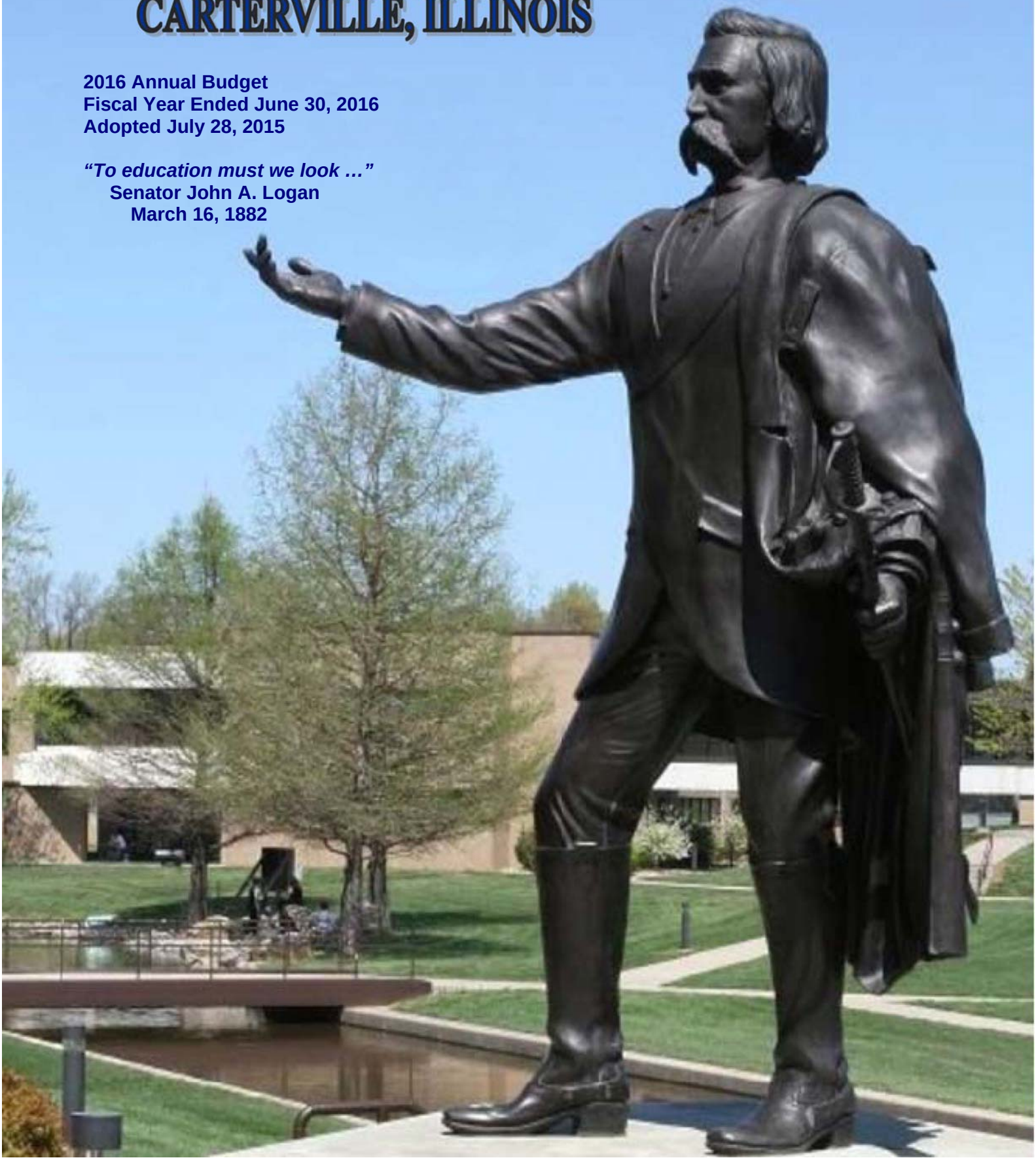
JOHN A. LOGAN COLLEGE
COMMUNITY COLLEGE DISTRICT 530
CARTERVILLE, ILLINOIS

2016 Annual Budget
Fiscal Year Ended June 30, 2016
Adopted July 28, 2015

"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, 2015 and Ending June 30, 2016
Adopted July 28, 2015
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, 2014. 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 the Fiscal Year Beginning

July 1, 2014

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. The Corporate Education program offers training and services to workers and displaced workers. For many years, John A. Logan College has been a leader in the State of Illinois in providing customized training. The College also has very comprehensive adult and continuing education programs.

