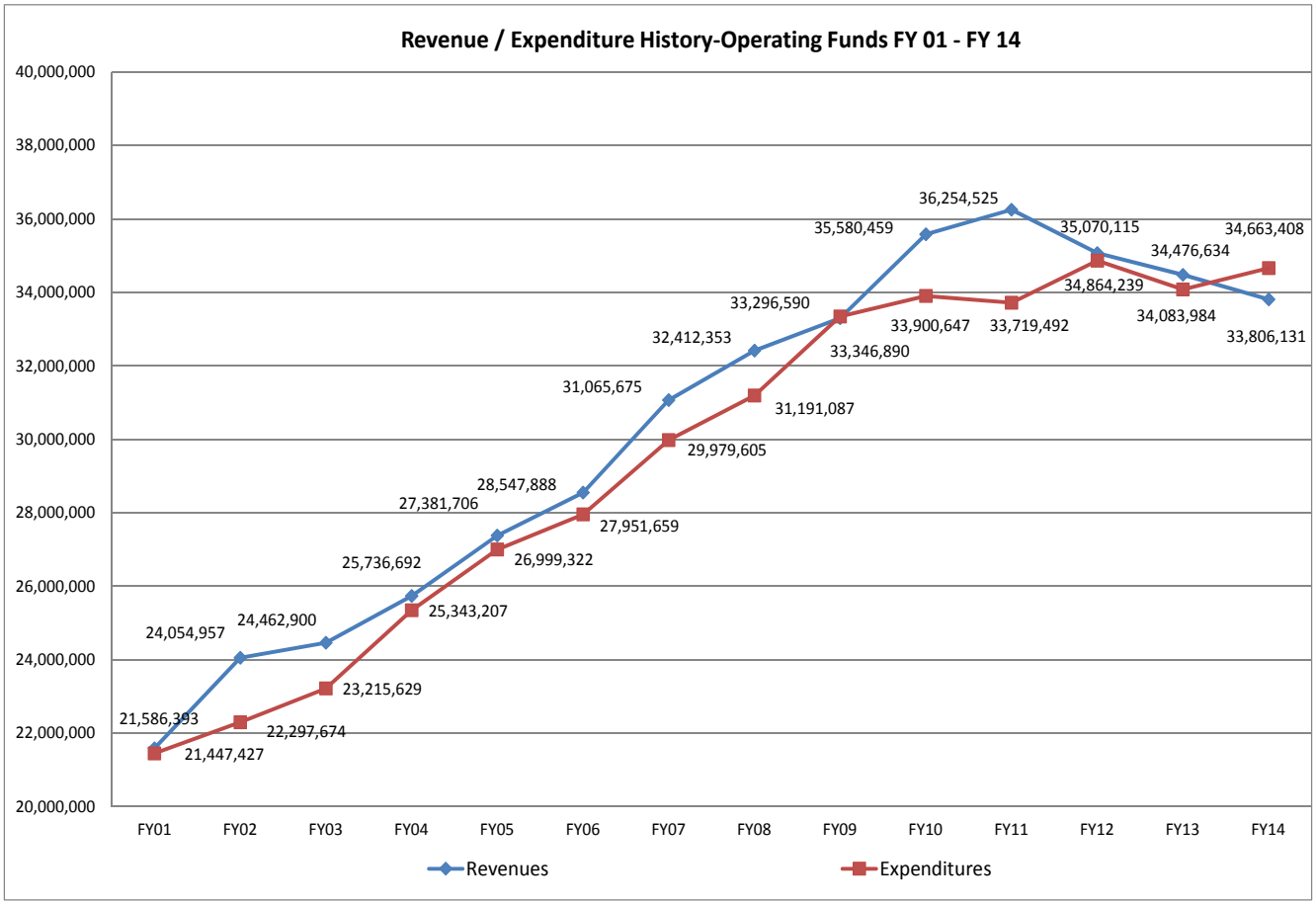
	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget
Revenues:				
Local Property Taxes	9,590,538	9,680,740	9,940,124	10,210,201
Personal Property Replacement Tax	598,509	617,785	624,701	550,000
Other Local Revenues	17,293	6,832	24,687	10,000
State Government	14,190,755	13,407,310	13,406,806	16,418,992
Federal Government	10,455,531	10,259,612	10,448,691	15,920,000
Student Tuition & Fees	15,060,002	14,628,693	14,156,792	14,569,000
Sales & Service Fees	229,544	293,713	174,475	710,486
Facilities Rental	27,872	43,527	15,138	32,000
Interest Income	30,139	38,724	30,802	39,000
Non-Governmental Gifts, Grants	-	-	-	-
Other	1,271,922	1,530,940	3,200,102	216,166
Total Revenues	51,472,105	50,507,876	52,022,318	58,675,845
Expenditures:				
Instruction	13,714,978	13,225,866	12,780,333	14,574,118
Academic Support	2,820,792	2,764,315	2,602,584	3,354,873
Student Services	3,845,200	3,440,984	3,584,449	3,838,487
Public Service	3,085,187	2,894,207	3,545,648	3,346,057
Independent Operations	1,505,616	1,424,772	1,455,752	1,177,932
Operations & Maintenance	4,411,432	4,363,243	4,734,457	5,441,541
Institutional Support	10,464,322	11,206,251	12,686,079	13,728,955
Scholarships, Student Grants, Waivers	13,076,512	12,692,486	12,491,669	19,365,824
Total Expenditures	52,924,039	52,012,124	53,880,971	64,827,787
Excess (Deficiency) of Revenues Over Expenditures	(1,451,934)	(1,504,248)	(1,858,653)	(6,151,942)
Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	0	0	0	0
(Deficit) / Surplus	(1,451,934)	(1,504,248)	(1,858,653)	(6,151,942)
Prior Year Fund Balance Resource	-	-	-	-
Net Change	(1,451,934)	(1,504,248)	(1,858,653)	(6,151,942)
Beginning Fund Balance	23,889,957	22,438,023	20,933,775	19,205,472
Use of Prior Year Fund Balance	-	-	-	-
Ending Fund Balance	$22,438,023	$20,933,775	$19,075,122	$13,053,530

GENERAL FUND	EDUCATION FUND				OPERATIONS & MAINTENANCE FUND			
MULTI-YEAR COMPARISON	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Budget	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Budget
Revenues:								
Local Property Taxes	$5,210,667	$5,252,099	$5,361,427	$5,350,000	$868,447	$875,316	$893,810	$890,000
Personal Property Rep Tax	598,509	617,785	624,701	550,000	-	-	-	-
Other Local Revenues	17,293	6,832	24,687	10,000	-	-	-	-
State Government	9,952,635	9,627,567	9,351,972	9,004,088	2,846,838	2,884,150	2,958,052	2,839,730
Federal Government	32,482	30,532	27,415	-	-	-	-	-
Student Tuition & Fees	15,060,002	14,628,693	14,156,792	14,569,000	-	-	-	-
Sales & Service Fees	229,544	293,713	174,475	233,000	-	-	-	-
Facilities Rental	-	-	-	-	27,872	43,527	15,138	32,000
Interest Income	28,627	37,254	32,941	32,000	1,512	1,470	1,205	1,000
Non-Governmental Gifts, Grants	-	-	-	-	-	-	-	-
Other	191,192	165,796	168,629	140,000	4,495	11,900	14,887	4,500
Total Revenues	31,320,951	30,660,271	29,923,039	29,888,088	3,749,164	3,816,363	3,883,092	3,767,230
Expenditures:								
Instruction	12,728,280	12,184,435	11,857,847	13,509,118	-	-	-	-
Academic Support	2,711,981	2,658,103	2,499,506	2,772,173	-	-	-	-
Student Services	3,325,973	2,941,979	3,034,713	3,218,487	-	-	-	-
Public Service	882,008	955,292	1,589,938	1,094,057	-	-	-	-
Independent Operations	-	-	-	-	-	-	-	-
Operations & Maintenance	-	-	-	-	3,807,840	3,826,273	4,092,466	4,579,846
Institutional Support	4,737,288	4,736,942	5,568,294	7,506,178	4,120	4,120	3,777	-
Scholarships, Grants, Waivers	4,911,490	5,021,581	4,447,899	4,961,500	-	-	-	-
Total Expenditures	29,297,020	28,498,332	28,998,197	33,061,513	3,811,960	3,830,393	4,096,243	4,579,846
Excess (Deficiency) of Revenues Over Expenditures	2,023,931	2,161,939	924,842	(3,173,425)	(62,796)	(14,030)	(213,151)	(812,616)
Other Financing Sources (Uses):								
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers In (Out)	(1,755,259)	(1,755,259)	(1,568,968)	(1,587,851)	-	-	-	-
Total Other Fin Sources (Uses)	(1,755,259)	(1,755,259)	(1,568,968)	(1,587,851)	0	0	0	0
(Deficit) / Surplus	268,672	406,680	(644,126)	(4,761,276)	(62,796)	(14,030)	(213,151)	(812,616)
Prior Year Fund Balance Resource	-	-	-	-	-	-	-	-
Net Change	268,672	406,680	(644,126)	(4,761,276)	(62,796)	(14,030)	(213,151)	(812,616)
Beginning Fund Balance	10,504,995	10,773,667	11,180,347	10,600,000	2,759,518	2,696,722	2,682,692	2,400,000
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance	$10,773,667	$11,180,347	$10,536,221	$5,838,724	$2,696,722	$2,682,692	$2,469,541	$1,587,384

SPECIAL REVENUE FUNDS									
	RESTRICTED PURPOSES FUND			AUDIT FUND			LIABILITY, PROTECTION & SETTLEMENT FUND		
THREE YEAR COMPARISON	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**
Revenues:									
Local Property Taxes	-	-	-	$52,206	$45,486	$45,000	$1,397,507	$1,466,981	$1,390,000
Personal Property Replacement Tax	-	-	-	-	-	-	-	-	-
State Government	747,255	1,010,910	4,575,174	-	-	-	-	-	-
Federal Government	10,229,080	10,424,838	15,920,000	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	-	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	-	153	-	285	327	300	2,058	1,867	1,700
Non-Governmental Gifts, Grants	-	139,498	-	-	-	-	-	-	-
Other	624,611	121,299	-	-	-	-	-	-	-
Total Revenues	11,600,946	11,696,698	20,495,174	52,491	45,813	45,300	1,399,565	1,468,848	1,391,700
Expenditures:									
Instruction	1,041,431	922,486	1,065,000	-	-	-	-	-	-
Academic Support	103,597	100,687	580,000	-	-	-	-	-	-
Student Services	499,005	549,736	620,000	-	-	-	-	-	-
Public Service	1,938,915	1,955,710	2,252,000	-	-	-	-	-	-
Operations & Maintenance	$775	$775	-	-	-	-	530,672	607,781	745,890
Institutional Support	364,659	1,967,735	1,916,025	32,194	43,995	41,495	899,789	975,859	1,199,021
Scholarships, Student Grants, Waivers	7,670,905	8,043,770	14,080,000	-	-	-	-	-	-
Total Expenditures	11,619,287	13,540,899	20,513,025	32,194	43,995	41,495	1,430,461	1,583,640	1,944,911
Excess (Deficiency) of Revenues Over Expenditures	(18,341)	(1,844,201)	(17,851)	20,297	1,818	3,805	(30,896)	(114,792)	(553,211)
Other Financing Sources (Uses)									
Bond Proceeds	-	1,827,351	-	-	-	-	-	-	-
Transfers In (Out)	18,341	16,850	17,851	-	-	-	-	-	-
Total Other Financing Sources (Uses)	18,341	1,844,201	17,851	0	0	0	0	0	0
(Deficit) / Surplus	0	0	0	20,297	1,818	3,805	(30,896)	(114,792)	(553,211)
Prior Year Fund Balance Resource	-	-	-	-	-	-	-	-	-
Net Change	0	0	0	20,297	1,818	3,805	(30,896)	(114,792)	(553,211)
Beginning Fund Balance	0	0	0	54,314	74,611	78,472	1,601,863	1,570,967	1,450,000
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$0	$0	$0	$74,611	$76,429	$82,277	$1,570,967	$1,456,175	$896,789

DEBT SERVICE, CAPITAL PROJECTS, AND PROPRIETARY FUNDS									
	Debt Service			Capital Projects			Proprietary		
	Bond & Interest Fund			Operations & Maintenance Restricted Fund			Auxiliary Enterprises Fund		
THREE YEAR COMPARISON	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**	**FY2013 Actual**	**FY2014 Actual**	**FY2015 Budget**
Revenues:									
Local Property Taxes	1,303,901	1,357,219	1,735,201	799,711	815,201	800,000	-	-	-
Personal Property Replacement Tax	-	-	-	-	-	-	-	-	-
State Government	-	-	-	148,338	82,310	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	-	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	1,283	1,444	1,500	-	2,639	2,500	-	-	-
Non-Governmental Gifts, Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	186,036	369,976	71,666	538,971	548,688	477,486
Total Revenues	1,305,184	1,358,663	1,736,701	1,134,085	1,270,126	874,166	538,971	548,688	477,486
Expenditures:									
Instruction	-	-	-	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-	2,615	2,392	2,700
Student Services	-	-	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-	-	-
Independent Operations	-	-	-	-	-	-	1,424,772	1,455,752	1,177,932
Operations & Maintenance	-	-	-	-	-	-	5,523	33,434	115,805
Institutional Support	1,271,675	1,217,168	1,768,876	3,822,796	2,354,869	1,212,260	74,076	74,382	85,100
Scholarships, Student Grants, Waivers	-	-	-	-	-	-	-	-	324,324
Total Expenditures	1,271,675	1,217,168	1,768,876	3,822,796	2,354,869	1,212,260	1,506,986	1,565,960	1,705,861
Excess (Deficiency) of Revenues Over Expenditures	33,509	141,495	(32,175)	(2,688,711)	(1,084,743)	(338,094)	(968,015)	(1,017,272)	(1,228,375)
Other Financing Sources (Uses)									
Bond Proceeds	-	-	-	-	-	-	-	-	-
Principal Payment on Debt	-	(480,000)	-	-	-	-	-	-	-
Transfers In (Out)	-	352,118	-	200,000	500,000	570,000	1,536,918	700,000	1,000,000
Total Other Financing Sources (Uses)	0	(127,882)	0	200,000	500,000	570,000	1,536,918	700,000	1,000,000
(Deficit) / Surplus	33,509	13,613	(32,175)	(2,488,711)	(584,743)	231,906	568,903	(317,272)	(228,375)
Prior Year Fund Balance Resource	-	-	-	-	-	-	-	-	-
Net Change	33,509	13,613	(32,175)	(2,488,711)	(584,743)	231,906	568,903	(317,272)	(228,375)
Beginning Fund Balance	763,169	796,678	802,000	4,070,406	1,581,695	1,175,000	2,477,882	3,046,785	2,700,000
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$796,678	$810,291	$769,825	$1,581,695	$996,952	$1,406,906	$3,046,785	$2,729,513	$2,471,625

Revenue / Expenditure Comparison Operating Funds FY 2001 - FY 2014			
Fiscal Year	Revenues	Expenditures	Revenues Over/(Under) Expenditures
FY 01	21,586,393	21,447,427	138,966
FY 02	24,054,957	22,297,674	1,757,283
FY 03	24,462,900	23,215,629	1,247,271
FY 04	25,736,692	25,343,207	393,485
FY 05	27,381,706	26,999,322	382,384
FY 06	28,547,888	27,951,659	596,229
FY 07	31,065,675	29,979,605	1,086,070
FY 08	32,412,353	31,191,087	1,221,266
FY 09	33,296,590	33,346,890	(50,300)
FY 10	35,580,459	33,900,647	1,679,812
FY 11	36,254,525	33,719,492	2,535,033
FY 12	35,070,115	34,864,239	205,876
FY 13	34,476,634	34,083,984	392,650
FY 14	33,806,131	34,663,408	(857,277)


Revenue / Expenditure History-Operating Funds FY 01 - FY 14
40,000,000
38,000,000
36,000,000
34,000,000
32,000,000
30,000,000
28,000,000
26,000,000
24,000,000
22,000,000
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FY01
FY02
FY03
FY04
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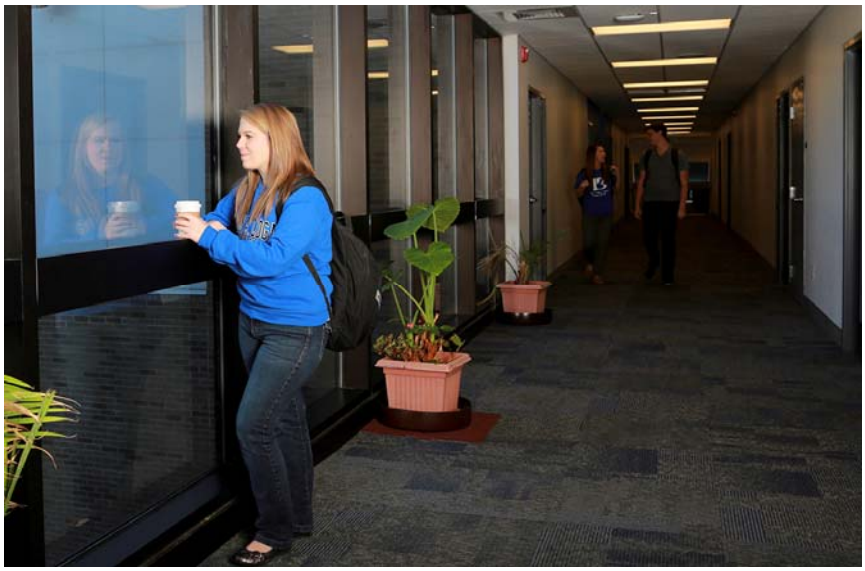
FY06
FY07
FY08
FY09
FY10
FY11
FY12
FY13
FY14
21,586,393
24,054,957
24,462,900
25,736,692
27,381,706
28,547,888
31,065,675
32,412,353
33,296,590
35,580,459
36,254,525
35,070,115
34,476,634
34,083,984
33,806,131
21,447,427
22,297,674
23,215,629
25,343,207
26,999,322
27,951,659
29,979,605
31,191,087
33,346,890
33,900,647
33,719,492
34,864,239
34,663,408
Revenues
Expenditures

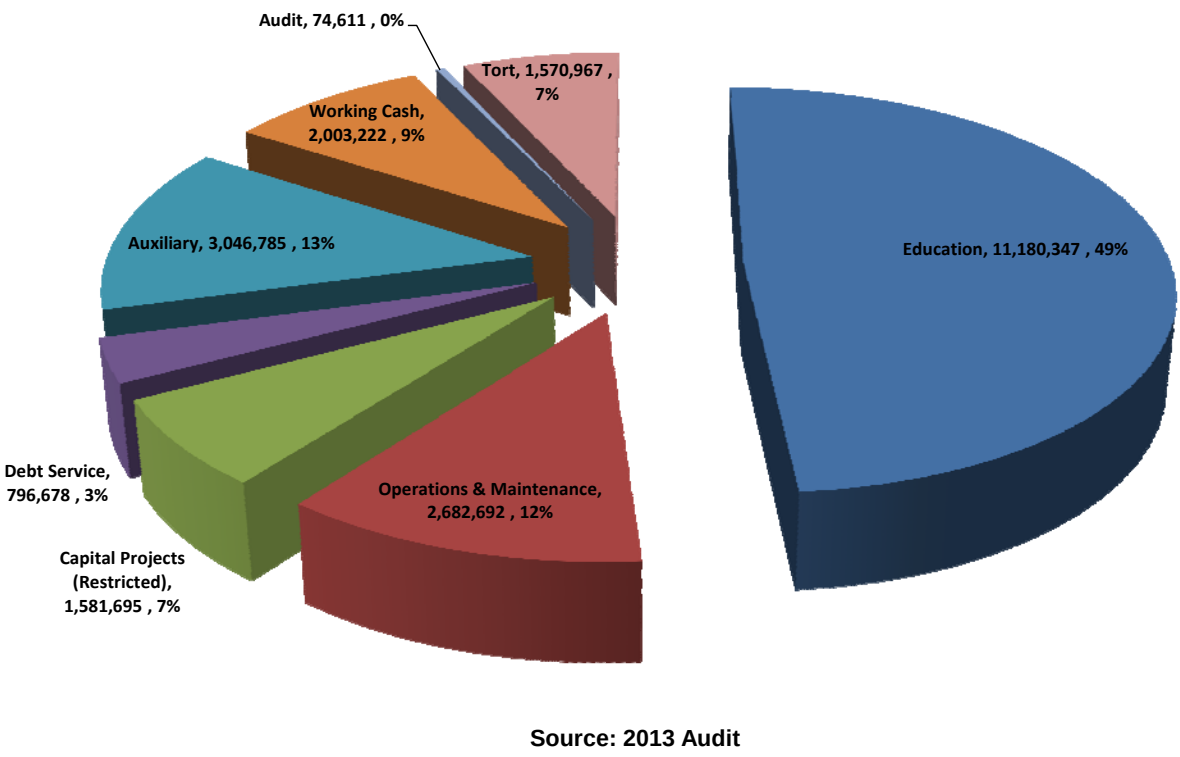
FUND BALANCE



JALC Student taking a moment to relax.