SERVICE AREA

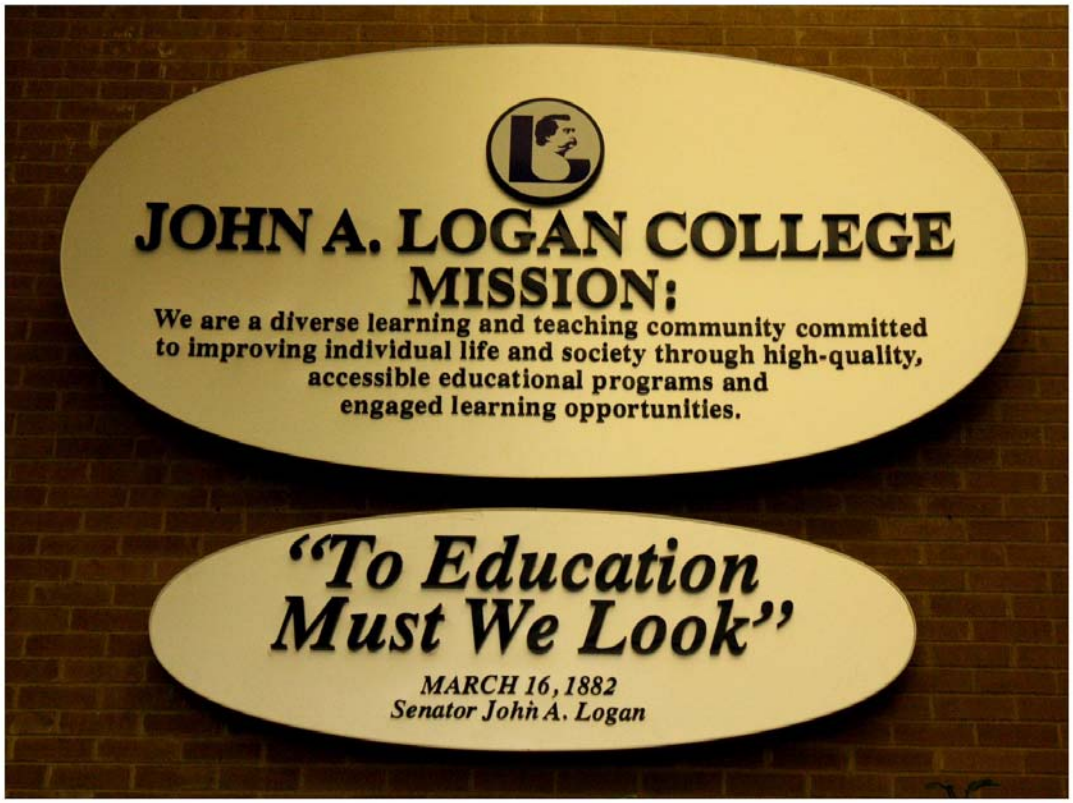
The John A. Logan College district consists of one central campus and extension centers in the towns of DuQuoin and West Frankfort. Many courses in baccalaureate transfer, career education, continuing education and adult literacy are taught in high schools and public facilities throughout the five-county 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 that 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:

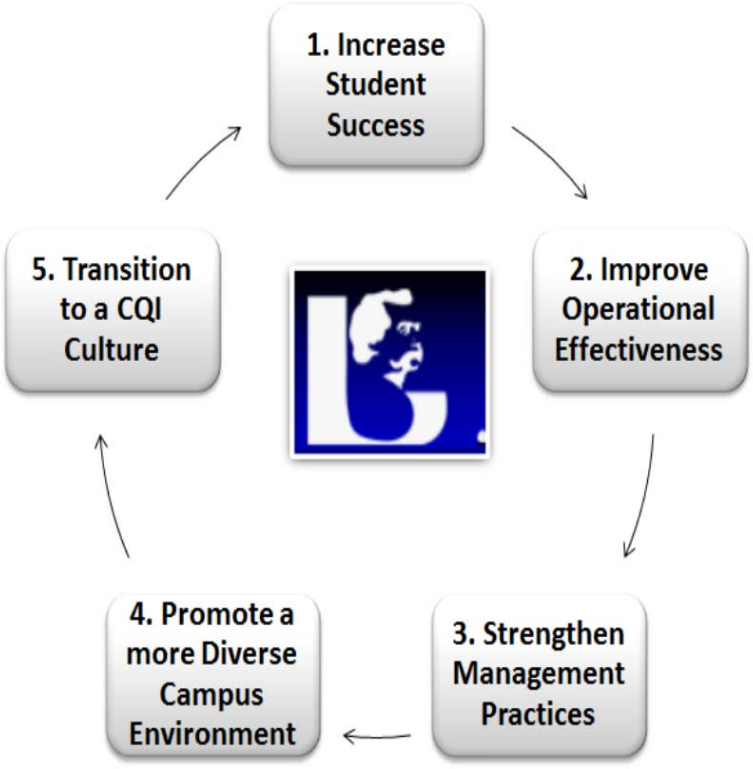
- **Communication** - To participate in the entire communication process of listening, speaking, reading, and writing.
- **Critical Thinking** - To cultivate the process of critical thinking by analyzing, synthesizing and evaluating objects, concepts, theories, and hypotheses.
- **Mathematical Reasoning** - 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) 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 regularly 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. Continuous Quality Improvement (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 2016 BUDGET

Listed below are some of the items emphasized in the FY 2016 budget that are directly related to one of the sixteen strategic plan projects shown previously.

- Implementation and support agreement for EMS Scheduling Software
- IT Network Staffing / Consulting
- Continued Support for LMS and ERP systems
- C237 Biology Lab Equipment and Instructional Supplies
- Diversity and Inclusion Facilitator Training and Workshops
- Health Information Technology (HIT) New Program Budget
- New Program Seed Money
- Cyber Defense Team

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. A student representative was added to the ITC committee to provide input on the use of a newly approved Technology fee assessed to students on a per credit hour basis.

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 2016 CONCERNS

The majority of budget concerns faced by Illinois Higher Education institutions center around the financial condition of the State. A prior state funding concern came to fruition when the temporary income tax of 5% was not extended which reduced the income tax down to 3.75% effective January 2015. This caused a tremendous and immediate drop in state revenue. For FY 2015, this left the State of Illinois with an anticipated $1.6B revenue shortfall. Legislation was passed that reduced original state allocations for Base Operating Grants, Equalization, and for JALC a special add on Veteran's Grant by 2.25%. This was a total reduction of $255,457 for the College.

As the State's financial condition continued to worsen to crisis levels, there was much speculation as to what Higher Education funding would look like for FY 2016. There were many factors of which one was funding for Community Colleges versus four year institutions. This situation caused additional concern as no reliable information was available to base expected state revenue decisions on. State funding was more of an unknown factor than ever before.

In addition, there is still the looming issue of IL pension funding. The most recent attempt at pension reform was found unconstitutional. There is ongoing discussion as to whether the Colleges will have to phase in employer pension funding that is currently an obligation of the State.

As tuition is a major source of revenue, no new anticipated growth in enrollment and worst case scenario the potential for further credit hour generation decline was another major concern during the budget process.

The College had already experienced a significant operating fund deficit of ($857,277) for FY 2014. After legislative funding reductions, a declining enrollment trend, and increased budgeted operating expenditures, a consecutive significant operating deficit was anticipated for FY 2015. Originally, the estimated beginning operating fund balances for FY 2016 were developed based on an expected FY 2015 deficit of $1,800,000. At the very end of the tentative budget process, an additional loss of $255,000 was anticipated based on the legislative reductions and opening balances were adjusted. At two points in the FY 2015 year, the Vice-President of Business Services put the College on notice of needed action and called for a pullback of discretionary spending. This was an attempt to reduce the actual realized deficit. The College cannot maintain a cycle of multiple operating deficits. The primary concern was to develop a FY 2016 budget that did not produce a third consecutive operating deficit. The College cannot continue to erode its previously accumulated operating fund balances.

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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 years past. Continuing decline in enrollment resulting in immediate loss of anticipated tuition and fee revenue, coupled with associate declines of state funding connected to the enrollment decline required significant expenditure reduction to match revenues anticipated. The FY 2016 operating budget fund includes a reduction of expenditures in the amount of $4.9 million or 12.5% of the operating fund budget. This reduction was required to present a budget with less than a $10,000 surplus.

The budget reduction was necessary to continue the sound management and budget planning which has historically allowed John A. Logan College to operate consistently below the statewide average unit cost per hour of instruction. As declines in credit hour production occurred over the past few years, the mathematical reality has been increasing comparative per capita costs, which is the measure of the cost to produce a credit hour of instruction.