FUND BALANCE – DEFINED

Fund balance is the amount by which the value of the assets of a fund exceeds the value of the liabilities of that fund.



FUND BALANCE GOALS

Awareness of the appropriate level of balance in the College's various funds is the first step in developing financial forecasts and plays a part in strategic planning as well. The College's operating fund is appropriate, which means that in the short-term, the College is very stable. However, long-term stability cannot be assured without significant attention being placed on both the working cash and auxiliary funds. These are the funds that determine whether or not the College remains stable in volatile or lagging state cash flow, stagnant local property values, or during a prolonged enrollment decline. The cash flow from the State of Illinois since 2009 relative to ICCB revenues has reinforced the importance of healthy fund balances in the operating, working cash and auxiliary funds. The following plan developed the framework from which the College can build future budgets and forecasts. Goals for 1) combined Operating Funds, 2) the Auxiliary Fund, and 3) the Working Cash Fund balances were set as a percent of annual operating expenditures at 25%, 10%, and 15%, respectively.

Initial focus was placed on the Auxiliary Fund. While the College's Auxiliary Fund balance goal was being steadily attacked for several straight years, for FY 2014 the College had to make a decision not to fully transfer the $1.2m budgeted amount from the Education Fund. This was necessary to limit the amount of the projected operating deficit. This resulted in a ($317,272) decrease in the Auxiliary Fund balance and a 1% reduction in the ratio to annual operating expenditures.

In the future, attention will need to be placed on the working cash fund balance, possibly through a future debt issue applied to the tax levy. At this time, the balance has been a long-standing $2,000,000, plus a small amount of interest that has been left in the fund the last two years. Throughout the process of building these fund balances, the College will continue historical annual transfers to the restricted building fund to enable its investment in facility renovations.

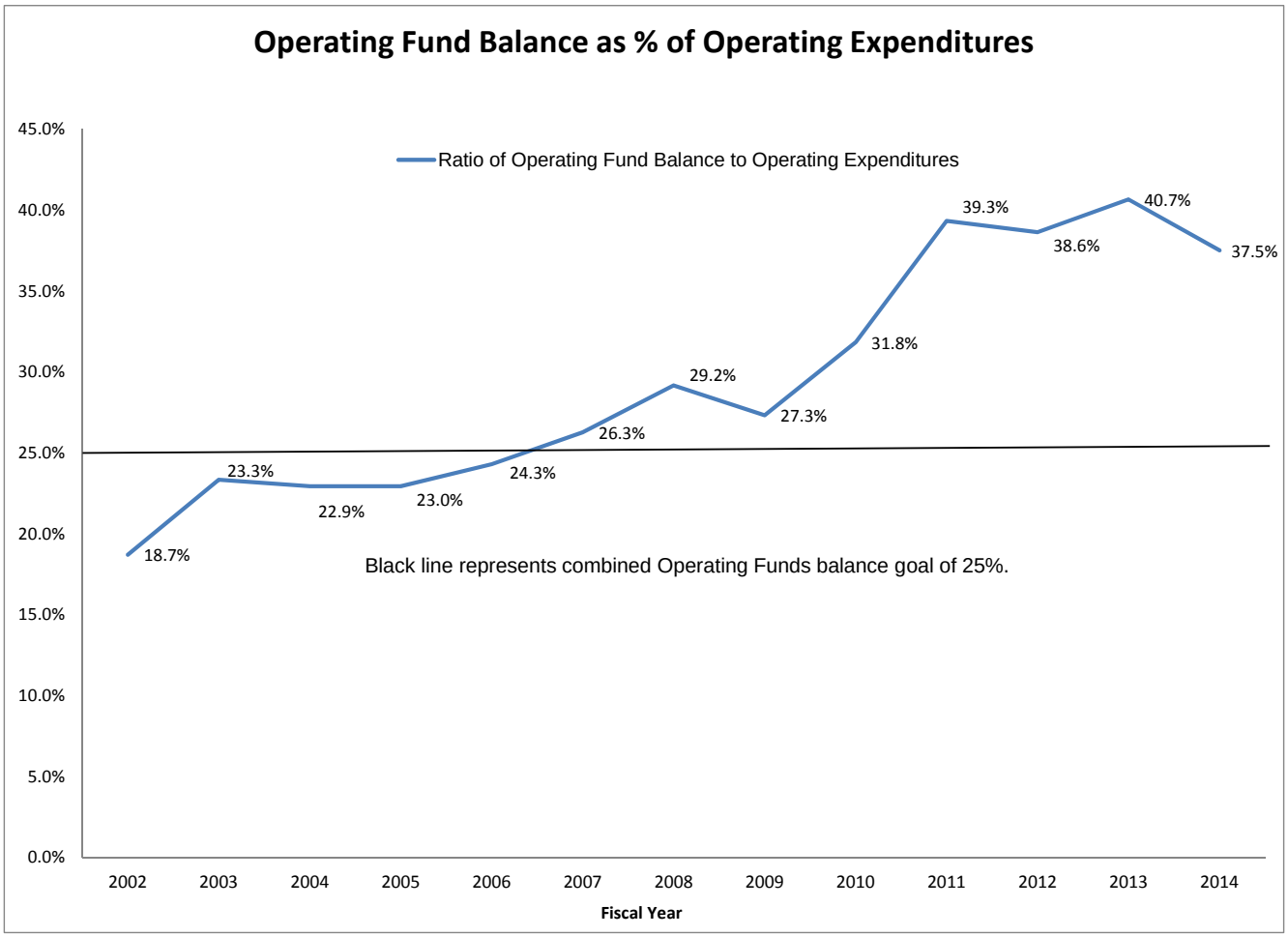
These goals establish a general direction and serve to inform the College on what to do during years in which extra resources are available or in years when finances are extra tight. Though they are not high enough to place the College ahead of all peers, neighbors, and the statewide average, when established in 2008 the goals are high enough to ensure adequate stability. Because these goals were created prior to the significant state cash flow problem that began in 2009, these fund balance goals, especially the operating fund balance goal, should be re-examined in FY 2015.

See the table on the page below that details fund balance data and fund balance ratios as a percent of annual operating expenditures for FY 2013 and FY 2014. On subsequent pages, you will find charts that show fund balance ratios compared to their targets over a long-term period.

Fund Balance $ and Fund Balance % Goals			
Fund Description	**FY 2013**	**FY 2014**	
Education Fund Balance	$11,180,347	$10,536,221	
Operations and Maintenance Fund Balance	2,682,692	2,469,541	
Combined Operating Fund Balance	13,863,039	13,005,762	
Auxiliary Fund Balance	3,046,785	2,729,513	
Working Cash Fund Balance	2,003,222	2,006,566	
Auxiliary + Working Cash Fund Balances	5,050,007	4,736,079	
Total Operating + Auxiliary & Working Cash	18,913,046	17,741,841	
Total Annual Operating Revenues	34,476,634	33,806,131	
Total Annual Operating Expenditures	34,083,984	34,663,408	
Operating Funds Surplus/Deficit	$392,650	($857,277)	
As % of Annual Operating Expenditures:	**FY 2013**	**FY 2014**	**Goal**
Education Fund	32.8%	30.4%	
Operations and Maintenance Fund	7.9%	7.1%	
Combined Operating Funds	40.7%	37.5%	25.0%
Auxiliary Fund	8.9%	7.9%	10.0%
Working Cash Fund	5.9%	5.8%	15.0%
Auxiliary + Working Cash Funds	14.8%	13.7%	25.0%
Total Operating + Auxiliary & Working Cash	55.5%	51.2%	50.0%

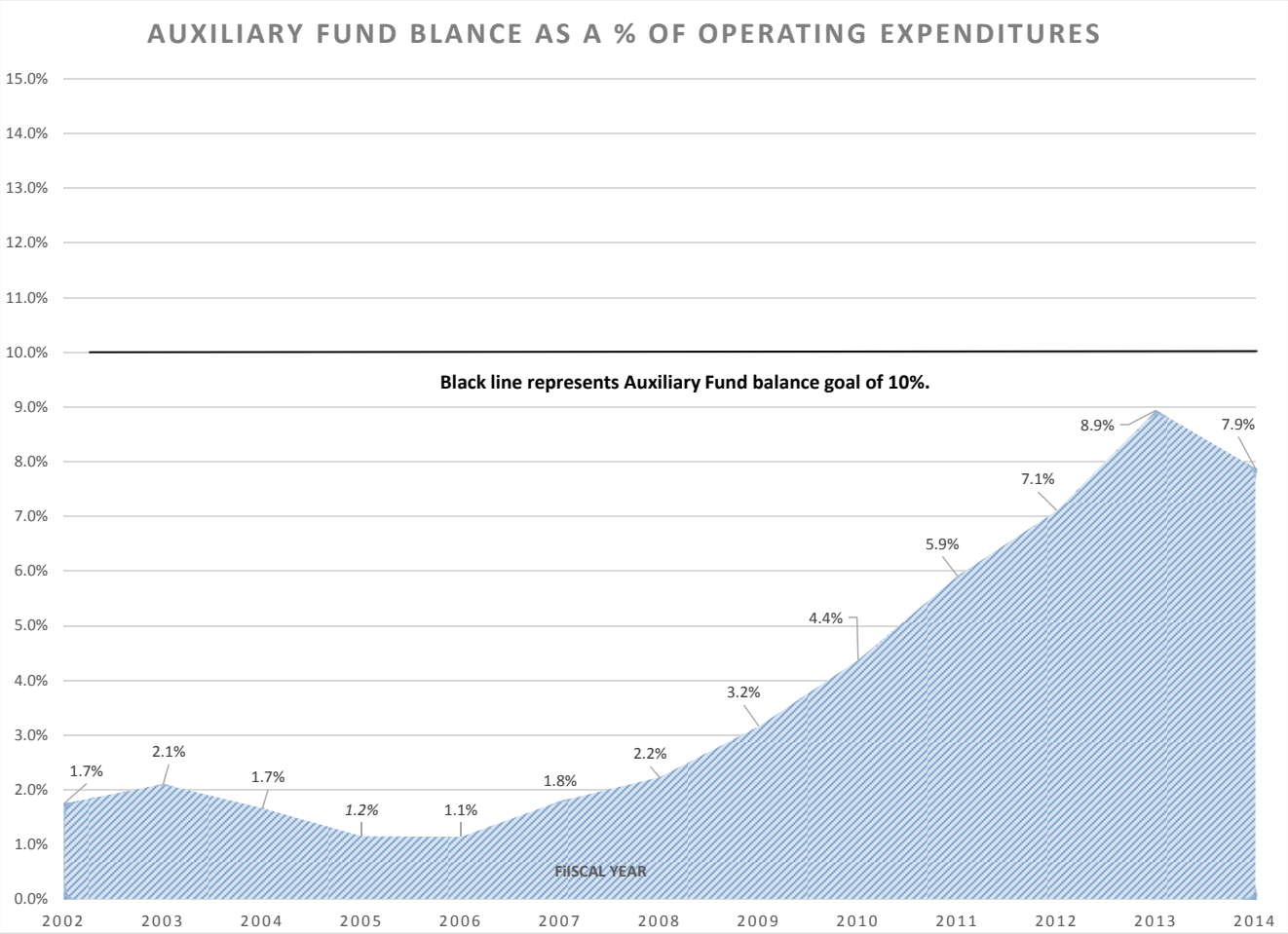
Goals-Operating Funds:

The goal is to hold a combined balance in the education and operation and maintenance funds equal to 25% of annual operating expenditures. At the end of FY 2013, the College was well above this target percentage at $13,863,039 representing 40.7% of operating expenditures. While still above the target, the College ended FY 2014 with only $13,005,762 representing 37.5%. This was a result of an operating deficit of ($857,277). See the chart below detailing several years of ratios related to Operating funds.



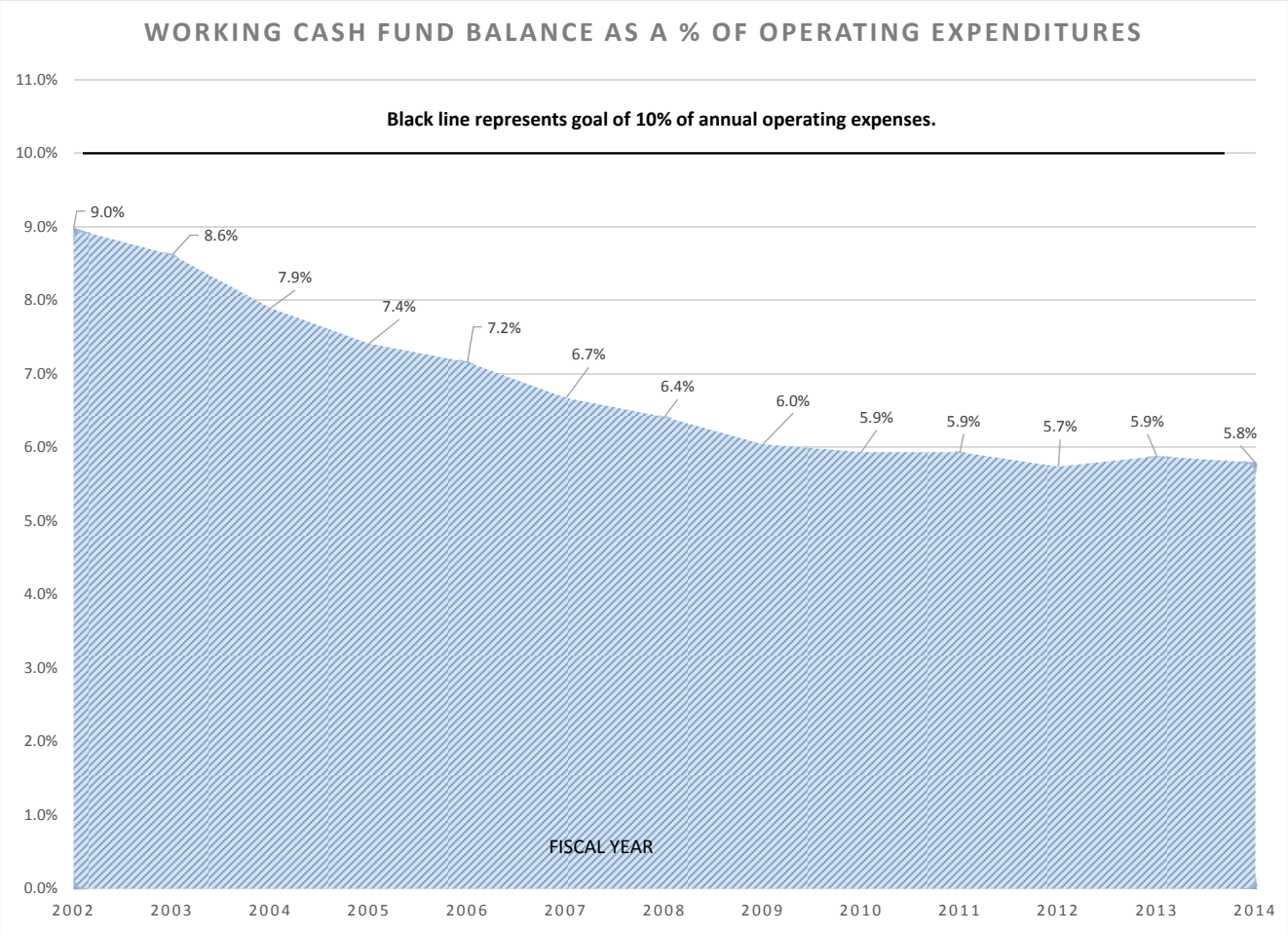
Goals-Auxiliary Fund:

The goal is to hold a balance equal to 10% of annual operating expenditures in the auxiliary fund. The College was creating a steady climb in the Auxiliary Fund for a seven year period. At the end of FY 2013, the College had a fund balance of $3,046,785. This was very close to its 10% goal representing 8.9% of annual operating expenditures. However for FY 2014, necessary adjustments discussed earlier resulted in a slight backwards movement down to $2,729,513 representing 7.9%. See the chart below for the historical details.



Goals-Working Cash Fund:

The goal is to hold a balance equal to 15% of annual operating expenditures in the working cash fund. At the end of FY 2014, the College currently has a fund balance of $2,006,566 representing 5.8% of annual operating expenditures. This was compared to $2,003,222 representing 5.9% for FY 2013. The slight percentage drop was due to an increase in FY 2014 operating expenditures totaling $34,663,408. See the chart below for the historical details of the Working Cash Fund.



Projected Beginning Fund Balance vs. Projected Ending Fund Balance - FY 2015

Fund	Projected Beginning Fund Balance	Projected Ending Fund Balance	FY 2015 $ Change in Fund Balance	FY 2015 Percent Change
Education Fund	$10,600,000	$5,838,724	($4,761,276)	(44.92%)
Operations & Maintenance Fund	2,400,000	1,587,384	(812,616)	(33.86%)
Restricted Purposes Fund	0	0	0	0.00%
Audit Fund	78,472	82,277	3,805	4.85%
Liability, Protection & Settlement Fund	1,450,000	896,789	(553,211)	(38.15%)
Bond & Interest Fund	802,000	769,825	(32,175)	(4.01%)
Operations & Maintenance (Restricted) Fund	1,175,000	1,406,906	231,906	19.74%
Auxiliary Fund	2,700,000	2,471,625	(228,375)	(8.46%)
Total All Funds	**$19,205,472**	**$13,053,530**	**($6,151,942)**	**(32.03%)**

Explanation of Changes in Fund Balance of More Than 10%:

Education Fund - The Education Fund budget contains $34,649,364 in current year expenses and only $29,888,088 in current year revenues. There was already budgeted a deficit in FY 14 of just under $3.5m and this deficit widen in FY 15 with an additional drop in expected revenue of (0.49%) and an increase in expenses of 3.37% or $1,128,166. Declines in state revenue along with enrollment declines are driving down revenues. Salary and benefit increases along with additional requests for supplies and equipment are driving up expenses. The College is relying on past accumulated fund balances for FY 15 and looking for reductions.

Operations & Maintenance Fund - The Operations & Maintenance Fund budget contains $4,579,846 in current year expenses and only $3,767,230 in current year revenues. There was a budgeted deficit in FY 14 of of ($637,776) and this deficit widen in FY 15 with a projected decline in revenue of (2.64%) or ($102,272) and a slight increase of 1.61% in normal operating expenses such as salaries, benefits, and contractual services.

Liability, Protection & Settlement Fund - The Liability, Protection, & Settlement Fund budget contains $1,944,911 in current year expenses and only $1,391,700 in projected revenues. Based on the property tax levy projected revenue was basically flat with only a (0.70%) projected decrease. An additional $153,181 or an 8.55% increase in expenses were budgeted over FY 14's budget. Increases were due to normal inflation in salaries, benefits, contractual services, and capital outlay.

Operations & Maintenance (Restricted) Fund - The Operations & Maint. (Restricted) Fund has $1,444,166 in projected revenue from a combination of the tax levy, lease revenue, and a transfer from the Education Fund to support capital projects. Budgeted expenditures are only $1,212,260 for FY 15. This is based on specific PHS projects levied and other expected construction. The result is a projected increase in fund balance of $231,906. This is assuming the entire $570,000 budgeted operating transfer is executed.

Actual Fund Balance (Adjusted for Accruals)
Operating Funds
FY 2000 - FY 2014

Fiscal Year	Revenues	Expenditures	Revenues Over/(Under) Expenditures	Surplus as a % of Exp	Actual Fund Balance	Fund Balance as a % of Exp	Revenue Accrued	Expenses Accrued	Cash Fund Balance	Fund Balance as a % of Exp
2014	33,806,131	34,663,408	(857,277)	-2.47%	13,005,762	37.52%	7,490,233	3,603,461	9,118,990	26.31%
2013	34,476,634	34,083,984	392,650	1.15%	13,863,039	40.67%	7,270,316	3,659,086	10,251,809	30.08%
2012	35,070,115	34,864,239	205,876	0.59%	13,470,389	38.64%	6,941,079	3,410,316	9,939,626	28.51%
2011	36,254,525	33,719,492	2,535,033	7.52%	13,264,513	39.34%	9,348,387	3,421,716	7,337,842	21.76%
2010	35,580,459	33,900,647	1,679,812	4.96%	10,729,480	31.65%	5,371,860	3,370,882	8,728,502	25.75%
2009	33,296,590	33,346,890	(50,300)	-0.15%	9,049,668	27.14%	9,597,321	3,146,020	2,598,367	7.79%
2008	32,412,353	31,191,087	1,221,266	3.92%	9,099,968	29.17%	2,988,454	2,983,056	9,094,570	29.16%
2007	31,065,675	29,979,605	1,086,070	3.62%	7,878,702	26.28%	2,769,722	2,836,679	7,945,659	26.50%
2006	28,547,888	27,951,659	596,229	2.13%	6,792,632	24.30%	2,555,393	2,585,578	6,822,817	24.41%
2005	27,381,706	26,999,322	382,384	1.42%	6,196,403	22.95%	2,358,613	2,502,796	6,340,586	23.48%
2004	25,736,692	25,343,207	393,485	1.55%	5,814,019	22.94%	2,198,262	2,094,714	5,710,471	22.53%
2003	24,462,900	23,215,629	1,247,271	5.37%	5,420,534	23.35%	1,867,500	2,003,861	5,556,895	23.94%
2002	24,054,957	22,297,674	1,757,283	7.88%	4,173,263	18.72%	1,937,547	1,889,626	4,125,342	18.50%
2001	21,586,393	21,447,427	138,966	0.65%	2,415,980	11.26%	961,350	1,748,918	3,203,548	14.94%
2000	20,441,168	20,486,598	(45,430)	-0.22%	2,277,014	11.11%	949,130	1,601,407	2,929,291	14.30%
Fund balance 06-30-99					2,322,444					

REVENUES / EXPENDITURES

Community Health Education Complex, Aquatic Center

RESOURCE ASSUMPTIONS-OPERATING FUNDS

For this 2015 budget, it will be necessary to utilize fund balance from prior fiscal years to subsidize the shortfall of current year operating revenues as compared to budgeted expenditures. Operating expenditures actually reflect an increase of $1,200,734 or an increase of 3.16% from the prior FY 2014 budget. This factor combined with an anticipated decline in state revenues along with a conservative approach to the budgeting of tuition revenue have resulted in an expected current year deficit.

Without considering the fund balance accumulated from prior years, the current operating revenue of $33,655,318 reflects a $250,638 or 0.74% decrease as compared to $33,905,956 from FY 2014.

Local tax revenues are currently projected to be $6,240,000. This amount is an increase of $115,000 or a 1.88% projected increase. In other local sources, Corporate Personal Property Replacement Tax is budgeted at $550,000 which is a level funding estimate compared to the prior budget.

State revenue sources reflect a decline in revenue. Based on anticipated course changes and discussion with the Illinois Community College Board, ICCB Base Operating grant funds are budgeted at a total of $3,964,233 which is an estimated decrease of $165,176 or 4.00% from FY 2014. Equalization grants account for $7,394,685 which is an estimated decrease of $308,112 or 4.00% from the FY 2014 allocation of $7,702,797. FY 2014 amounts for base operating and equalization grants were allocated 75% to the Education fund and 25% to the Operations and Maintenance Fund. ICCB Vocational grants are budgeted at $410,000 which is a budget reduction of $3,000.

This year the College will again receive a special designated ICCB Veterans grant of $54,900 and also $20,000 is budgeted for Performance Based funding. The College has previously received Performance Based funding of $20,175 and $12,633 in FY 2013 and FY 2014, respectively. The ICCB allocation for performance based funding for all Illinois colleges remains unchanged in FY 2015 at $360,000.

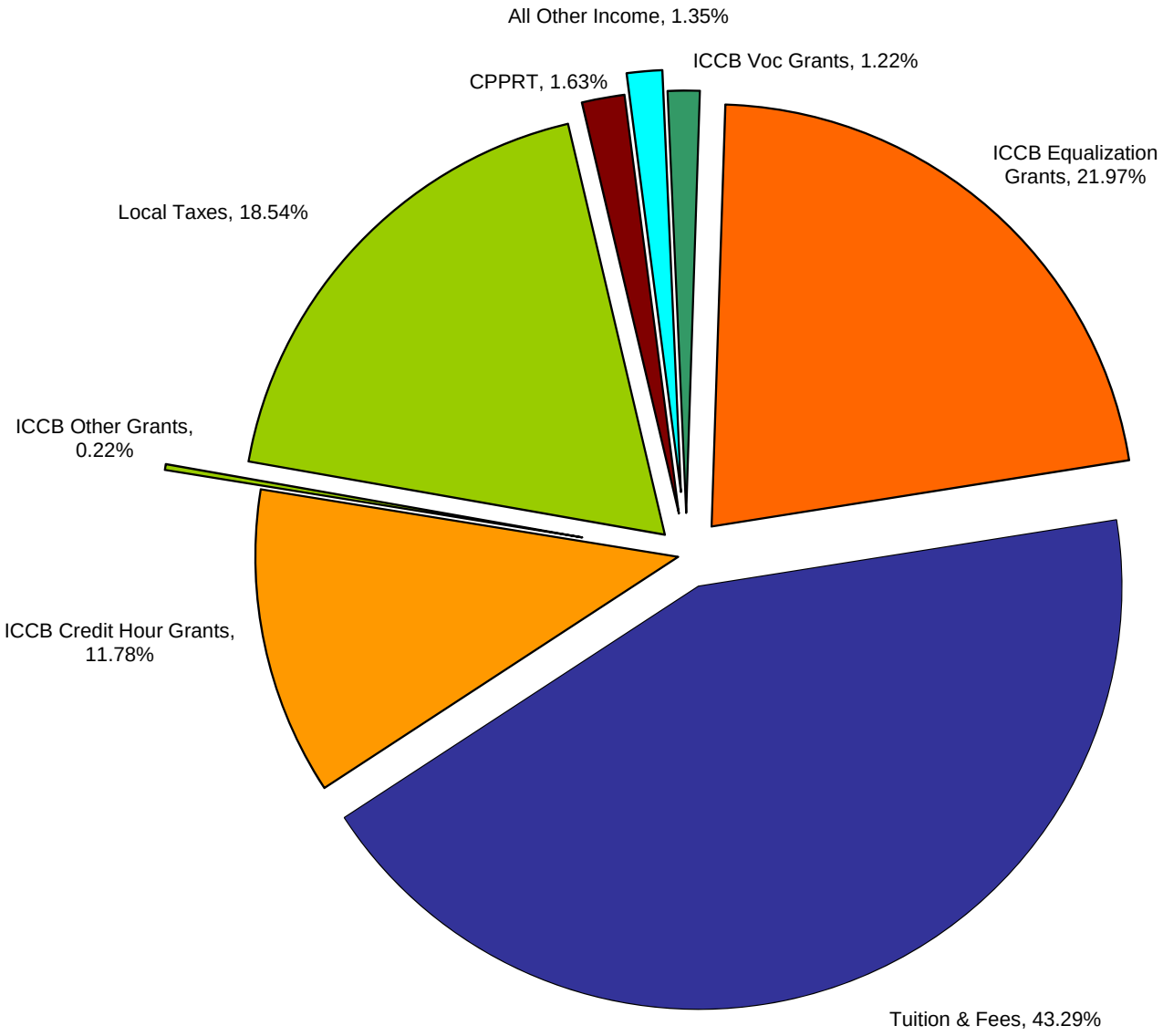
For FY 2015, the in-district tuition rate is $99 per credit hour. Student tuition and fees are anticipated at $14,569,000 as compared to $14,452,400 for FY 2014. This is a projected increase of $116,600 or 0.81%. Reasons for this projection are a combination of proposed new technology fee revenue offset by a slight expected decrease in tuition revenue. There are continuing concerns about statewide trends in decreasing enrollment. Initial numbers for the fall term reflect a loss in both headcount and credit hour generation. In FY 2014, the College also experienced $357,994 in lost tuition revenue due to unfunded mandates of financial aid programs. A conservative budgeting approach was taken due to the factors stated above and the fact that actual FY 2014 tuition revenues came in at 98% of the budgeted amount.

Interest income and other sources of revenue which include facilities revenue, sales and service fees are expected to total $442,500 during FY 2015. This accounts for less than 2% of operating resources.

Summary of Fiscal Year 2015 Estimated Revenues

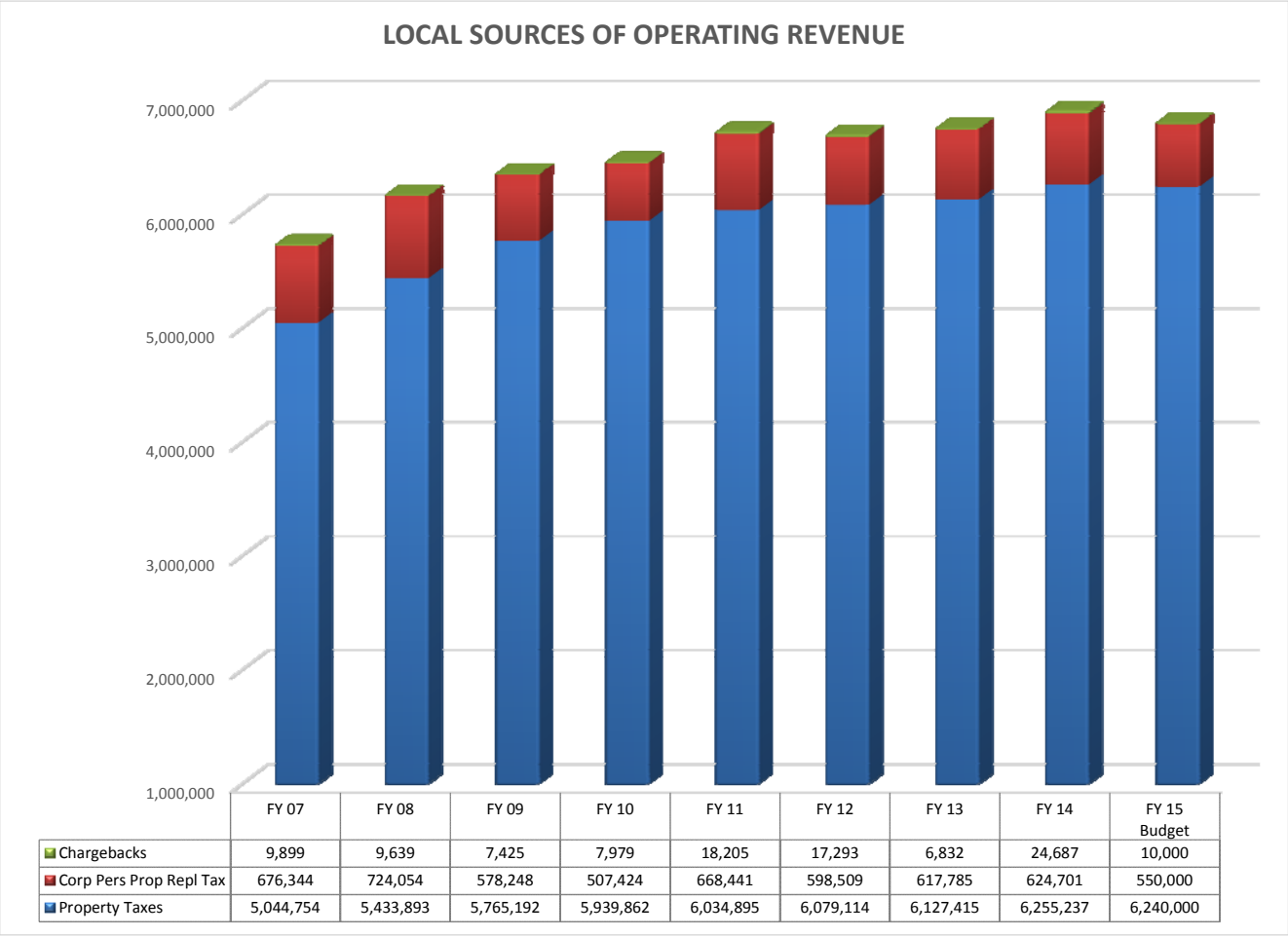
Operating Revenues By Source	Education Fund	Operations and Maintenance Fund	Total Operating Funds	% of Total
Local Government Sources:				
Current Taxes	$5,350,000	$890,000	$6,240,000	18.54%
Corporate Personal Property Replacement Tax	$550,000		550,000	1.63%
Chargeback Revenue	10,000		10,000	0.03%
TOTAL LOCAL GOVERNMENT	**$5,910,000**	**$890,000**	**$6,800,000**	**20.20%**
State Governmental Sources:				
ICCB Base Operating Grants	$2,973,175	$991,058	$3,964,233	11.78%
ICCB Equalization Grants	5,546,013	1,848,672	7,394,685	21.97%
ICCB Performance Allocation Grant	20,000		20,000	0.06%
ICCB Veterans Grant	54,900		54,900	0.16%
Illinois Community College Board-Vocational Education	410,000		410,000	1.22%
TOTAL STATE GOVERNMENT	**$9,004,088**	**$2,839,730**	**$11,843,818**	**35.19%**
Student Tuition and Fees:				
Tuition	$13,190,000		$13,190,000	39.19%
Fees	1,379,000		1,379,000	4.10%
TOTAL TUITION AND FEES	**$14,569,000**	**$0**	**$14,569,000**	**43.29%**
Other Sources:				
Sales and Service Fees	$233,000		$233,000	0.69%
Facilities Revenue		$32,000	32,000	0.10%
Investment Revenue	32,000	1,000	33,000	0.10%
Other Sources	140,000	4,500	144,500	0.43%
TOTAL OTHER SOURCES	**$405,000**	**$37,500**	**$442,500**	**1.32%**
TOTAL FY 2015 BUDGETED REVENUE	**$29,888,088**	**$3,767,230**	**$33,655,318**	**100.00%**
Less Nonoperating Items:				
Tuition Chargeback Revenue	$10,000		$10,000	
ADJUSTED REVENUE	**$29,878,088**	**$3,767,230**	**$33,645,318**	

Revenues
Operating Funds
FY 2015

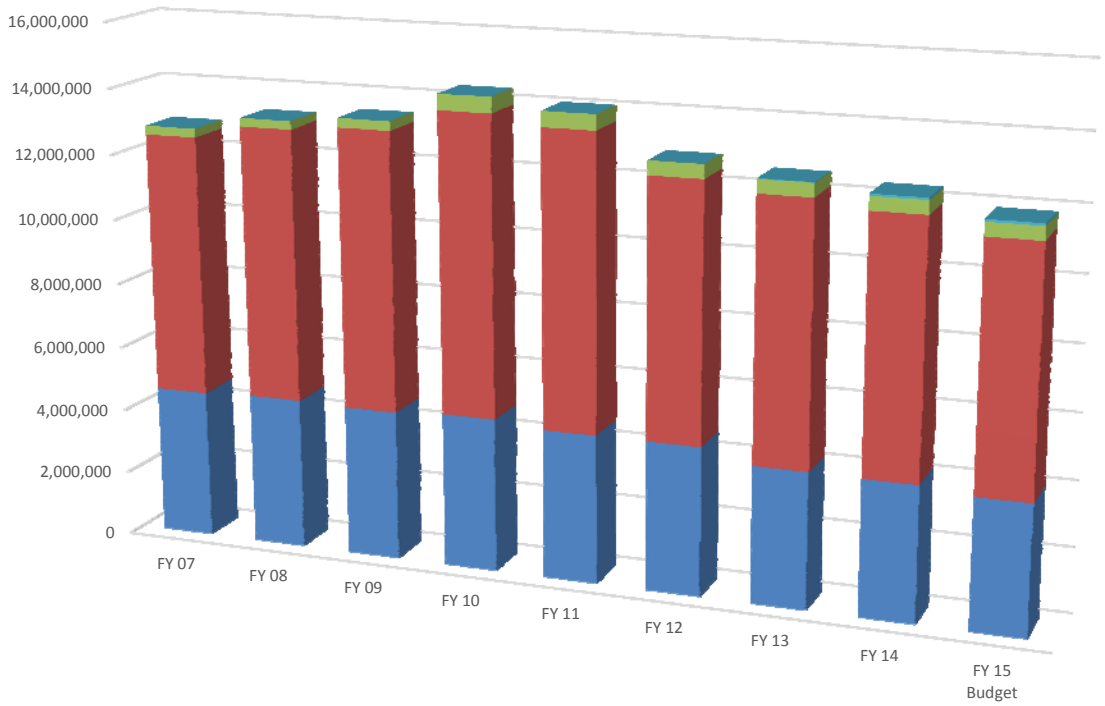


REVENUE BY SOURCE (OPERATING FUNDS)

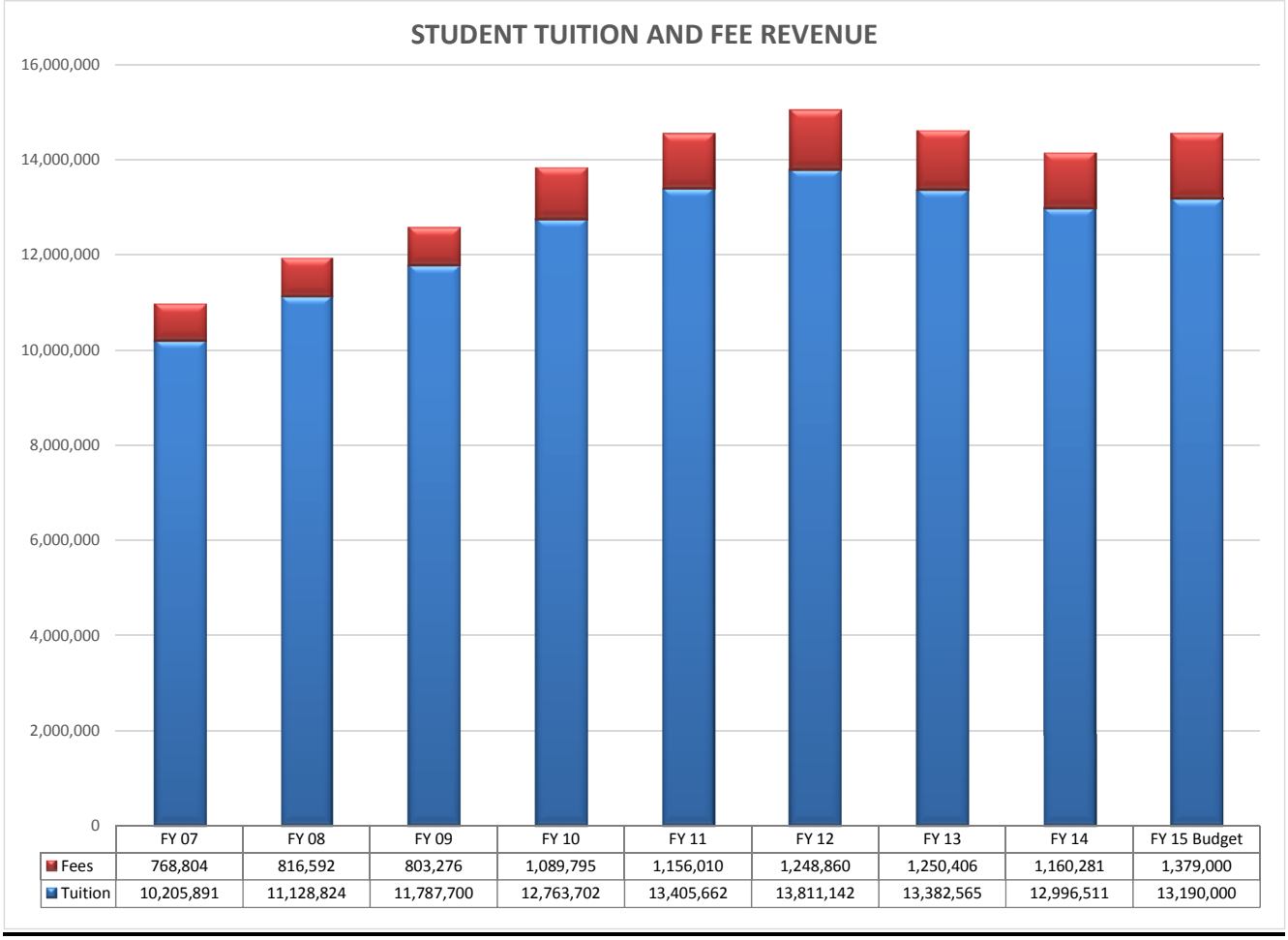
REVENUE SOURCE:	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget
Property Taxes	5,044,754	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,240,000
Corp Pers Prop Repl Tax	676,344	724,054	578,248	507,424	668,441	598,509	617,785	624,701	550,000
Chargeback Revenue	9,899	9,639	7,425	7,979	18,205	17,293	6,832	24,687	10,000
Total Local Revenue	**5,730,997**	**6,167,586**	**6,350,865**	**6,455,265**	**6,721,541**	**6,694,916**	**6,752,032**	**6,904,625**	**6,800,000**
% of Total Revenue	**18.45%**	**19.03%**	**19.07%**	**18.14%**	**18.54%**	**19.09%**	**19.58%**	**20.42%**	**20.20%**
ICCB Base Operating	4,549,796	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,964,233
ICCB Equalization	7,972,764	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,394,685
ICCB Vocational Educ	268,367	260,639	287,755	486,091	471,462	428,343	413,863	410,285	410,000
ICCB Misc Grants	0	0	0	0	0	0	20,176	67,533	74,900
Total State Revenue	**12,790,927**	**13,221,379**	**13,416,723**	**14,317,685**	**14,011,085**	**12,799,473**	**12,511,717**	**12,310,024**	**11,843,818**
% of Total Revenue	**41.17%**	**40.79%**	**40.29%**	**40.24%**	**38.65%**	**36.50%**	**36.29%**	**36.41%**	**35.19%**
Tuition	10,205,891	11,128,824	11,787,700	12,763,702	13,405,662	13,811,142	13,382,565	12,996,511	13,190,000
Fees	768,804	816,592	803,276	1,089,795	1,156,010	1,248,860	1,250,406	1,160,281	1,379,000
Total Tuition & Fees	**10,974,695**	**11,945,416**	**12,590,976**	**13,853,497**	**14,561,672**	**15,060,002**	**14,632,971**	**14,156,792**	**14,569,000**
% of Total Revenue	**35.33%**	**36.85%**	**37.81%**	**38.94%**	**40.17%**	**42.94%**	**42.44%**	**41.88%**	**43.29%**
Sales and Service fees	221,318	250,044	228,343	228,645	250,647	229,544	293,713	174,476	233,000
Facilities Revenue	27,013	23,956	9,900	3,120	1,760	27,872	43,527	15,138	32,000
Investment Revenue	762,897	429,402	104,497	25,210	21,428	30,139	38,724	34,146	33,000
Other Sources	557,828	374,570	595,282	697,037	686,392	228,169	203,951	210,930	144,500
Total Other Revenue	**1,569,056**	**1,077,972**	**938,022**	**954,012**	**960,227**	**515,724**	**579,915**	**434,690**	**442,500**
% of Total Revenue	**5.05%**	**3.33%**	**2.83%**	**2.68%**	**2.64%**	**1.47%**	**1.69%**	**1.29%**	**1.32%**
Total Operating Revenue	**31,065,675**	**32,412,353**	**33,296,586**	**35,580,459**	**36,254,525**	**35,070,115**	**34,476,635**	**33,806,131**	**33,655,318**
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**