The significant challenges for this budget year are to stop and reverse the downward enrollment trend and to manage cash flow in the face of a state budget caught up in bureaucratic grid lock. With 33% of the operating fund budget deriving from state revenue, dramatic staff reassignments and refocus of services has occurred to stimulate customer service on campus and outreach off campus. Community college funding is relative to performance in the quantitative realm of individual college production of credit hours as compared to the same measure of performance across the state. This institution simply must outperform other colleges when it comes to student enrollment if it is to see increases in state funding.

Two very significant actions were taken since the last budget was developed enabling this budget to be balanced. First, the Board of Trustees voted unanimously to increase tuition by $10 per credit hour, a 10% increase. Second, the Board of Trustees has taken the preliminary steps needed to move the annual expense of funding a post-retirement health insurance reimbursement benefit out of the College's operating funds by creating a restricted trust fund through the issuance of general obligation bonds with a fifteen year amortization schedule. This will be used to make the estimated $339,507 in reimbursements for FY 2016. Both of these actions have long term financial impact, not just a single year reduction in expenditures or increase in revenues.

Although the FY 2016 budget may not meet every staff member's expectation, the College is proud of the fact it was able to match expenses to anticipated revenues during a time when not many institutions are able to do so. We will continue our history of sound financial planning and excellent service to our district. The resources provided in this budget will 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, as well as, to support the initiatives in the Strategic Plan.

BUDGET PRIORITIES

The budget process continues to support the *Five-Year Strategic Plan*. Strategic projects contained in the plan help drive the budget process. You can see a list of these supported projects in the earlier section "Strategic Plan Items Emphasized in FY 2016 Budget". It was also important to meet any policy requirements, contractual obligations, or regulatory requirements. In this year, targeted reductions in discretionary spending across all divisions were the most crucial piece of the process. However, the FY 2015 process had produced a large budgeted deficit and did not provide the best baseline to start from. To produce a balanced budget, FY 2014 actual expenditures were identified as a baseline instead of the prior FY 2015 budgeted expenditures.

To be successful, the budget process must include input from across the entire campus and determine what is most important to each department. It is also very important that division heads have the details they need to make informed decisions. The budgeting software helped to accomplish both these items. A complete list of budget goals is shown below:

- Alignment with Strategic Plan
- Continue to build line item detail and justification of expenditures
- Departmental Budget Officers fully engaged in budgeting process
- Deans and Division Heads perform a detailed review of total departmental expenditures
- Enhanced reporting capabilities during budget development
- Historical comparison at line item level
- Expenditures properly allocated to reflect appropriate department and expense category
- Adopt tuition rate designed to generate additional revenue
- Attrition savings
- Perform a full review of Institutional Waivers
- Establish percentage targets for reduction of discretionary line items
- Develop new revenue and expense tracking for the Community Health Education Complex
- Proposal for Post-Employment Benefit Liability

The end result of this process was that it produced significant reductions in budgeted Operating Expenditures as compared to FY 2015. These targeted reductions were necessary in anticipation of lost revenue from both state funds and student tuition.

PRIOR YEAR COMPARISON

Total budgeted expenditures for FY 2016 are $34,319,521 as compared to $39,229,210 for FY 2015. This is a decrease of (12.52%) or ($4,909,689). Salary and benefit savings related to attrition and the elimination of two positions accounted for significant savings of over $916,000. Additional reductions to operating salary and benefits resulted from to the relocation of the Community Health Education Complex (CHEC) staffing to the Auxiliary Fund 05. These salaries and benefits were previously budgeted in the Education Fund and the Custodial costs in the Operations and Maintenance Fund.

As compared to FY 2015, contractual services were basically flat funded. Budget Officers were asked to produce savings in discretionary areas of their departmental budgets. There were significant reductions to supplies, conference and meeting expenses, and capital outlay requests. There was also a reduction of $487,400 in waivers. Smaller reductions were seen in other expenditures such as utilities. Again, a portion of reductions in these areas were related to separate budgeting for the CHEC facility in fund 05.

In addition, budgeted expenditures now include only a small provision for contingency funds which was significantly reduced to only $190,000. This represents 0.6% of total budgeted operating expenditures. These funds are available for emergencies and unforeseen budget issues, and close monitoring of these funds will be performed by the College Administration.

Without considering the prior accumulated fund balance, the FY 2016 operating revenue of $34,329,300 reflects a $673,982 or 2.00% increase compared to $33,655,318 from the prior year.