	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget
Chargebacks	9,899	9,639	7,425	7,979	18,205	17,293	6,832	24,687	10,000
Corp Pers Prop Repl Tax	676,344	724,054	578,248	507,424	668,441	598,509	617,785	624,701	550,000
Property Taxes	5,044,754	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,240,000



	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget
ICCB Misc Grants	0	0	0	0	0	0	20,176	67,533	74,900
ICCB Vocational Educ	268,367	260,639	287,755	486,091	471,462	428,343	413,863	410,285	410,000
ICCB Equalization	7,972,764	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,394,685
ICCB Base Operating	4,549,796	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,964,233



	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget
Fees	768,804	816,592	803,276	1,089,795	1,156,010	1,248,860	1,250,406	1,160,281	1,379,000
Tuition	10,205,891	11,128,824	11,787,700	12,763,702	13,405,662	13,811,142	13,382,565	12,996,511	13,190,000

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, & TAXES EXTENDED
LEVY YEARS 2011, 2012, & 2013

Assessed Valuation	2013 Levy Payable in 2014	2012 Levy Payable in 2013	2011 Levy Payable in 2012
Franklin County	$77,755,623	$77,500,710	$76,817,046
Jackson County	667,469,780	672,273,769	672,534,952
Perry County	83,815,165	83,641,699	82,191,295
Randolph County	10,198,758	10,416,804	10,071,546
Williamson County	946,400,403	919,939,174	906,001,510
Total	$1,785,639,729	$1,763,772,156	$1,747,616,349
$ Increase	$21,867,573	$16,155,807	
% Increase	1.24%	0.92%	

Tax Rates (Per $100 of Assessed Valuation)	2013 Levy Payable in 2014	2012 Levy Payable in 2013	2011 Levy Payable in 2012
Education	0.30000	0.30000	0.30000
Operations and Maintenance	0.05000	0.05000	0.05000
Bond and Interest	0.07895	0.07633	0.07267
Audit	0.00207	0.00283	0.00285
Liability, Protection, and Settlement	0.08714	0.08092	0.07679
Health, Life, and Safety	0.04507	0.04513	0.04611
Prior Year Adjustment	-	0.00014	-
Total	0.56323	0.55535	0.54842

Taxes Extended	2013 Levy Payable in 2014	2012 Levy Payable in 2013	2011 Levy Payable in 2012
Education	$5,356,919	$5,285,095	$5,241,313
Operations and Maintenance	892,820	881,886	873,808
Bond and Interest	1,411,462	1,346,883	1,272,999
Audit	38,328	50,104	50,028
Liability, Protection, and Settlement	1,557,595	1,427,689	1,344,967
Health, Life, and Safety	805,624	796,123	807,579
Prior Year Adjustment	(1,276)	1,288	-
Total	$10,061,472	$9,789,068	$9,590,694

Tax rates vary by county. Williamson County rates are reflected in the table. Tax extended represents actual extensions from all counties. Therefore, rate times assessed valuation does not compute to taxes extended.

EXPENDITURE ALLOCATION-OPERATING FUNDS

Total budgeted expenditures for FY 2015 are $39,229,210 as compared to $38,028,476. This is an increase of 3.16% or $1,200,734. In operating funds, budgeted expenditures include a provision for contingency funds of $1,140,000. This represents 2.9% of total budgeted operating expenditures. While these funds are available for emergencies and unforeseen budget issues, under standard operations only a minimal portion of these funds are normally expended and close monitoring of these funds is performed by the College Administration.

INSTRUCTION:
As compared to the prior year's budget, Instruction experienced an increase of 6.7% or $848,031. This increase was primarily a result of two factors. The first was a $100,000 of new funds budgeted to comply with the Affordable Care Act and offer health insurance coverage to Term faculty working an average of 30 hours per week. The Affordable Care Act requires calculations to include additional time for duties performed outside the classroom. The second factor was a large increase in requests for instructional equipment totaling $486,766.

The division also received normal increases in other areas of salaries, other fringe benefits, combined with small increases in contractual services, general materials and supplies, and conference and meeting expenses. In the FY 2015 budget, Instruction represents the largest portion of total operating expenditures at $13,509,118 or 34.5%.

ACADEMIC SUPPORT:
The area of Academic Support represents 7.1% of this year's budget or $2,772,173. This is a decrease of 1.6% or ($44,261). The reason for this decrease is primarily a decrease in salaries combined with a slight decrease in requests for contractual services. The College experienced several retirements at the end of FY 2014 and completed some reorganization.

This program area did receive an increase in general materials and supplies. Requests in this area included $47,000 to support existing and provide additional smart rooms.

STUDENT SERVICES:
The area of Student Services represents 8.2% of this year's budget or $3,218,487. This is an increase of 6.4% or $193,252. This area primarily experienced increases in the areas of salaries and benefits.

PUBLIC SERVICES:
The area of Public Services represents 2.8% of this year's budget or $1,094,057. This is an increase of 8.5% or $86,016. This area experienced increases in salaries, benefits, and small increases in other areas of contractual services, supplies, and conference and meeting expenses.

INSTITUTIONAL SUPPORT:
The area of Institutional Support represents 19.1% of this year's budget or $7,506,178. This is a $700,715 or 10.3% increase. This is primarily a result of salary and employee benefit increases along with an increase in contractual services. Employee benefit increases are a result of a change to reflect staff tuition waivers as an employee benefit and relocate them from the program category of "Other, Scholarships, and Waivers" to the Institutional Support area. This restructuring brings staff waivers in line with instructions given in the ICCB Fiscal Management manual.

Some of this increase is also result of the hiring of staff members previously working for departments in the Academic Support area to departments under the category of Institutional support. These reassignments resulted in an increase in salaries and benefits.

- Two staff members from the Assistant to the VP of Instruction accepted positions in the new Dean of Institutional Effectiveness.
- The creation of the Director Diversity and Inclusion.

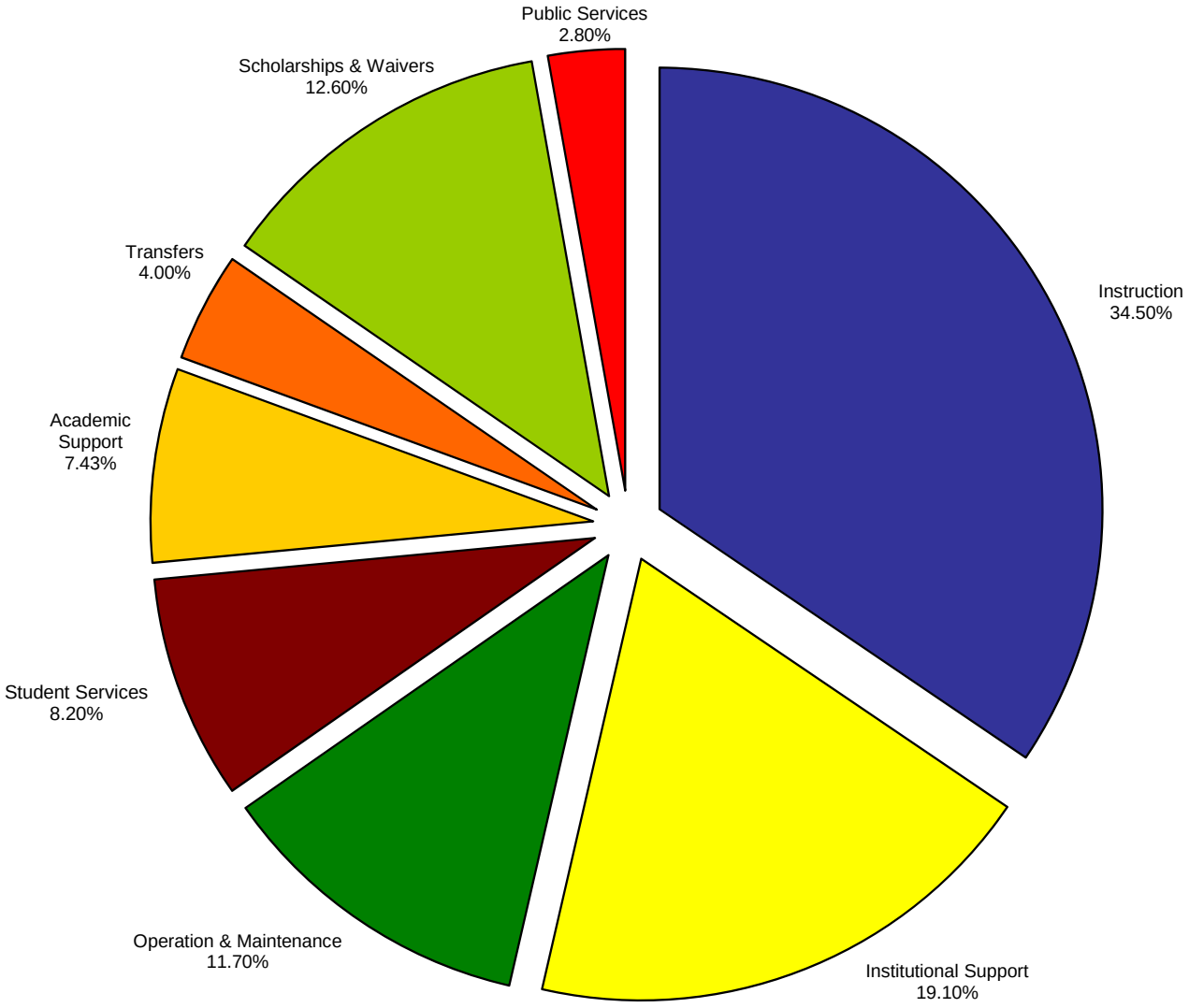
This budget does reflect a planned decrease of $170,000 in the College's provision for general institutional contingency funds for an operating contingency of $1,140,000 consisting of $840,000 in the Education fund and $300,000 in the Operations and Maintenance Fund. This represents 2.9% of operating expenditures

OPERATION AND MAINTENANCE OF PLANT:
The area of Operation and Maintenance represents 11.7% of this year's budget or $4,579,846. This is an increase of 1.70% or $76,689. Budgeting in this area included increases in both salaries and benefits.

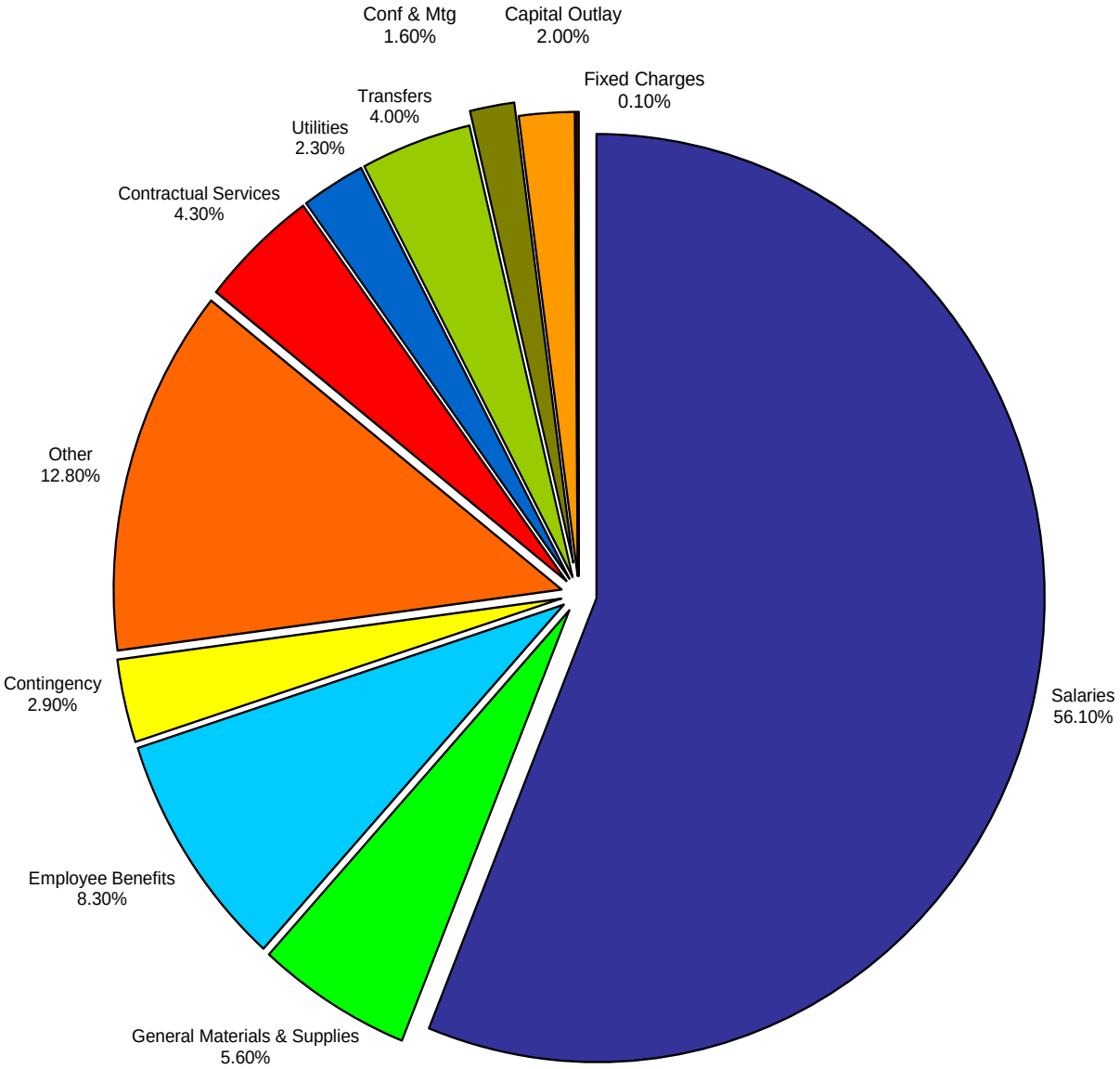
Summary of Fiscal Year 2015 Operating Budgeted Expenditures

BY PROGRAM	Education Fund	Operations and Maintenance Fund	Total Operating Funds	%
Instruction	$13,509,118		$13,509,118	34.5%
Academic Support	2,772,173		2,772,173	7.1%
Student Services	3,218,487		3,218,487	8.2%
Public Service	1,094,057		1,094,057	2.8%
Operation & Maintenance of Plant		$4,579,846	4,579,846	11.7%
Institutional Support	7,506,178		7,506,178	19.1%
Scholarships, Student Grants, Waivers	4,961,500		4,961,500	12.6%
TRANSFERS	1,587,851		1,587,851	4.0%
Total FY 2015 Budgeted Expenditures	**$34,649,364**	**$4,579,846**	**$39,229,210**	**100.0%**
Less Nonoperating Items:				
Tuition Chargeback	$12,000		$12,000	
ADJUSTED EXPENDITURES	**$34,637,364**	**$4,579,846**	**$39,217,210**	
BY OBJECT				
Salaries	$19,713,144	$2,313,064	$22,026,208	56.1%
Employee Benefits	2,958,608	314,657	3,273,265	8.3%
Contractual Services	1,333,492	362,751	1,696,243	4.3%
General Materials & Supplies	1,928,636	277,504	2,206,140	5.6%
Conference & Meeting Expense	600,020	16,100	616,120	1.6%
Fixed Charges	14,827	3,000	17,827	0.1%
Utilities		902,770	902,770	2.3%
Capital Outlay	644,466	90,000	734,466	2.0%
Other	5,028,320		5,028,320	12.8%
Provision for Contingency	840,000	300,000	1,140,000	2.9%
TRANSFERS	1,587,851		1,587,851	4.0%
Total FY 2015 Budgeted Expenditures	**$34,649,364**	**$4,579,846**	**$39,229,210**	**100.0%**
Less Nonoperating Items:				
Tuition Chargeback	$12,000		$12,000	
ADJUSTED EXPENDITURES	**$34,637,364**	**$4,579,846**	**$39,217,210**	

Expenditures by Program
Operating Funds
FY 2015



Expenditures by Object
Operating Funds
FY 2015



EXPENDITURE COMPARISON-OPERATING FUNDS

BY PROGRAM	FY 15 Adopted Budget	FY 14 Adopted Budget	$ Increase (Decrease)	% Increase (Decrease)	% of Total FY14 Budget
INSTRUCTION	$13,509,118	$12,661,087	$ 848,031	6.70%	34.5%
ACADEMIC SUPPORT	2,772,173	2,816,434	(44,261)	(1.57%)	7.1%
STUDENT SERVICES	3,218,487	3,025,235	193,252	6.39%	8.2%
PUBLIC SERVICES	1,094,057	1,008,041	86,016	8.53%	2.8%
OPERATION & MAINTENANCE	4,579,846	4,503,157	76,689	1.70%	11.7%
INSTITUTIONAL SUPPORT	7,506,178	6,809,584	696,594	10.23%	19.1%
SCHOLARSHIPS & WAIVERS	4,961,500	5,102,000	(140,500)	(2.75%)	12.6%
TRANSFERS	1,587,851	2,102,938	(515,087)	(24.49%)	4.0%
TOTALS	**$ 39,229,210**	**$ 38,028,476**	**$ 1,200,734**	**3.16%**	**100.0%**

EXPENDITURES BY OBJECT	FY 15 Adopted Budget	FY 14 Adopted Budget	$ Increase (Decrease)	% Increase (Decrease)	% of Total FY14 Budget
SALARIES	$22,026,208	$21,352,038	$ 674,170	3.16%	56.1%
EMPLOYEE BENEFITS	3,273,265	2,463,331	809,934	32.88%	8.3%
CONTRACTUAL SERVICES	1,696,243	1,573,226	123,017	7.82%	4.3%
MATERIALS & SUPPLIES	2,206,140	2,002,331	203,809	10.18%	5.6%
CONFERENCE & MEETING	616,120	524,550	91,570	17.46%	1.6%
FIXED CHARGES	17,827	77,687	(59,860)	(77.05%)	0.1%
UTILITIES	902,770	910,193	(7,423)	(0.82%)	2.3%
CAPITAL OUTLAY	734,466	506,147	228,319	45.11%	2.0%
OTHER	5,028,320	5,206,035	(177,715)	(3.41%)	12.8%
CONTINGENCY	1,140,000	1,310,000	(170,000)	(12.98%)	2.9%
TRANSFERS	1,587,851	2,102,938	(515,087)	(24.49%)	4.0%
TOTALS	**$ 39,229,210**	**$ 38,028,476**	**$ 1,200,734**	**3.16%**	**100.0%**

LONG-RANGE FINANCIAL PLANS

Mission Statement

We are a diverse learning and teaching community committed to improving individual life and society through high-quality, accessible educational programs and engaged learning opportunities.

BUDGET ALIGNED WITH THE STRATEGIC PLAN

After an eight month effort, the finalized *Five-Year Strategic Plan FY 2014 – 2018* was adopted by the Board in June of 2013. This extensive strategic planning process was necessary, because the College had previously only developed one other strategic plan document called *Logan at 50: A Strategic Plan for 2017 and Beyond*. The former document was much broader in scope. While it contained strategic pillars and goals, it did not contain actionable items with specific timelines for implementation. There was no ownership of defined strategic projects or performance measures. An additional annual *Operational Plan* document had to be used in conjunction with this former document to complete the planning and budgeting process each year.