This includes a projected increase in Property Taxes of $210,000. As with the prior year, concern still existed related to both state funding and enrollment trends. However, a $10 tuition increase from $99 in FY 2015 to $109 in FY 2016 was approved to offset trends and hopefully generate new revenue. This is in addition to a full year of technology fee revenue reflects a $786,500 budgeted increase in student tuition and fee revenue. Other income reflects a significant increase of $204,900. These projected increases offset expected decrease in state funding. See the section on “Resource Assumptions” for detailed factors that went into budgeting for each revenue source.

The FY 2016 budget produced a very minimal operating surplus as compared to a significant budgeted operating deficit for FY 2015.

ACTIONS TAKEN

For the third year, the College continued to utilize a modified form of zero-based budgeting. Targeted reductions were established for discretionary line items. Software specifically designed for budgeting and higher education was utilized for the second year. Historical data from the prior FY 2015 budget and FY 2014 actual expenditures were imported as reference points for comparison purposes.

As mentioned in the "Budget Message", there were significant actions taken to enable this budget to be balanced. The Board of Trustees approved a $10 tuition increase. Second, preliminary steps are being discussed to move the annual expense of funding a post-retirement health insurance reimbursement benefit out of the College's operating funds through the issuance of general obligation bonds. The approval of additional retirement incentives helped to facilitate attrition savings.

After review from the ICCB related to offerings at the Community Health Education Complex (CHEC), it became necessary to consider a new model for the facility. Operations of this facility were previously budgeted in the Education fund. However, for FY 2016 a new budget structure was created in the Auxiliary fund for both Public Service courses and also for patron memberships. While a transfer of $1,033,100 is being provided by the Education Fund, a decision was made to not fully supplement the Auxiliary operations and budget a deficit in this fund. Utilizing prior accumulated fund balance to supplement current Auxiliary operations was a temporary action. In the future, the College must find a revenue model that will make the CHEC operations self-supporting.

BUDGET OVERVIEW

Summary of Fiscal Year 2016 Budget by Fund

Summary of Budget by Fund:	General		Special Revenue		
Fiscal Year 2016	Education Fund	Operations & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection, Settlement Fund
Beginning Balance	$8,900,000	$2,100,000	$0	$82,000	$1,200,000
Budgeted Revenue	30,679,550	3,649,750	20,917,525	42,800	1,626,500
Budgeted Expenditures	28,941,649	3,671,272	20,936,025	44,195	1,982,050
Budgeted Transfers from (to) Other Funds	(1,706,600)		18,500		
Budgeted Ending Balance (Deficit)	**$8,931,301**	**$2,078,478**	**$0**	**$80,605**	**$844,450**

Summary of Budget by Fund:	Debt Service	Capital Projects	Proprietary Fund
Fiscal Year 2016	Bond & Interest Fund	Operations & Maintenance Fund (Restricted)	Auxiliary Enterprises Fund
Beginning Balance	$1,080,000	$1,450,000	$2,600,000
Budgeted Revenue	1,987,590	823,916	900,083
Budgeted Expenditures	1,965,899	1,985,000	2,535,272
Budgeted Transfers from (to) Other Funds		655,000	1,033,100
Budgeted Ending Balance (Deficit)	**$1,101,691**	**$943,916**	**$1,997,911**

The official budget which is accurately summarized in this document was approved by the Board of Trustees on July 28, 2015.

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

	Education			Operations & Maintenance			Total-Operating Funds		
Fiscal Yr	Budget	Actual	Percent	Budget	Actual	Percent	Budget	Actual	Percent
00	19,046,734	18,087,634	94.96%	2,737,552	2,398,964	87.63%	21,784,286	20,486,598	94.04%
01	20,297,130	18,693,545	92.10%	3,672,809	2,753,882	74.98%	23,969,939	21,447,427	89.48%
02	21,918,087	19,615,565	89.49%	3,600,289	2,682,108	74.50%	25,518,376	22,297,673	87.38%
03	24,195,342	21,998,391	90.92%	4,027,502	2,816,047	69.92%	28,222,844	24,814,438	87.92%
04	24,365,041	22,054,461	90.52%	4,538,181	3,242,083	71.44%	28,903,222	25,296,544	87.52%
05	26,571,301	23,638,275	88.96%	5,004,526	3,361,046	67.16%	31,575,827	26,999,321	85.51%
06	28,109,073	24,231,031	86.20%	5,741,445	3,720,629	64.80%	33,850,518	27,951,660	82.57%
07	30,337,763	26,266,022	86.58%	5,487,059	3,713,583	67.68%	35,824,822	29,979,605	83.68%
08	33,235,496	27,359,283	82.32%	5,844,366	3,831,804	65.56%	39,079,862	31,191,087	79.81%
09	33,397,236	29,026,580	86.91%	6,096,541	4,320,310	70.86%	39,493,777	33,346,890	84.44%
10	35,436,271	29,680,518	83.76%	5,490,121	4,220,129	76.87%	40,926,392	33,900,647	82.83%
11	33,393,581	30,048,418	89.98%	4,889,387	3,671,076	75.08%	38,282,968	33,719,494	88.08%
12	34,407,822	31,052,279	90.25%	4,489,562	3,811,960	84.91%	38,897,384	34,864,239	89.63%
13	33,443,145	30,253,591	90.46%	4,607,250	3,830,393	83.14%	38,050,395	34,083,984	89.58%
14	33,521,198	30,567,165	91.19%	4,507,278	4,096,243	90.88%	38,028,476	34,663,408	91.15%
Average	**28,778,348**	**25,504,851**	**88.63%**	**4,715,591**	**3,498,017**	**74.18%**	**33,493,939**	**29,002,868**	**86.59%**

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 Administrative Services 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 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:

Donald L. Brewer, Chair
William J. Kilquist, Vice-Chair
Jacob "Jake" Rendleman, Secretary
William W. "Bill" Alstat
Cheryl Graff
Jaclyn Hancock
Ray Hancock
Brandi Husch, Student Trustee

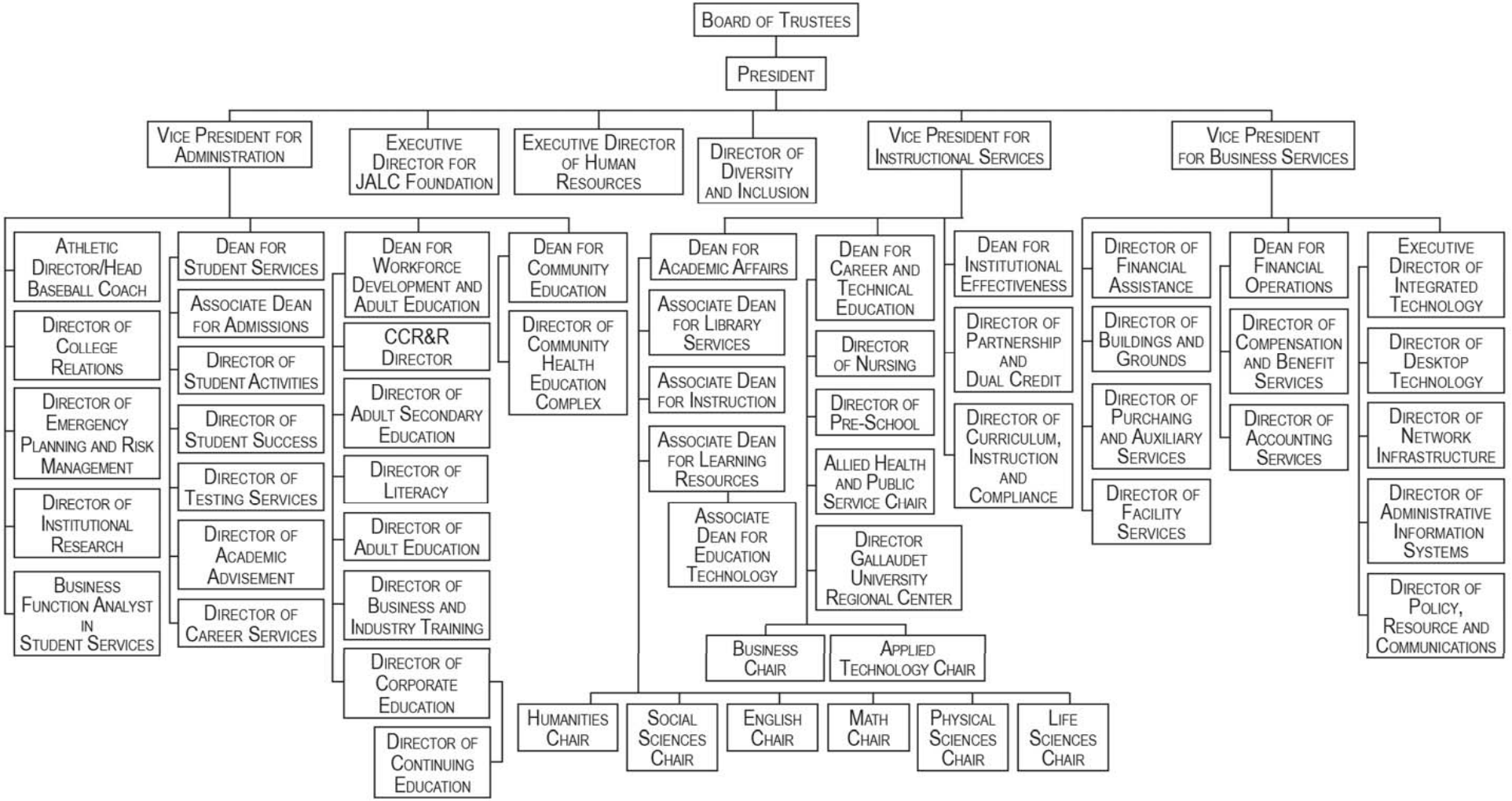
Officers of the College:

Ronald House, Interim President
Brad McCormick, Vice President for Business Services and College Facilities
Larry Peterson, Interim Vice President for Administrative Services
Laurel Klinkenberg, Vice President for Instructional Services

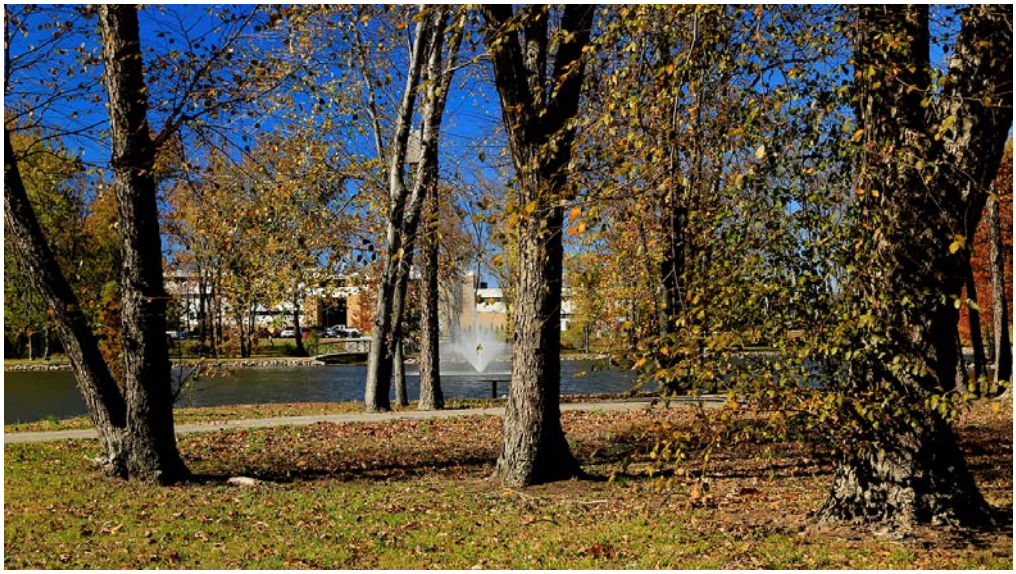
ORGANIZATIONAL CHART – INSTITUTIONAL

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.