Now that a more comprehensive strategic plan document containing actionable items is in place, the College started to develop a formal process to align future budgets requests with the new plan. Within the new budget software that was implemented in FY 2015, a feature called “Action Paks” exists. This tool allows you to create a special grouping within a departmental budget and to name and number the grouping as it relates to specific projects or initiatives. This grouping allows for budgeting across multiple account numbers, allows for reporting on strategic projects budgeted, and allows division heads to review costs in relation to the whole project.

For this budget FY 2015 year, Budget Officers were able make direct connections to the new strategic plan document during the development phase of the budget process. The plan document contains sixteen named strategic projects and the owners. Some projects were already underway in FY 2014 such as the purchase of a new ERP and Learning Management System and the overhaul of the College’s website. Others are slated for future budget years. See the section “Five-Year Strategic Plan FY 2014 – 2018” for a complete list of the strategic projects. Also, see the section “Strategic Plan Items Emphasized in Budget” for the items budgeted in FY 2015.

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CAPITAL EXPENDITURES

Community Health Education Complex (CHEC) Building

CAPITAL EXPENDITURES – DEFINED

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 cost of $2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs not adding to the value of the asset or materially extending the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Site Improvements	10 years
Buildings and Improvements	50 years
Equipment	8 years

NON-RECURRING CAPITAL EXPENDITURES

Non-recurring capital expenditures are accounted for in the Operations and Maintenance (Restricted) Fund. This fund is utilized to account for monies restricted for building purposes and site acquisition. Protection, Health, and Safety (PHS) levies are used for various qualifying projects, in which a licensed architect certifies eligibility of use of those funds. John A. Logan College receives funding through the local tax base for PHS projects, which provide for alterations or repairs necessary for health and safety, environmental protection, ADA accessibility, and energy conservation purposes.

Capital investments in the College's facilities are funded through the Restricted Operations and Maintenance Fund (Fund 03). This fund accepts transfers from the general operating fund annually to provide the resources for facility renovation projects, as well as, new construction. In addition, this fund receives bond proceeds, when the College issues bonds for the purpose of constructing facilities, local tax revenue collected to fund Protection, Health, and Safety projects which have been approved by the Illinois Community College Board and the board of trustees, as well as, private donations restricted by the donor for capital improvements. During FY2015, $1,212,260 is budgeted in the Operations and Maintenance (Restricted) Fund for capital projects. Those projects include the following:

BUDGET BREAKDOWN OF OPERATIONS & MAINTENANCE (O & M) RESTRICTED FUND: CAPITAL PROJECTS-FY2015

Community Health Education Complex-2nd Floor	$185,000
Wireless Network Upgrade	$170,000
Interior Renovations	$122,000
Protection Health Safety Projects	$735,260
Total Operations & Maintenance (Restricted)	$1,212,260

IMPACT OF CAPITAL IMPROVEMENTS

The College's Workforce Development training programs and its Construction Management program are housed in this building.

IMPACT ON CURRENT OPERATING BUDGET

Because the College has purchased and renovated two off-campus facilities in the last three years, which was not foreseen at the time of the 2007 bond issue, additional support from the Operations and Maintenance Fund (Restricted) was necessary. This was accomplished through existing balances within that fund. The College has no additional facility purchases planned for FY 2015.

In FY 2014, upon completion of all planned long-term construction projects, renovations, and facility purchases the 2007 bond proceeds were expected to be exhausted. However, there remains some unrecognized bond revenue due to a joint construction project with an area employer, Southern Illinois Healthcare (SIH). The construction funding supplied upfront by SIH was in return for a ten-year lease agreement to occupy the space. This lease revenue is slowly being recognized over the course of the ten-year period. Future capital building projects, other than those funded through the issuance of PHS tax levies are not anticipated within this fiscal year.

Annually, the College spends between $700,000 - $800,000 in protection, health, and safety funds provided through a local tax levy to keep facilities safe, protected, and energy efficient so as to ensure they are available for future generations. This is a central part of the College's ongoing maintenance program and results in a very low deferred maintenance level within the facilities.

The impact on the FY 2015 operating budget as a result of capital projects includes a direct transfer from the Education Fund of $570,000 to finish up capital projects listed above. $170,000 of this transfer is directly related to the first year of the five-year lease with Dell to complete the campus-wide network upgrade. Additional revenue was budgeted in the Education Fund for this network project based on the $5 per credit hour student technology fee.

DEBT

General John Alexander Logan Statue

CURRENT DEBT LEVELS

The College's history of limited bond indebtedness is also a factor contributing to the College's evidence of commitment to supporting and strengthening long-term financial health. In 1999, voters approved a 10 cent increase per $100 assessed valuation to the educational purposes fund to support future educational programs. The College district benefited from an equal amount of bonded indebtedness being paid off at the same time. This increase did not appear as a net tax increase. Later, in February 2007, in order to fund the board of trustee's vision for campus facility expansion, an additional $20,000,000 in debt was issued in the form of tax exempt bonds. The impact on the districts tax levy was approximately 7 cents. The 2015 budget was developed with the intention of refinancing outstanding debt certificates through the issuance of general obligation bonds, which will have the effect of increasing the tax rate by 3 cents per $100 of equalized assessed valuation.

Current debt is $21,130,000 and is comprised of bonds payable of $18,365,000 and debt certificates payable of $2,765,000, which will be converted to general obligation bonds as explained below. Payments for long-term debt in total for fiscal year 2015 are $1,796,637.

LEGAL DEBT LIMITS

Community College District 530 has a legal debt limit of $50,708,449, which is equal to the 2.875% of $1,763,772,156 which is the assessed property valuation in the district. The College has used 42% of its legal debt capacity leaving a legal debt margin of $29,578,449.

There are no present plans to issue additional capital bonds for construction. However, the $2,765,000 in debt certificates will be refinanced as general obligation bonds. This will not result in a material change in total debt, just a change in the structure of the debt moving the source of payment for the obligation from the general operating funds to the bond and interest fund. The purpose of the original debt issuance was the investment in a new administrative software system and engagement of a partner to assist with implementation services.

Cash flow related to the portion of the College revenues from the state has remained fairly constant since 2012, which is about a four month lag. This results in a cash shortage of approximately $3.2 million in the operating funds. Working cash fund inadequacy will need to be continually evaluated and will have to be addressed if cash flow were to deteriorate further.

IMPACT ON OPERATIONS

The large amount of debt margin available to the College has the potential of providing needed cash flow relief if economic conditions in Illinois were to return to the slow payment experienced in 2008 – 2011. Significant debt margin exists to aid the College to address any unforeseen problem.

PERSONNEL INFORMATION

College Professor, Jason Tanner, PhD., receives the Teacher of the Year award from the Southern Illinois Business Education Association

Institutional Position Count By Employee Group

Employee Group (Full-Time):	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Campus Safety	8	8	8	7	8	7
Faculty	106	102	98	95	96	98
Non-Teaching Professional	95	96	95	93	99	100
Non-Teaching Professional-Grant	32	32	31	33	33	28
Operational (Clerical)	78	74	80	78	80	78
Operational-Grant	9	9	8	7	7	7
Custodial/Maintenance/Grounds	36	33	32	33	34	34
Subtotal-Full-Time	364	354	352	346	357	352

Employee Group (Part-Time):	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Campus Safety	14	12	8	10	12	12
ABE/GED/ASE Instructors	13	14	13	13	15	15
Non-Teaching Professional-Grant	7	6	8	4	5	5
Operational-Grant	1	1	1	1	1	1
Student Workers	125	107	98	99	104	111
Non-Teaching Professional	10	9	9	9	14	19
Term Faculty (Adjunct)	183	167	172	162	173	157
Trainers	9	6	12	7	10	11
Continuing Education Instructors	66	61	62	62	65	55
Operational (Clerical)	11	10	9	11	11	7
Custodial	0	0	4	5	5	5
Subtotal-Part-Time	439	393	396	383	415	398
John A. Logan Employees	803	747	748	729	772	750

Full-Time Faculty Position Counts								
Instructional Dept.	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**	**FY15**	**Net Change**	**Comments**
Social Science	10.00	10.00	10.00	10.00	10.00	10.00		
Life Science	8.80	8.80	8.80	7.80	8.80	8.80		
Physical Science	6.50	6.50	6.50	6.50	6.00	6.00	(0.50)	Retirement
Humanities	8.70	8.70	6.70	6.70	7.70	6.70	(2.00)	Retirement / On Leave
Theatre	0.30	0.30	0.30	0.30	0.30	0.30		
English	11.00	10.00	9.00	8.00	8.00	8.00	(3.00)	Retirements
Math	7.50	6.50	7.50	7.50	7.00	7.00	(0.50)	Retirement
Business	9.00	9.00	9.00	8.00	7.00	7.00	(2.00)	Retirements
Data Processing	4.00	4.00	4.00	4.00	3.00	3.00	(1.00)	Retirement
Automotive	2.00	2.00	2.00	2.00	2.00	2.00		
Auto Body	1.00	1.00	1.00	1.00	1.00	1.00		
Drafting	0.50	0.50	0.50	0.50	0.50	0.50		
Machinist	0.50	0.50	0.00	0.00	0.00	0.00	(0.50)	Program Eliminated
Welding	1.00	1.00	1.00	1.00	1.00	1.00		
Electronics	2.00	2.00	1.00	1.00	1.00	2.00		Retirement / New Position
Emergency Medical Services	0.00	0.00	0.00	0.00	1.00	1.00	1.00	New Position
Heating & Air Cond	1.00	1.00	1.00	1.00	1.00	1.00		
Certified Medical Assisting	0.00	0.00	0.00	0.00	1.00	1.00	1.00	New Position
Computer Integrated Mfg.	0.50	0.50	0.50	0.50	0.50	0.50		
Tool & Die	0.50	0.50	0.00	0.00	0.00	0.00	(0.50)	Program Eliminated
Construction Management	3.00	2.00	2.00	2.00	2.00	2.00	(1.00)	Position Eliminated
Associate Degree Nursing	4.00	3.00	3.00	3.00	4.00	4.00		
Child Care	1.00	1.00	1.00	1.00	1.00	1.00		
Cosmetology	3.00	3.00	3.00	3.00	3.00	3.00		
Nursing Assistant	2.00	2.00	2.00	2.00	1.00	1.00	(1.00)	Department Transfer
Practical Nursing	6.00	6.00	6.00	6.00	6.00	6.00		
Dental Assisting	2.00	2.00	2.00	2.00	2.50	2.50	0.50	New Position
Dental Hygiene	4.00	4.00	4.00	4.00	3.50	4.50	0.50	Vacancy, New Position
Sonography	1.00	1.00	1.00	1.00	1.00	1.00		
Massage Therapy	1.00	1.00	1.00	1.00	1.00	1.00		
Interpreter Prep Training	2.00	2.00	2.00	2.00	2.00	2.00		
Criminal Justice	1.00	1.00	1.00	1.00	1.00	2.00	1.00	New Position
International Education	0.20	0.20	0.20	0.20	0.20	0.20		
Library	1.00	1.00	1.00	1.00	1.00	1.00		
Total	**106**	**102**	**98**	**95**	**96**	**98**	**(8.00)**	**Change FY10 to FY15**

CHANGES IN STAFF LEVELS

Full-Time Faculty positions have been reduced either through attrition or an actual elimination of some low enrollment programs. Adjunct Faculty members are being utilized as needed, but overall there has been a significant decrease in the actual number of part-time faculty members as compared to earlier years. This trend is in line with enrollment declines and a corresponding decline in the average number of credit hours taken per student. See the Supplemental Material section at the end of the document for enrollment data trends from fall 09 through fall of 2014.

Through attrition, the total number of full-time Custodial positions have been slightly reduced and partially replaced with the addition of newly created part-time positions. The number of Student Worker positions have decreased from earlier years due to both a reduction in available Federal College Work-study funds and cost saving measures related to institutional dollars. There was also a reduction in the number of allowable weekly work hours designed to provide a savings in institutional supported student wages.

ORGANIZATIONAL UNITS / DIVISIONS

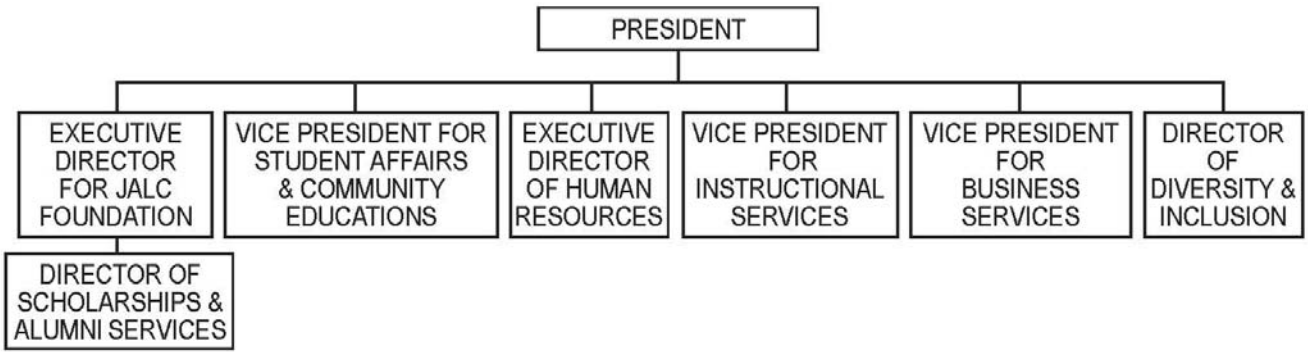
Dr. Dreith, College President, takes a moment to talk to students between classes.

FUNCTIONS – PRESIDENT'S DIVISION

The President serves as the College's chief executive officer and reports directly to the Board of Trustees. Three divisional vice-presidents report directly to the president. The President is responsible for the total operation of the College, including the recommendation of policies, and for the administration of the College according to the established purposes and policies. The College foundation and College development are also lodged in the Office of the President.

- **Human Resources Office** - Responsible for posting positions and accepting job applications. In addition, the department oversees hiring committees and placing hiring items on the board agenda. They also perform background checks, coordinate new hire paperwork, complete employment verifications, and review FMLA requests.
- **Diversity and Inclusion -** Responsible for developing an ethnically, racially and culturally diverse composition of students and faculty and for providing a variety of learning opportunities related to success in a global environment.
- **JALC Foundation** - A 501(c)(3) not for profit corporation that provides financial support to the educational programs and services at John A. Logan College; to assist in increasing and enhancing the physical and cultural environment of the College; to broaden the educational opportunities and services for its students, alumni, and citizens of the District; and to provide funds to implement scholarships and various awards.

PRESIDENT'S DIVISION ORGANIZATIONAL CHART



FUNCTIONS - INSTRUCTIONAL DIVISION

The Vice-President for Instructional Services oversees the administration of all aspects of the College's Baccalaureate Transfer and Career programs as well as the Library and Media Services.

In addition to its primary teaching departments, the Instructional division includes other departments responsible for providing instructional support. Critical functions of the Office of the Vice-President and these other instructional departments include the following:

Curriculum Development - John A. Logan College will strive to make sure the curriculum reflects the educational purposes of this institution. Therefore, curriculum development necessitates the implementation of a comprehensive community college program and an open-door admissions policy, as well as recognition of the community. Curriculum development is a continuous, ongoing process of careful planning, implementation, and evaluation. Teaching faculty and staff of the College will work closely in this respect while functioning through the Curriculum and Instruction Committee.

Articulation - For those students who aspire to earn the baccalaureate transfer degree, an awareness of curricular requirements of senior institutions of higher learning is essential. Liaison and coordination with four-year colleges and universities is the responsibility of the vice-president for Instructional Services. In addition, a dedicated articulation specialist provides assurance that courses and transfer degree programs meet articulation requirements with transfer universities and the Illinois Articulation Initiative. These articulation requirements are communicated to all faculty through curriculum guides and the College *Catalog.*

Faculty Affairs - The responsibility for procuring and retaining well-qualified and dedicated community college faculty is initiated by the Office of the Vice-President for Instructional Services. This responsibility encompasses recruitment, evaluation, retention, advancement, assignment and development and will involve the recommendations of the deans. Since the primary role of the instructor is to teach, every effort will be made to provide the best possible instruction. Just as curriculum must mirror the purposes of the College, so, too, must instructors and instruction emphasize the educational role of our College.

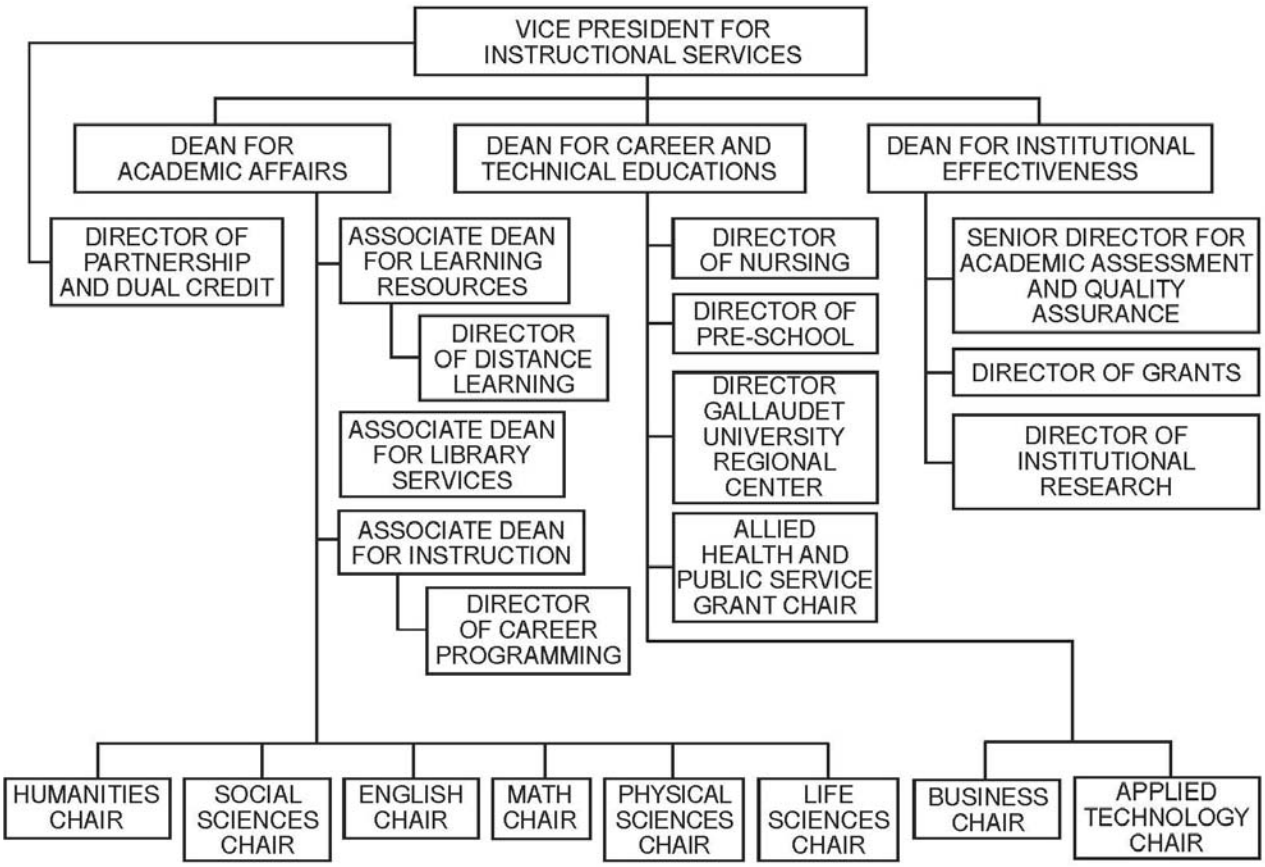
Office of Institutional Research - Responsible for compiling College reports, surveying constituent groups and developing analysis reports. Institutional research is an important part of the strategic planning process, accreditation, and state reporting to the Illinois Community College Board.

Office of Grant Development - Responsible for seeking out grant contracts that are in line with the needs of an Higher Education institution and assisting departments through the application process.

Budgeting - Adequate financial support of instruction results from planning. Department Chairs will participate in budget formulation by recommending expenditures for the forthcoming fiscal year. All requisitions for academic affairs are subject to approval by the vice-president for instruction.

Publication of the College Catalog - The Office of the Vice-President for Instructional Services and the Office of the Vice-President for Administration are responsible for providing leadership in publishing the College *Catalog*, with input from the Catalog/Homepage Committee.

INSTRUCTIONAL SERVICES DIVISION ORGANIZATIONAL CHART



FUNCTIONS – STUDENT AFFAIRS AND COMMUNITY EDUCATION DIVISION

The Office of the Vice-President for Student Affairs and Community Education serves to support the administrative services component of the College. This includes the entire student services function, Student Activities, Athletics, Career Services, College Relations, Continuing Education, Adult Basic/Secondary Education, and Workforce Development. This office is responsible for the following:

- Institutional planning
- In-service staff development for operational (clerical) staff
- Preparation and management of budget for the Student Affairs & Community Ed Division
- The student services function of the College (admissions, registration, advisement, records)
- Student life and activities functions outside of direct instructional activities (student activities, placement, veterans affairs, financial aid, athletics, and the student success center)
- Referring students with counseling needs to proper resources
- Workforce development and community education (continuing education; extension centers, Adult Secondary Education; GED, literacy, Adult Basic Education, and Corporate Education**)**
- Administration and supervision of the College relations office
- Assuming of duties, authority, and responsibilities of the president in his absence

Career Development Center - The center assists students in clarifying goals and objectives that are related to their work values, abilities, needs, and interests.

Career Services - This office provides placement services that are available to assist all students, graduates, and alumni in securing employment in positions directly related to their academic areas.

Transfer Center - Serves as the focus for transfer activities to encourage, guide, and inform students about transfer opportunities and the process of transferring from a community college to baccalaureate-degree-granting institution.

Student Success Center - The Success Center is jointly funded by John A. Logan College and a United States Department of Education TRiO grant. The Student Success Center maintains tutoring services for various subjects.

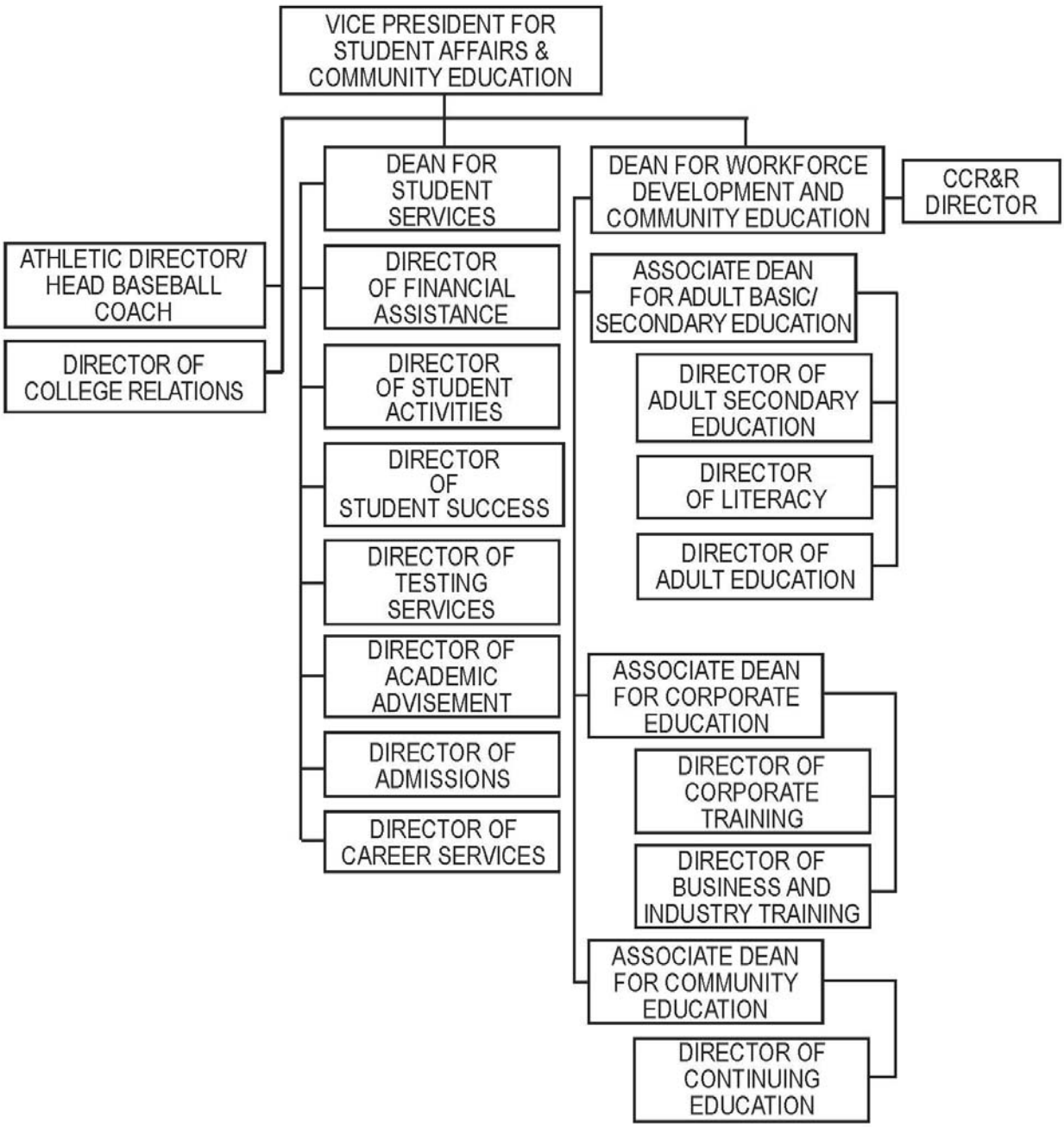
Adult Education - Provides GED classes at the College and in various communities for adults who were unable to complete their formal high school studies.

Adult Secondary Education (ASE) Program - Coordinated effort involving John A. Logan College, the high schools in the John A. Logan College district, and the Regional Superintendents of Schools. The program is offered to students who have dropped out of school or who are at risk of school failure in their regular school environment.

Literacy Program - Staffed with trained volunteers to assist adults with reading skills.

Office of Student Activities - Coordinates campus clubs and organizations, the performing arts series, special events, museum exhibits, and events with area K-12 school districts.

Student Affairs & Community Education Division Organizational Chart



FUNCTIONS – BUSINESS SERVICES DIVISION

The Vice-President for Business Services and College Facilities is responsible for all business and financial operations of the College, Information Technology, Word Processing, Campus Safety, Buildings and Grounds, and the College's operations that are under contract, such as food services and the bookstore.

The Office serves as a support function of the College:

- Accounting / Business Office
- Payroll and fringe benefits
- Collection of tuition and fees
- Preparation of financial reports
- Budget planning and preparation
- Purchasing
- Collective bargaining
- Risk management
- Data processing
- Word Processing Center
- Scheduling Office
- Investment of College funds
- College operations that are under contractual agreement
- Operation, cleaning, and maintenance of College buildings and grounds
- Campus security, building keys, and inventory control
- Coordination of construction projects, financing arrangements, contracts

Business / Bursar's Office - Provides accounting, budgeting, cashiering, billing and receivable management, accounts payable, payroll, internal controls, cash management and investments, external compliance, and financial reporting.

Maintenance - Responsible for maintaining the College's physical plant and grounds, providing a safe and secure environment, energy conservation, receiving duties.

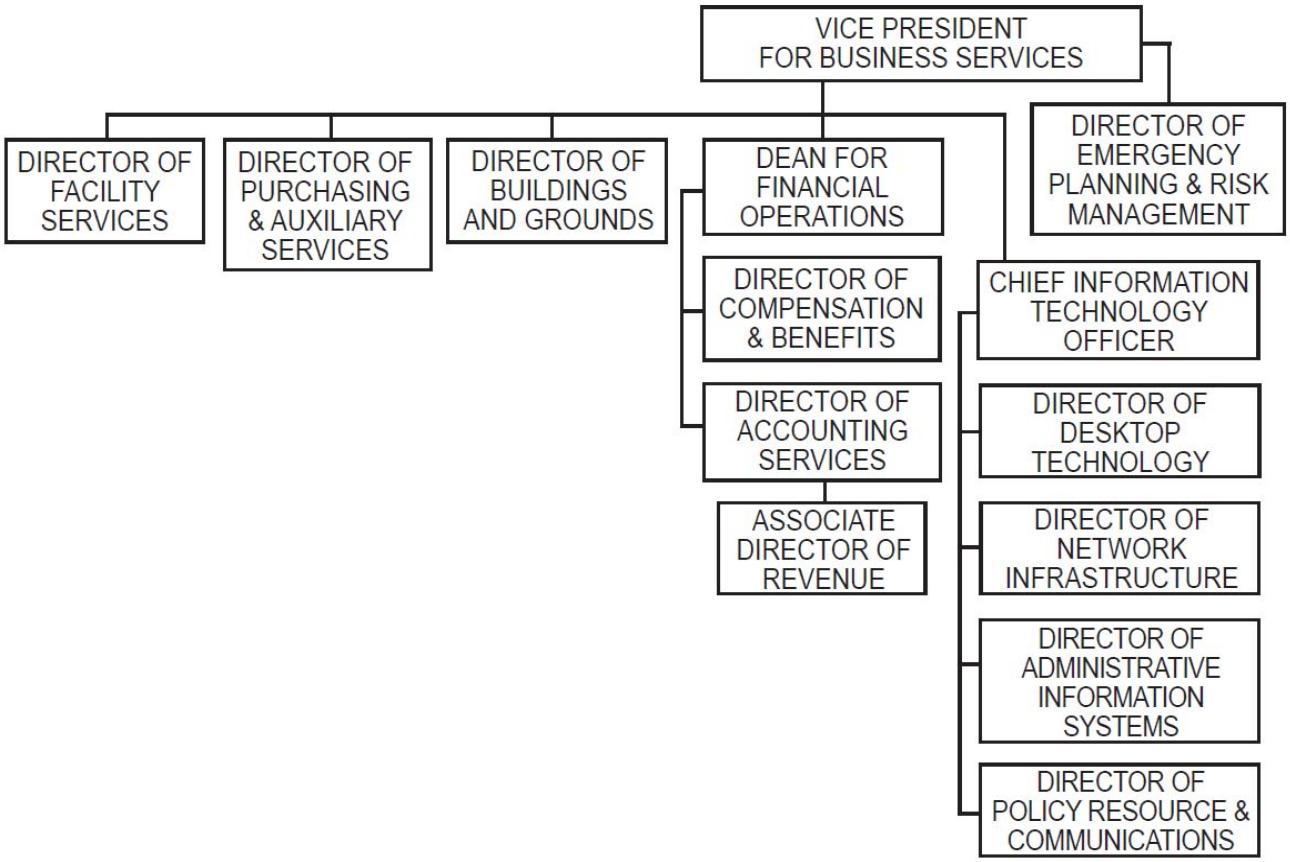
Information Technology - Responsible for management of the College's phone services, computer networks, computer program development, software support, email services, system security, and performs maintenance on and replacement of College computers.

Risk Management - Responsible for management of Campus Safety personnel, security of students and staff, risk management, and compliance reporting.

Scheduling – This office is responsible for all classroom scheduling and facilities scheduling of the conference center and other meeting rooms for both internal staff and external organizations to schedule conferences, seminars and banquets.

Auxiliary Services – Oversees Word Processing, Copy Center, Supply Room, and oversight of the College's bookstore & vending operations which are performed by outside vendors.

Business Services Division Organizational Chart



PERFORMANCE MEASURES

Nursing graduates participate in the lighting of the candles at a pinning ceremony.

INSTITUTIONAL ACCOMPLISHMENTS- EXPECTED DURING FY 2015

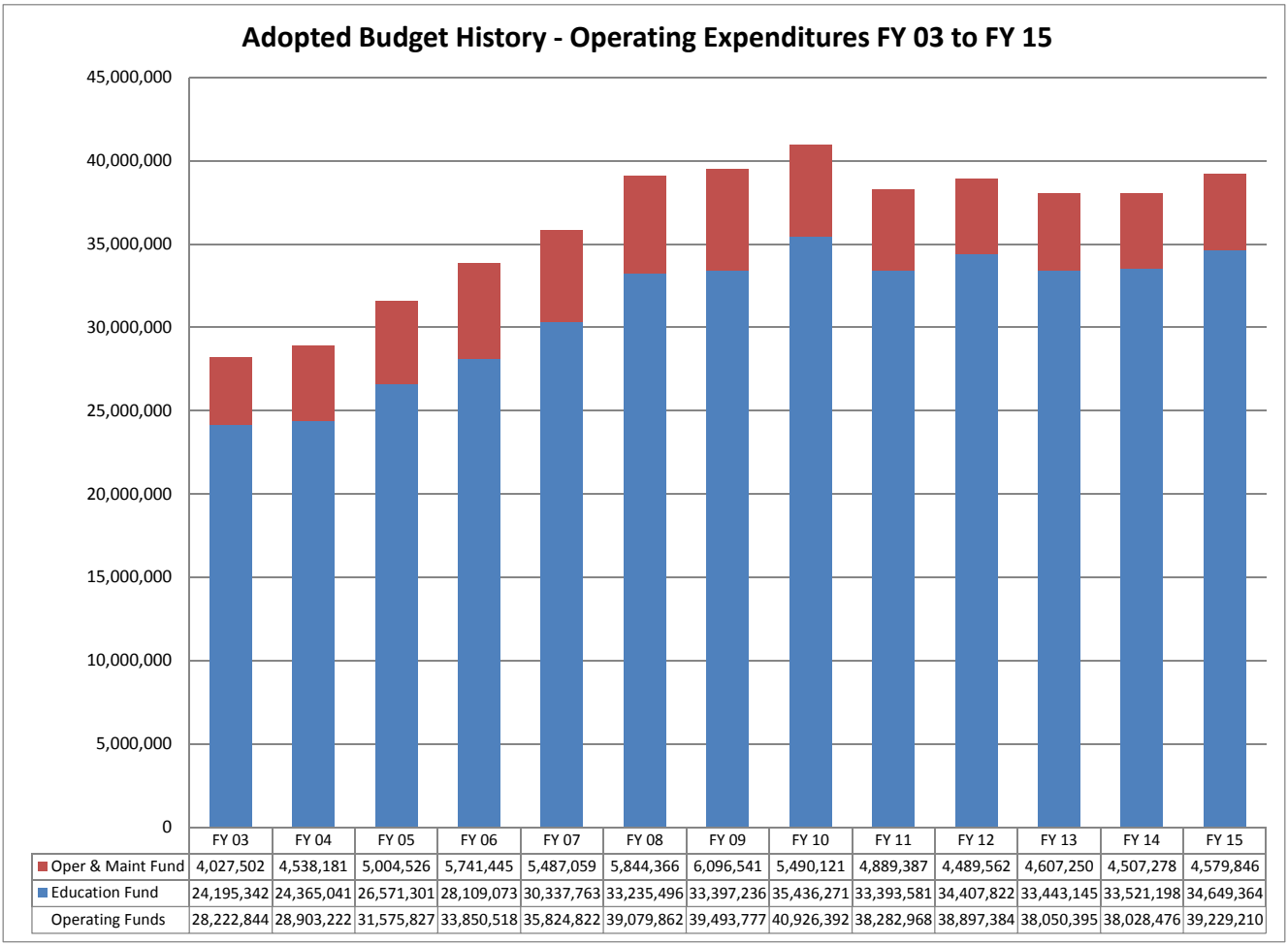
- Student Senate support for a new Technology Fee of $5 per credit hour to be used for a lease agreement with Dell to perform a major Network Modernization Project.
- Receipt of Emergency Management Grant in the amount of $181,000 to assist in purchase and installation of 175 digital security cameras.
- Standard & Poor's rating of AA-/Stable rating on General Obligation bond issuance to refinance debt certificates.
- Completion of a Title IV Athletics Study and development of a plan approved by the board to accomplish the following:
    - Commitment to completely equalize spending on athletics by gender by 2017.
    - Global maximum spending threshold on athletics as expressed as a maximum of 3.5% of total college operating fund expenditures.
    - Commitment that future athletic spending reductions will be applied equally by gender.
- Completion of additional classrooms on the second floor of the Community Health Education Complex (CHEC).
- Full implementation of the Finance Module of the Jenzabar ERP system.
- Initial implementation of the Student Registration and A/R Manager Modules of the Jenzabar ERP system.
- Completion of multiple business process reviews in the operational support areas of the college. Reviews will be performed in conjunction with ERP implementation.
- Continued progress towards multiple strategic projects contained in a five-year plan.

SUPPLEMENTAL MATERIAL

Accredited – Higher Learning Commission;
Member – North Central Association

Adopted Budget History
Operating Fund Expenditures
FY 00 - FY 15

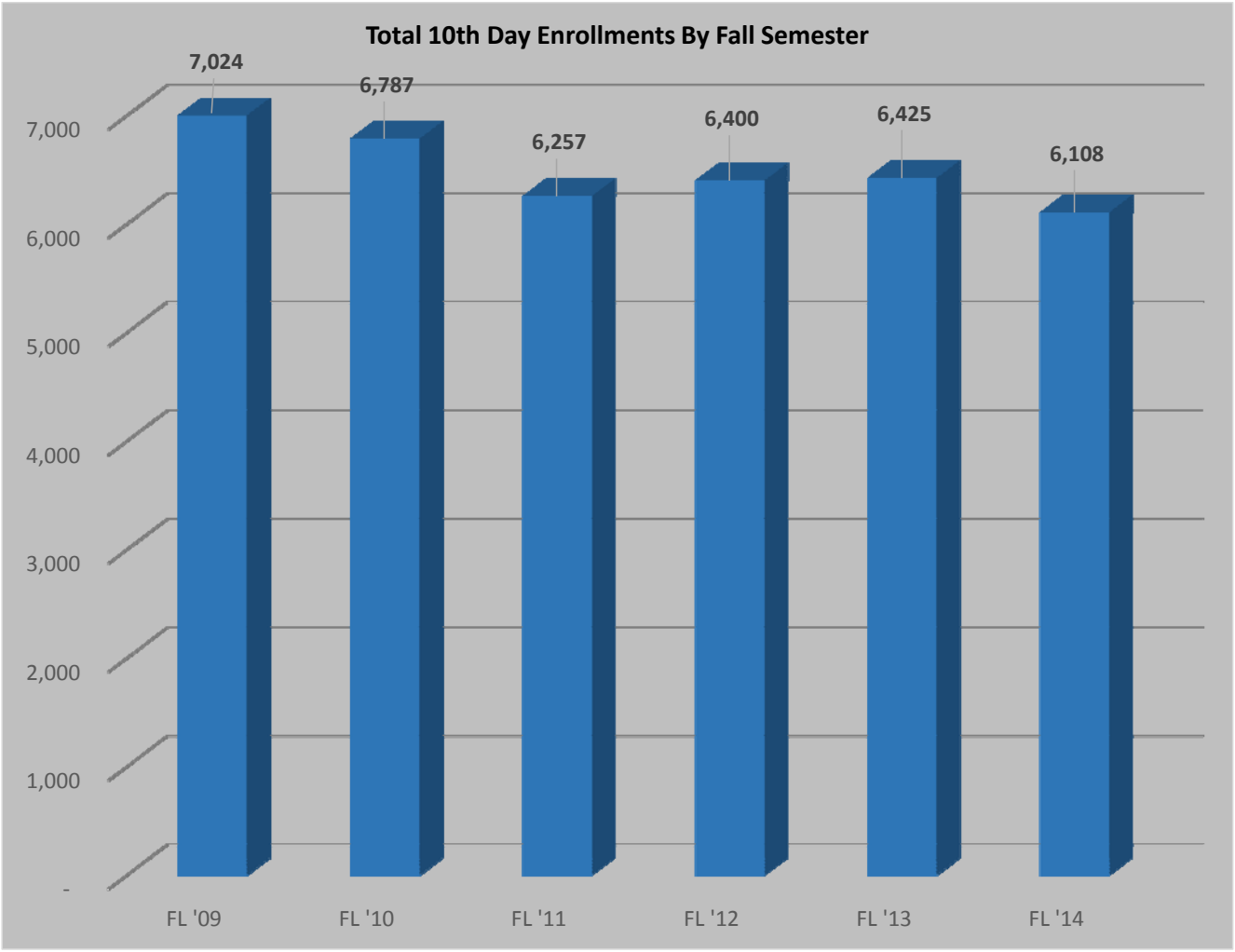
FISCAL YEAR	Education	Operations & Maintenance	Total Amount	Increase (Decrease) From Prior Year
FY 00	19,046,734	2,737,552	21,784,286	
FY 01	20,297,130	3,672,809	23,969,939	10.03%
FY 02	21,918,087	3,600,289	25,518,376	6.46%
FY 03	24,195,342	4,027,502	28,222,844	10.60%
FY 04	24,365,041	4,538,181	28,903,222	2.41%
FY 05	26,571,301	5,004,526	31,575,827	9.25%
FY 06	28,109,073	5,741,445	33,850,518	7.20%
FY 07	30,337,763	5,487,059	35,824,822	5.83%
FY 08	33,235,496	5,844,366	39,079,862	9.09%
FY 09	33,397,236	6,096,541	39,493,777	1.06%
FY 10	35,436,271	5,490,121	40,926,392	3.63%
FY 11	33,393,581	4,889,387	38,282,968	(6.46%)
FY 12	34,407,822	4,489,562	38,897,384	1.60%
FY 13	33,443,145	4,607,250	38,050,395	(2.18%)
FY 14	33,521,198	4,507,278	38,028,476	(0.06%)
FY 15	34,649,364	4,579,846	39,229,210	3.16%



	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Oper & Maint Fund	4,027,502	4,538,181	5,004,526	5,741,445	5,487,059	5,844,366	6,096,541	5,490,121	4,889,387	4,489,562	4,607,250	4,507,278	4,579,846
Education Fund	24,195,342	24,365,041	26,571,301	28,109,073	30,337,763	33,235,496	33,397,236	35,436,271	33,393,581	34,407,822	33,443,145	33,521,198	34,649,364
Operating Funds	28,222,844	28,903,222	31,575,827	33,850,518	35,824,822	39,079,862	39,493,777	40,926,392	38,282,968	38,897,384	38,050,395	38,028,476	39,229,210

ENROLLMENT STATISTICS / DEMOGRAPHICS

John A. Logan College enrolled 6,108 students in baccalaureate-transfer and career education programs fall semester, 2014 with 56.7% of those students being female and the average age being just under 35 years old. For the same semester, approximately 6,000 continuing education students were enrolled in credit and non-credit classes. In addition, the Center for Business and Industry trained over 18,000 (duplicated count) persons during FY 14. Full-Time Equivalency (FTE) was 3,161 for fall 2014. Students from over 400 high schools in Illinois, 40 states and over 30 countries currently enroll at the College.

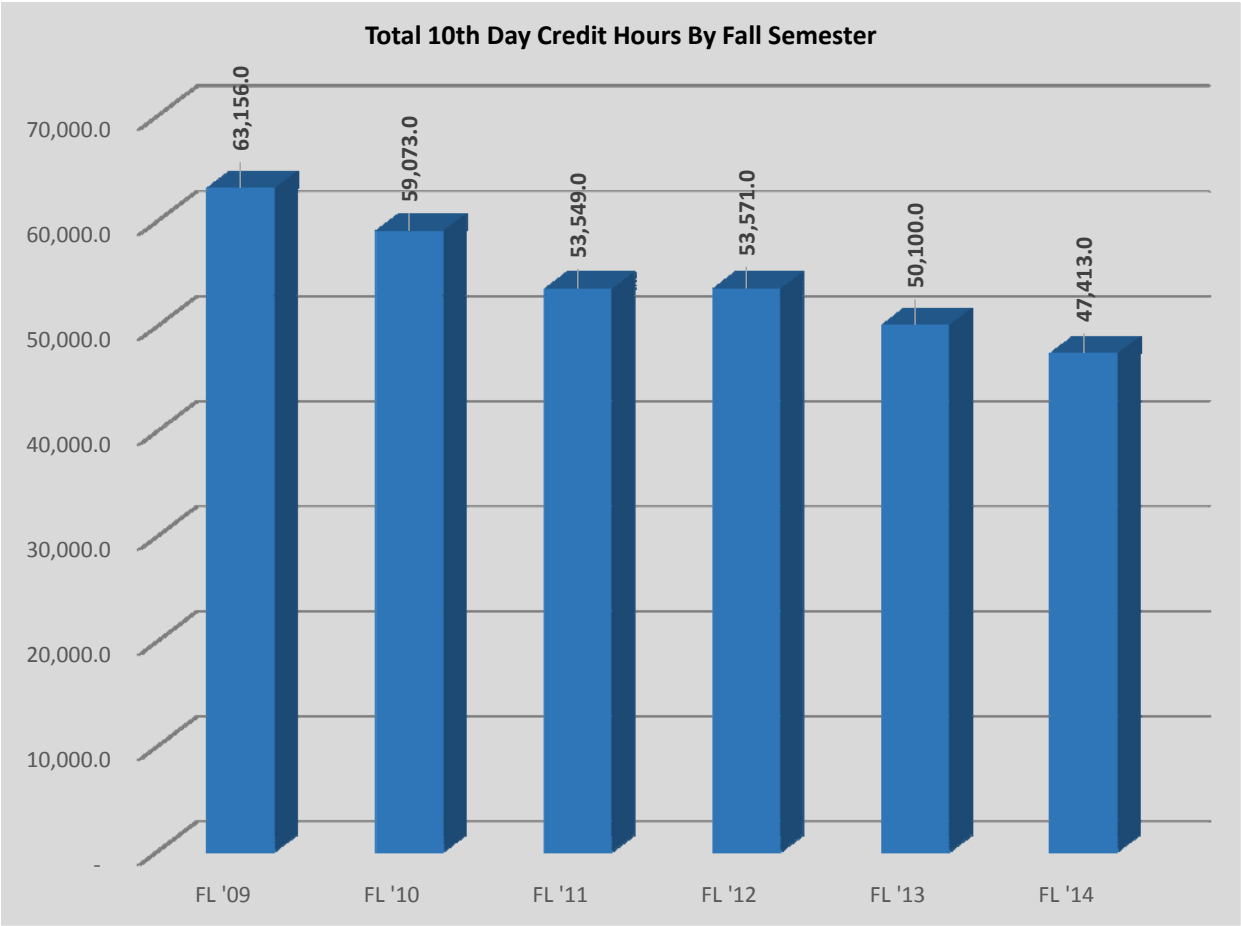


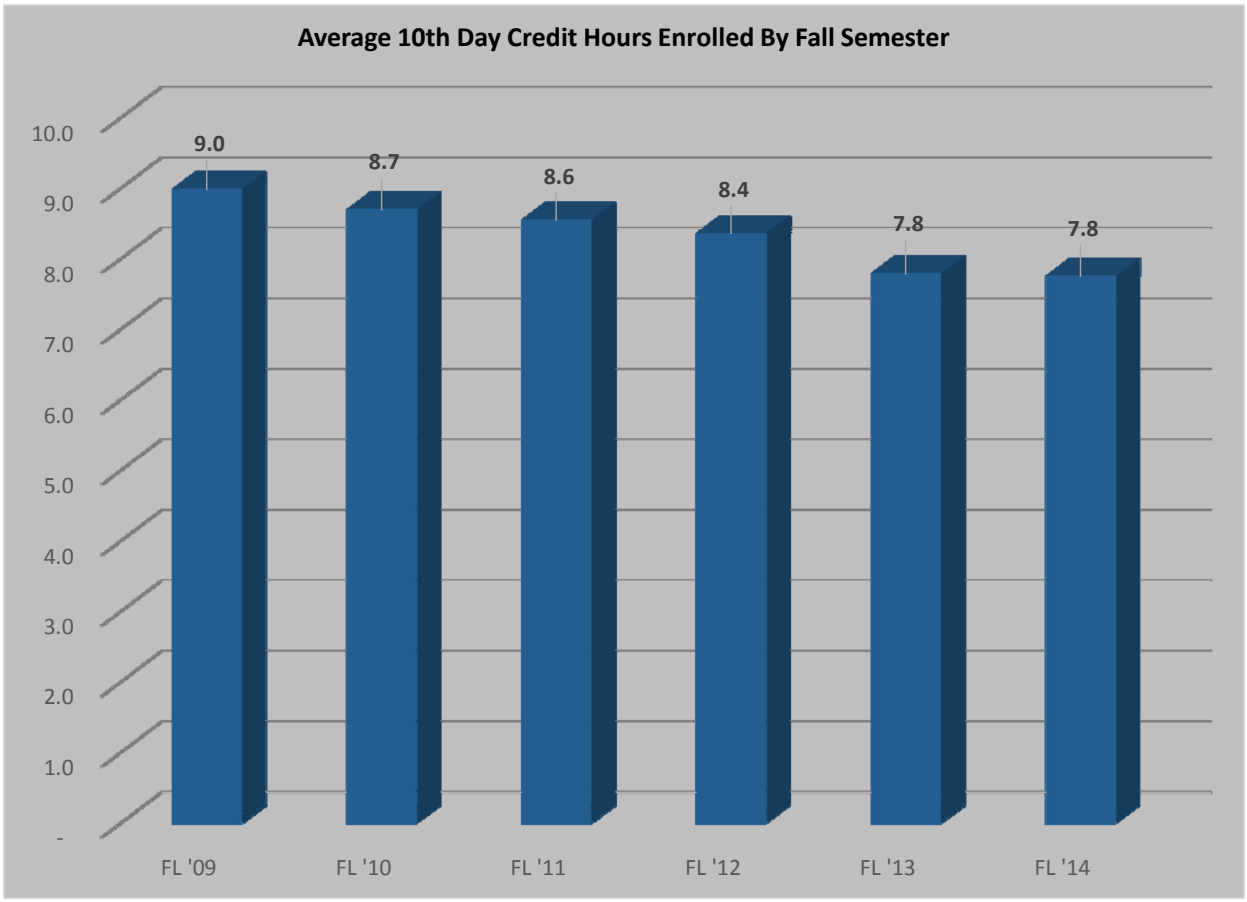
Student Age, Ethnicity, and Gender Information
Fall 10th Day Enrollments - FL 09 to FL 14

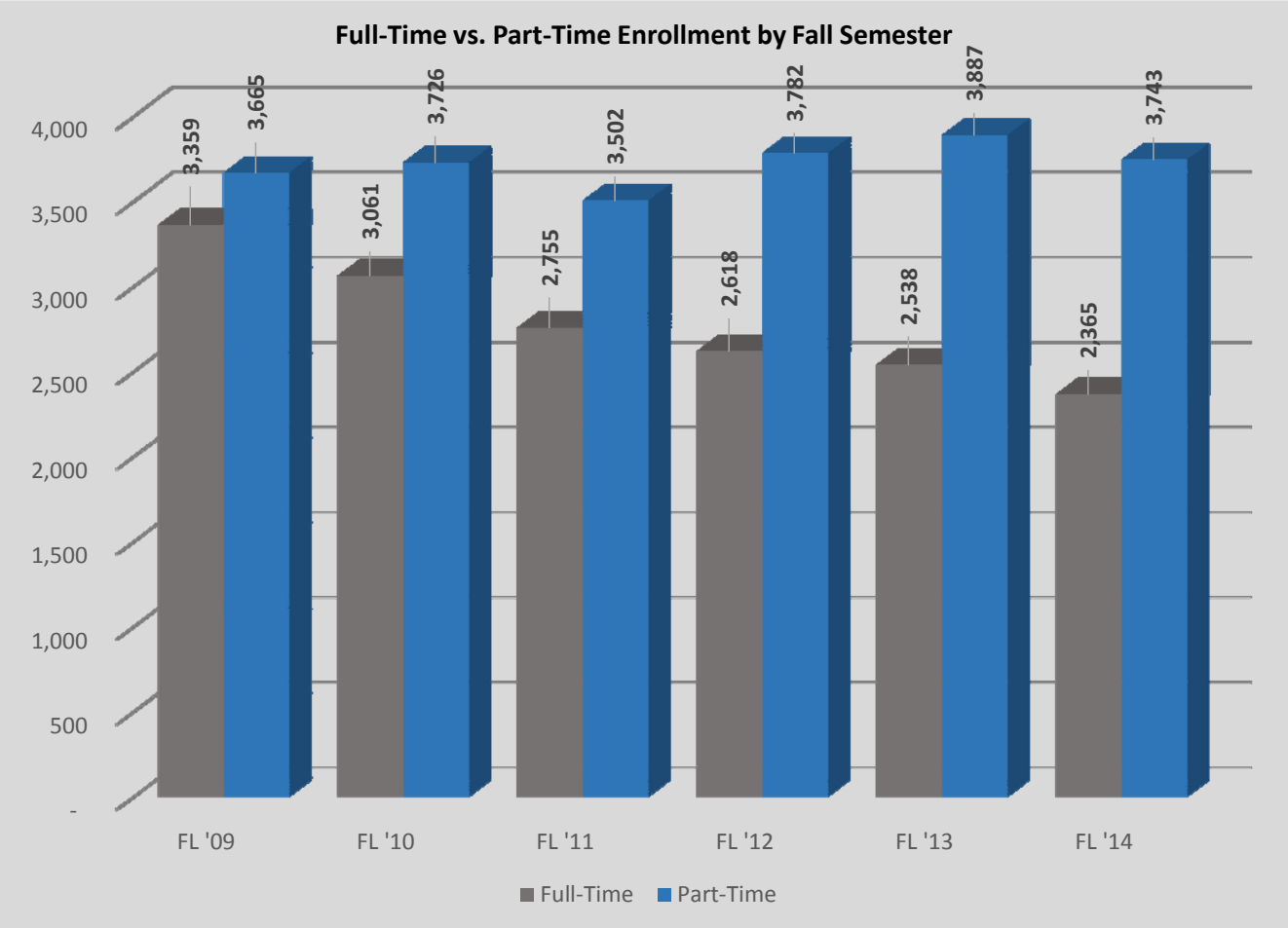
Age Information	FL 09	FL 10	FL 11	FL 12	FL 13	FL 14
17 & under	324	333	336	340	464	437
18-20	2,044	1,896	1,709	1,739	1,609	1,685
21-25	1,494	1,437	1,307	1,297	1,343	1,157
26-30	615	559	591	503	505	458
31-40	650	603	499	519	512	476
41-50	452	411	346	370	370	337
51-60	388	374	344	358	355	318
61-70	645	708	700	758	699	706
71-80	342	377	341	412	462	447
81-90	66	84	76	100	102	82
91 & over	4	5	8	4	4	5
Total	**7,024**	**6,787**	**6,257**	**6,400**	**6,425**	**6,108**
Average age	33.1	34.0	34.1	35.1	34.9	34.9
Under 21	2,368	2,229	2,015	2,079	2,073	2,122
Age 17-22	3,020	2,838	2,604	2,612	2,525	2,475
25 and over	3,331	3,283	3,067	3,186	3,157	2,990
60 and over	1,107	1,225	1,174	1,324	1,317	1,287

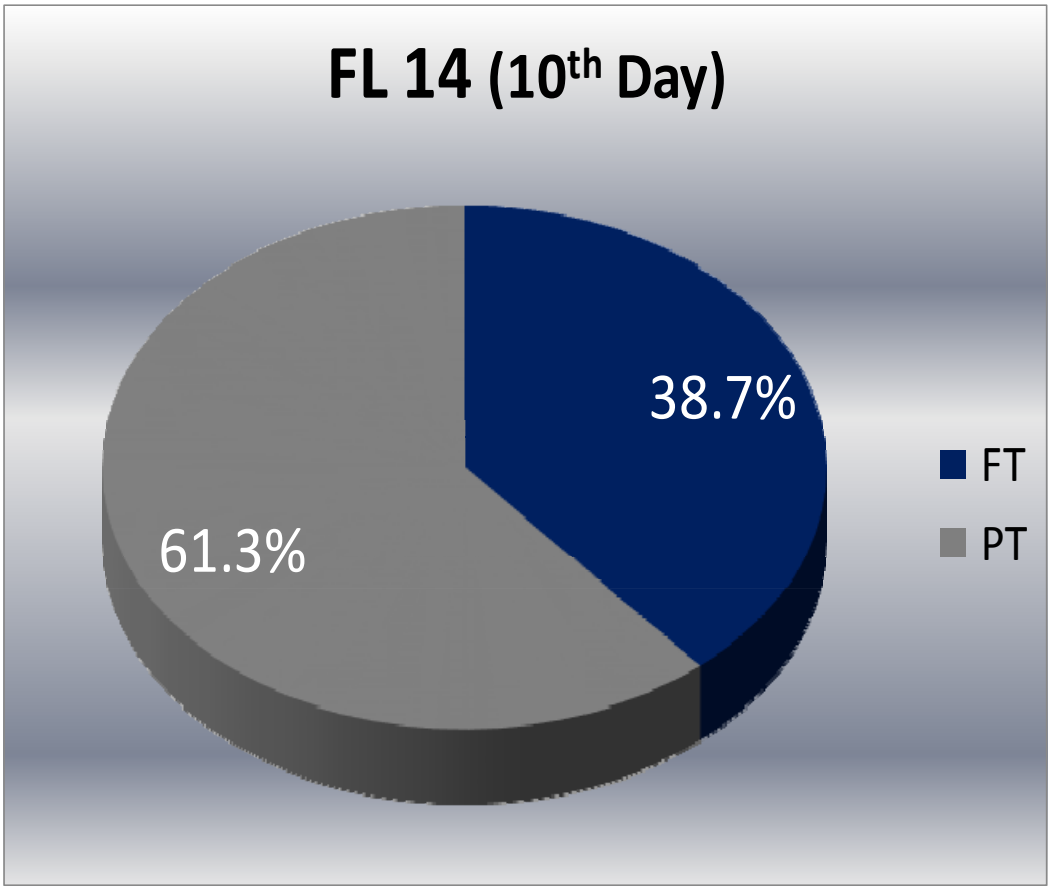
Ethnicity	FL 09	FL 10	FL 11	FL 12	FL 13	FL 14
American Indian or Alaskan Native	30	32	30	30	20	20
Asian	99	77	74	74	77	67
Black or African American	551	522	467	518	526	543
Hispanics of any race	105	108	112	104	101	136
Native Hawaiian or Other Pacific Islander	0	0	0	0	21	24
White	6,197	6,047	5,433	5,401	5,282	4,842
Non-Resident Alien	0	0	10	0	0	0
Unknown	42	1	131	273	398	476
Total	**7,024**	**6,787**	**6,257**	**6,400**	**6,425**	**6,108**
Total Minority	785	739	683	726	745	790

Gender	FL 09	FL 10	FL 11	FL 12	FL 13	FL 14
Female	4,153	4,020	3,787	3,733	3,694	3,465
Male	2,871	2,767	2,470	2,667	2,731	2,643
Total	**7,024**	**6,787**	**6,257**	**6,400**	**6,425**	**6,108**


Total 10th Day Credit Hours By Fall Semester
70,000.0
60,000.0
50,000.0
40,000.0
30,000.0
20,000.0
10,000.0
-
63,156.0
59,073.0
53,549.0
53,571.0
50,100.0
47,413.0
FL '09
FL '10
FL '11
FL '12
FL '13
FL '14


Average 10th Day Credit Hours Enrolled By Fall Semester
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
-
9.0
8.7
8.6
8.4
7.8
7.8
FL '09
FL '10
FL '11
FL '12
FL '13
FL '14


Full-Time vs. Part-Time Enrollment by Fall Semester
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
3,359
3,665
3,061
3,726
2,755
3,502
2,618
3,782
2,538
3,887
2,365
3,743
FL '09
FL '10
FL '11
FL '12
FL '13
FL '14
Full-Time
Part-Time


FL 14 (10th Day)
38.7%
61.3%
FT
PT

REGIONAL DATA

John A. Logan College is located in the southern tip of Illinois. The College is located in a semi-rural region that contrasts sharply with the industrial/metropolitan stereotype of Illinois. It is located 335 miles south of the state's major metropolitan center, Chicago; and 180 miles from the state capital, Springfield. The closest large population center is the Belleville/St. Louis metropolitan area 122 miles due northwest.

John A. Logan College serves 5 rural counties (Franklin, Jackson, Perry, Randolph, and Williamson) in southern Illinois with a combined population of 220,717. The total land area of the counties (combined) is 2,430.4 square miles leaving the total persons per square mile at 90.8.

	Franklin	Jackson	Perry	Randolph	Williamson
Population	39,202	59,814	21,887	32,890	66,924

The ethnic breakdown of the population of the five counties the College serves follows (U.S. Census 2013 estimate data):

Ethnicity	Franklin	Jackson	Perry	Randolph	Williamson
White	97.5%	78.2%	88.6%	88.2%	92.8%
Black or African American	0.5%	14.8%	8.8%	10.0%	4.2%
American Indian and Alaska Native	0.3%	0.5%	0.4%	0.2%	0.4%
Asian	0.5%	3.7%	0.4%	0.4%	0.9%
Native Hawaiian and Other Pacific Islander	N/A	0.1%	0.1%	0.1%	N/A
Hispanic or Latino Origin	1.6%	4.2%	3.0%	2.8%	2.2%
Persons reporting two or more races	1.1%	2.7%	1.7%	1.0%	1.6%

Age and gender data (U.S. Census 2013 data) also follows:

Age/Gender Information	Franklin	Jackson	Perry	Randolph	Williamson
Persons under 18 years	22.3%	17.9%	19.9%	19.3%	21.8%
Persons 65 years and over	19.2%	12.5%	16.8%	16.9%	17.4%
Females	50.9%	49.5%	45.5%	45.0%	50.4%

Housing and income information for the counties is as follows (U.S. Census data):

Housing/Income Information	Franklin	Jackson	Perry	Randolph	Williamson
Housing units (2013)	18,333	28,501	9,415	13,702	30,593
Homeownership rate (2008-2012)	77.3%	53.6%	78.6%	76.1%	71.3%
Households (2008-2012)	16,082	23,496	8,136	11,820	26,813
Persons per household (2008-2012)	2.43	2.31	2.47	2.52	2.40
Median household income (2008-2012)	$37,158	$32,819	$42,013	$48,383	$41,596
Persons below poverty level (2008-12)	18.8%	29.5%	17.1%	12.4%	16.5%

Educational attainment information for the populations of the five counties follows (U.S. Census data):

Education Information	Franklin	Jackson	Perry	Randolph	Williamson
High school graduates (persons age 25 and over – 2008-2012)	86.8%	90.6%	84.2%	81.0%	88.4%
Bachelor's degree or higher (persons age 25 and over – 2008-2012)	12.9%	36.0%	14.6%	11.5%	21.7%

Unemployment rates in the southern Illinois region continue to remain high. The counties the College serves are no exception, but they have begun to see some recent improvement. The rates as of October 2014 were as follows (Illinois Department of Employment Security data):

Franklin	9.3
Jackson	6.2
Perry	8.2
Randolph	6.3
Williamson	6.7

Major employers in the region include the following:

- Southern Illinois University-Carbondale
- Southern Illinois Healthcare
- John A. Logan College
- Aisin Manufacturing Illinois, LLC
- Pepsi Mid-America
- Heartland Regional Medical Center
- U.S. Department of Justice (United States Penitentiary)
- Blue Cross/Blue Shield of Illinois
- Centerstone of Illinois
- Wal-Mart
- Penn Aluminum International
- Illinois Department of Transportation
- General Dynamics

Some of the major industries in the area include:

- Healthcare and Healthcare Related Services
- Education
- Transportation / Logistics
- Retail
- Construction
- Manufacturing
- Distribution
- Rail
- Farming
- Coal Mining
- Power Production

Coal mining was the major industry in southern Illinois during most of the 20th century. Agriculture was another important industry for the region during this time period. Area employment grew significantly after World War II, but more rural areas continued to suffer from higher unemployment levels.

With passage of the Clean Air Act of 1990, the impact on mining in the region was devastating. Southern Illinois coal is high in sulfur and many utility companies were forced to switch to low sulfur coal. Due to the high cost of cleaning the higher sulfur coal area mines lost markets and the economy was greatly affected. As such, southern Illinois agriculture became the dominant force in driving the southern Illinois economy.

In addition, the Southern Illinois region is famous for tourism with its wineries; driving services for group tours; unique restaurants, shopping and antiques; numerous orchards; museums; and lodging which includes cabins and bed & breakfast facilities. The Shawnee Hills Wine Trail looks forward to increasing growth and success in the years to come, and was recently granted an American Viticultural Area (AVA) designation.

Located in the College district is the Crab Orchard National Wildlife Refuge. Crab Orchard National Wildlife Refuge's 44,000 acres of land and water contain a wide diversity of flora and fauna. Major habitat types on the refuge include hardwood forest, agricultural land, grazing units, brush lands, wetlands, and lakes.

The Refuge provides significant resting areas for migratory birds utilizing the Mississippi Flyway. The western 24,000 acres of the refuge provide a wide range of recreational opportunities and also include a 4,050-acre wilderness area. The eastern portion, 20,000 acres, is a wildlife sanctuary, and public use is limited.

Visitation reported is roughly 1,000,000 guests annually.

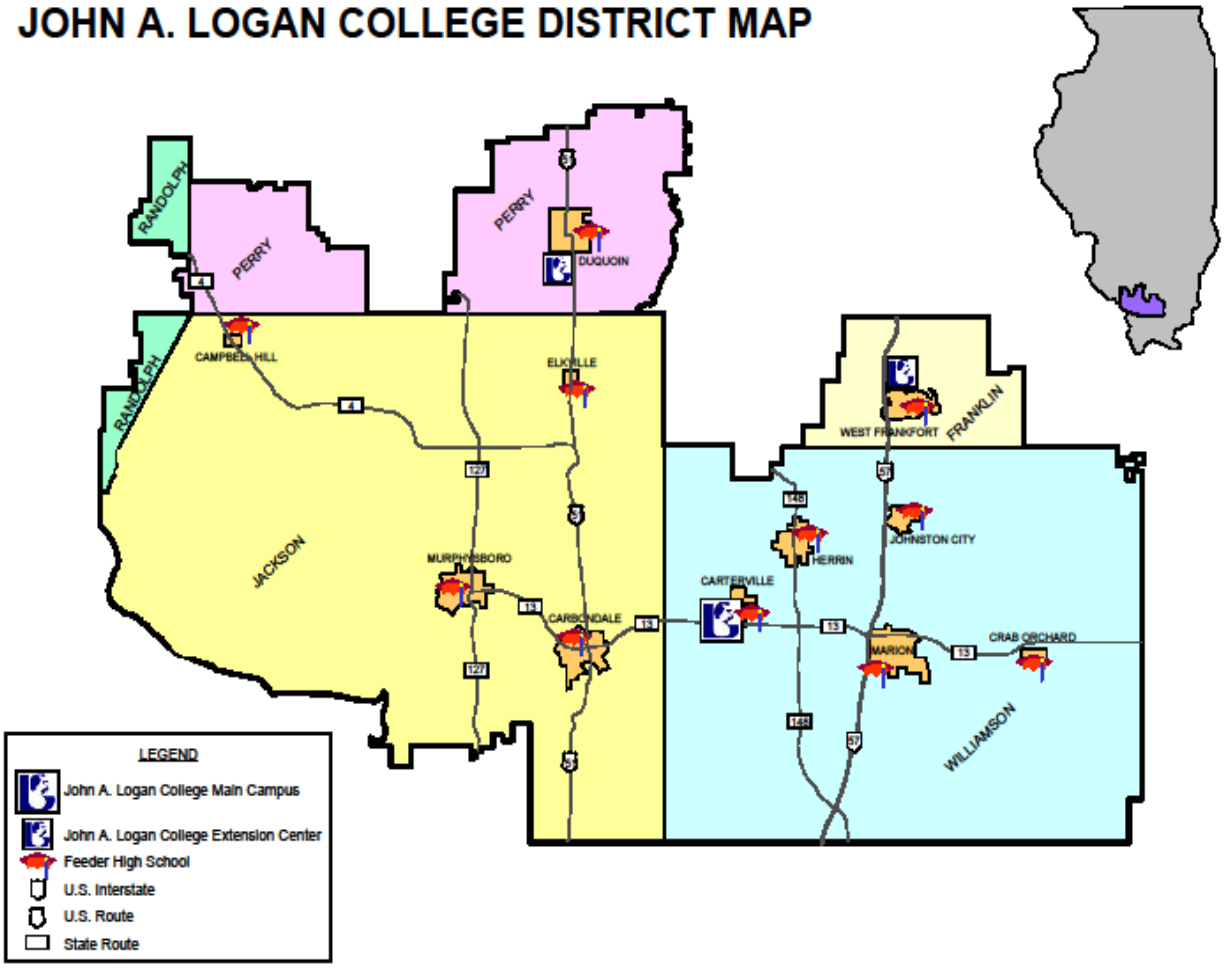
Southern Illinois University at Carbondale is the state's second teachers college - founded in 1869. The University now ranks among Illinois' most comprehensive public universities.

Each year, SIUC welcomes students from every state as well as more than 100 countries who take advantage of outstanding academic programs as they pursue associate, Bachelor's, master's, doctoral and professional degrees in law and medicine. Additionally, the University provides many civic and cultural events to the region.

ILLINOIS COMMUNITY COLLEGE BOARD
PER CAPITA COSTS, CHARGEBACK RATES, & STUDENT TUITION &
FEE RATES AT ILLINOIS PUBLIC COMMUNITY COLLEGE DISTRICTS

Dist. No.	District	FY13 Per Capita Costs	FY14 Chargeback Rates	FY14 Student Tuition & Fee Rates
503	Black Hawk	$434.46	$206.84	$115.00
508	Chicago	$249.71	$113.01	$102.33
507	Danville	$434.32	$158.47	$120.00
502	DuPage	$485.69	$250.05	$140.00
509	Elgin	$497.79	$267.10	$109.00
512	Harper	$475.87	$266.37	$124.50
540	Heartland	$539.00	$284.00	$139.00
519	Highland	$503.27	$241.50	$131.00
514	Illinois Central	$464.76	$171.27	$115.00
529	Illinois Eastern	$322.52	$130.61	$92.00
513	Illinois Valley	$409.97	$194.68	$101.00
525	Joliet	$391.92	$174.29	$107.00
520	Kankakee	$409.88	$131.89	$117.00
501	Kaskaskia	$407.93	$162.67	$111.00
523	Kishwaukee	$478.14	$165.94	$112.00
532	Lake County	$449.68	$231.43	$112.00
517	Lake Land	$299.93	$72.44	$107.80
536	Lewis & Clark	$617.57	$392.99	$118.00
526	Lincoln Land	$431.49	$290.28	$110.00
530	Logan	$321.01	$170.22	$97.00
528	McHenry	$393.36	$210.11	$102.00
524	Moraine Valley	$374.86	$146.79	$126.00
527	Morton	$357.51	$80.63	$99.00
535	Oakton	$366.49	$190.37	$100.34
505	Parkland	$489.58	$192.10	$117.50
515	Prairie State	$497.62	$210.21	$124.00
521	Rend Lake	$419.41	$247.17	$95.00
537	Richland	$574.25	$271.45	$107.00
511	Rock Valley	$390.78	$162.57	$97.00
518	Sandburg	$585.95	$227.26	$140.00
506	Sauk Valley	$480.30	$208.54	$103.00
531	Shawnee	$367.09	$148.30	$95.00
510	South Suburban	$547.84	$243.73	$137.75
533	Southeastern	$457.32	$239.25	$95.00
522	Southwestern	$454.75	$236.08	$108.00
534	Spoon River	$443.88	$240.56	$125.00
504	Triton	$342.15	$109.47	$103.00
516	Waubonsee	$363.95	$173.91	$105.00
539	Wood	$455.71	$248.17	$133.00
	AVERAGES	$435.58	$201.61	$112.65

SOURCE OF DATA: COLLECTED BY THE IL COMMUNITY COLLEGE BOARD



Service Area:
Jackson and Williamson counties and portions of Franklin, Perry, and Randolph

Main Campus:
John A. Logan College
700 Logan College Rd
Carterville, Illinois 62918

Extension Centers:
Alongi Du Quoin Extension Center
U. S. 51 South, Southtowne Mall
Du Quoin, Illinois 62832

West Frankfort Extension Center
19 West Frankfort Plaza
West Frankfort, Illinois 62896

ADOPTION OF 2013 TAX LEVY (Attachment __) (Requires a Roll Call Vote)

BE IT RESOLVED BY THE Board of Trustees of Community College District No. 530, counties of Williamson, Jackson, Franklin, Randolph and Perry, and the State of Illinois, that all legal requirements have been complied with, and said Community College District No. 530 requires the following tax levy: That **$5,502,000** be levied as a tax for educational purposes; that **$917,000** be levied as a tax for operations and maintenance purposes; that **$1,280,000** be levied as a special tax for purposes of the Local Governmental and Governmental Employees Tort Immunity Act; that **$280,000** be levied as a special tax for Social Security and Medicare insurance purposes; that **$40,000** be levied as a special tax for audit purposes; and that **$806,800** be levied as a special tax for protection, health, and safety purposes, for a total of **$8,825,800** on an equalized assessed valuation of **the taxable properties of said District for the year 2013 to be collected in the year 2014; and that the levy for the year 2013 be allocated 50% for Fiscal Year 2014 and 50% for Fiscal Year 2015.**

The estimated property taxes to be levied for debt service and public building commission leases **for 2013 are $1,413,175**. The estimated total property taxes to be levied **for 2013 are $10,238,975**. This represents a **4.61% increase** over the prior year. Due to the proposal being less than a 5.00% aggregate increase, a public hearing was not necessary to approve the proposed tax levy.

BE IT FURTHER RESOLVED that the secretary or his designee, of said Board of Trustees of Community College District No. 530 is hereby authorized and instructed to file certificates of tax levy in accordance with Chapter 122, Section 103.20.5 of the Revised Statutes of the State of Illinois with the County Clerks of Williamson, Jackson, Franklin, Randolph and Perry Counties, State of Illinois.

CERTIFICATE OF TAX LEVY

Community College District No. 530 County(ies) Williamson, Jackson, Franklin, Randolph & Perry

Community College District Name: John A. Logan College and State of Illinois

We hereby certify that we require:

the sum of $ 5,502,000 to be levied as a tax for educational purposes (110 ILCS 805/3-1), and

the sum of $ 917,000 to be levied as a tax for operations and maintenance purposes (110 ILCS 805/3-1), and

the sum of $ _____ to be levied as an additional tax for educational and operations and maintenance purposes (110 ILCS 805/3-14.3), and

the sum of $ 1,280,000 to be levied as a special tax for purposes of Local Governmental and Governmental Employees Tort Immunity Tax (745 ICLS 10/9-107), and

the sum of $ 280,000 to be levied as a special tax for Social Security and Medicare Insurance purposes (40 ILCS 5/21-110 and 5/21-110.1), and

the sum of $ 40,000 to be levied as a special tax for financial audit purposed (50 ILCS 310/9), and

the sum of $ 806,800 to be levied as a special tax for protection, health, and safety purposes (110 ILCS 805/3-20.3.01), and

the sum of $ _____ to be levied as a special tax for (specify) _____ purposes, on the taxable property of our community college district for the year 20___.

Signed this 26th day of November, 2013

Chairman of the Board of Said Community College District

Secretary of the Board of Said Community College District

When any community college district is authorized to issue bonds, the community college board shall file in the office of the county clerk in which any part of the community college district is situated a certified copy of the resolution providing for their issuance and levying a tax to pay them. The county clerk shall each year during the life of a bond issue extend the tax for bonds and interest set forth in the certified copy of the resolution. Therefore, to avoid a possible duplication of tax levies, the community college board should not include in its annual tax levy for bonds and interest.

Number of bond issues of said community college district which have not been paid in full 1.

This certificate of tax levy shall be filed with the county clerk of each county in which any part of the community college district is located on or before the last Tuesday in December.

(DETACH AND RETURN TO COMMUNITY COLLEGE DISTRICT)

This is to certify that the Certificate of Tax Levy for Community College District No. _____ County(ies) of _____ _____ and State of Illinois on the equalized assessed value of all taxable property of said community college district for the year 20___ was filed in the office of the County Clerk of this county on _____, 20___.

In addition to an extension of taxes authorized by levies made by the Board of said community college district an additional extension(s) will be made, as authorized by resolution(s) on file in this office, to provide funds to retire bonds and pay interest thereon. The total amount, as approved in the original resolution(s), for said purpose for the year 20___ is $ _____.

_____ Date

_____ County Clerk and County

JOHN A. LOGAN COLLEGE

Carterville, IL 62918

Minutes of the regular meeting of the Board of Trustees of Community College District No. 530, Counties of Williamson, Jackson, Franklin, Perry, and Randolph, State of Illinois, held at Carterville, Illinois, on August 26, 2014, commencing at 7:00 p.m.

The meeting was called to order by Board Chair Jake Rendleman.

A. Adoption of 2014-2015 Budget (Appendix III)

The tentative budget for the 2014-2015 academic year was approved at the July 22 meeting and a public meeting was held at 6:30 p.m., August 26, 2014, in the Administration Board Room, John A. Logan College, 700 Logan College Road, Carterville, IL. Based on the results of the hearing, President Dreith recommended the following resolution be adopted by the Board of Trustees:

WHEREAS the Community College Board of John A. Logan College District No. 530, Counties of Williamson, Jackson, Franklin, Randolph, and Perry, and the State of Illinois caused to be prepared in tentative form a budget and the secretary of this Board has made the same conveniently available to public inspection for at least thirty days prior to final action thereon, and whereas a public hearing was held as to such budget on the 26th day of August, 2014. Notice of hearing was given at least thirty days prior thereto as required by law and all other legal requirements have been complied with.

NOW THEREFORE BE IT RESOLVED by the Community College Board of said District as follows:

SECTION 1 -- That the fiscal year of the Community College District be and the same is hereby fixed and declared to be beginning July 1, 2014, and ending June 30, 2015, and

SECTION 2 -- That the budget containing an estimate of amounts available in each fund separately and of expenditures from each, and same is hereby adopted as the budget of this Community College District for the said fiscal year.

President Dreith recommended and Mike Hopkins and Cheryl Graff moved and seconded that the Board of Trustees adopt the 2014-2015 budget as recommended, and that the administration be authorized to implement this budget effective July 1, 2014.

Upon roll call, all members voted yes. Motion carried.

(Resolution #16-3066)

GLOSSARY

ACRONYMS

ABE – Adult Basic Education

APECS – Advanced Programs for Education Computer Solutions

ASE – Adult Secondary Education

AVA – American Viticultural Area

BOT – Board of Trustees

CAAHEP – Commission on Accreditation of Allied Health Education Programs

C&I – Curriculum and Instruction Committee

CCR&R – Child Care Resource and Referral grant program

CHEC – The Community Health Education Complex is a College facility that includes a fitness center, two swimming pools, locker rooms, class rooms, and a Massage Therapy center.

CITO – Chief Information Technology Officer

CPPRT – Corporate Personal Property Replacement Taxes

D2L – Desire2Learn (Learning Management System) for online instruction

DQ – DuQuoin, IL (Location of JALC Extension Center)

EAV – Equalized Assessed Valuation

ERP – Enterprise Resource Planning System

FMLA – Family Medical Leave Act

FSEOG - Federal Supplemental Educational Opportunity Grant Program

FTE – Full-time Equivalency

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GED – General Education Development

HLC – The Higher Learning Commission

IBHE – Illinois Board of Higher Education

ICCB – Illinois Community College Board

ICCTA – Illinois Community College Trustees Association

IEA-NEA – Illinois Education Association/National Education Association

ISBE – Illinois State Board of Education

JALC – John A. Logan College

LOSA – Logan Operational Staff Association

LRC – Learning Resource Center

PCI – Payment Card Industry

PHS – Protection health and Safety

RAMP – Resource Allocation and Management Plant

SICCM – Southern Illinois Collegiate Common Market

SIH – Southern Illinois Healthcare

SIU-C – Southern Illinois University-Carbondale

SSS – Student Support Services

SURS – State Universities Retirement System

TIC – Technology Implementation Committee

TRiO – Educational Opportunity for Low-Income and Disabled Americans

WF – West Frankfort, IL (Location of JALC Extension Center)

GLOSSARY

TERMS

Accrual Basis – The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Annual Budget - A controlled plan used in implementing the philosophy and the objectives of the institution for one accounting cycle.

Appropriation – An authorization that allows the College to make expenditures and incur obligations for a specific purpose.

Base Operating Grants – These grants are administered by the Illinois Community College Board using a prescribed formula. Reimbursable credit hours are funded in six funding categories (Baccalaureate, Business, Technical, Health, Remedial, and Adult Education).

Capital Outlay – Includes site acquisition and improvement, office equipment, instructional equipment, and service equipment. The College sets a threshold of expenditures that are at least $2,500 or greater.

Chargeback - A resident of Community College District 530 who wants to enroll in an educational program which is not available at John A. Logan College may apply for charge-back tuition if he/she enrolls in such a program at another public community college in Illinois.

Contingency – A special account used to provide for unexpected occurrences or emergencies.

Corporate Personal Property Replacement Tax – A tax collected by the IL Department of Revenue as a replacement for the personal property tax.

Credit Hour Grant – A State resource based upon student and programmatic enrollments determined based on enrollment at midterm of the semester.

Deferred Revenue - Revenues applicable to a subsequent fiscal period (fiscal year for property taxes and terms for student tuition and fees) recognized as a deferred credit in the current fiscal period, not as current revenue.

Deficit – A shortfall of revenues and transfers in under expenditures and transfers out.

Encumbrance – A reservation against a current year's expenditure appropriation. Encumbrances are recorded when a purchase order is issued or when anticipated salary amounts are known.

Equalization Funding – A State resource calculated by a formula utilizing both property tax base and student enrollment.

External Audit – An annual examination by an outside CPA firm used to obtain reasonable assurance that the financial statements of the College are free of material misstatement.

Fiscal Year – A 12 month financial period. John A. Logan College operates on fiscal year beginning July 1st and ending June 30th.

Fixed Charges – Fixed charges include charges for rentals of facilities and equipment, payment of debt interest and principal, general insurance charges, installment payments for lease/purchase agreements, and property/casualty insurance.

Function – Classification representing the collection of program elements serving a common set of objectives that reflect the major institutional missions and related support objectives.

Fund – A separate accounting entity with a set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Major Fund – Any fund whose revenues or expenditures are equal to or greater than 10% of the total appropriated funds.

Jenzabar – Brand of administrative software system or Enterprise Resource Planning (ERP) system for campus-wide computing related to Admissions, Student Accounts, Financial Operations, Payroll, and Human Resources

Pell – Federal Student Aid Awards

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