JOHN A. LOGAN COLLEGE ORGANIZATIONAL CHART



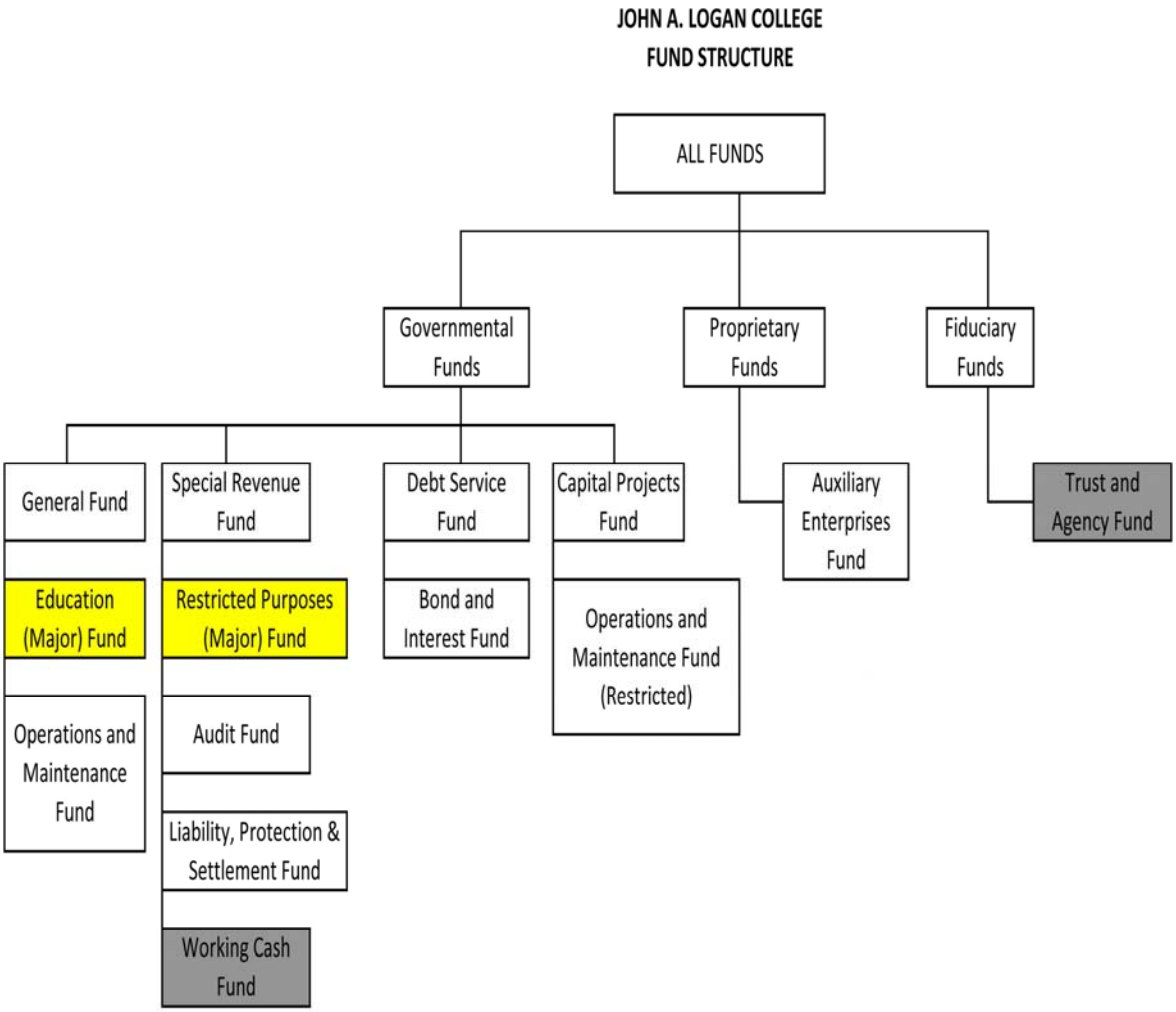
FUND DESCRIPTIONS



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 ~ *2015)*



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 FY 2016 budgeted expenditures for the Education Fund are $30,648,249 which includes $1,706,600 in transfers to other funds. Education Fund revenues are projected at $30,679,550.

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 FY 2016 budgeted expenditures for the Operations and Maintenance Fund are $3,671,272. Operations and Maintenance Fund revenues are projected at $3,649,750.

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 $1,985,000 is being budgeted in this fund. Funds are provided in the Operation and Maintenance (Restricted) for completion of approved protection, health, safety projects. A detailed breakdown of Capital Projects is provided later in the document.

BOND AND INTEREST FUND

This fund is established for the payment of principal, interest and related charges of any outstanding bond issue. For FY 2016, $1,965,899 in principal, interest, and fee payments are scheduled. Of this amount, $463,973 is specifically related to the repayment of bonds related to the refinancing of debt certificates issued for the Enterprise Resource Planning (ERP) system. The remaining budgeted expenditures of $1,501,926 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. This is not a budgeted fund.

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. Subsidies for Auxiliary Services by the Education Fund should be shown as transfers to the appropriate account. Examples of accounts in this fund include food services, bookstore, copy/supply center, and intercollegiate athletics. For FY 2016, the operations of the Community Health Education Complex (CHEC) formerly accounted for in the Education fund were reclassified to the Auxiliary fund. For FY 2016, estimated expenditures in this fund total $2,535,272 with $1,933,183 in budgeted revenue of which $1,033,100 is being provided by transfers from the Education Fund. Of this $602,089 budgeted deficit, approximately $300,000 will be utilized to subsidize operations of the CHEC facility. This cannot continue indefinitely. This practice works against the fund balance goals previously established by the Finance committee, and will eventually cause the fund to become unhealthy. The College Administration continues to review recommendations related to Athletic programs, and towards actions necessary to eliminate the need to subsidize CHEC operations.

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 2016, we will budget $20,936,025 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

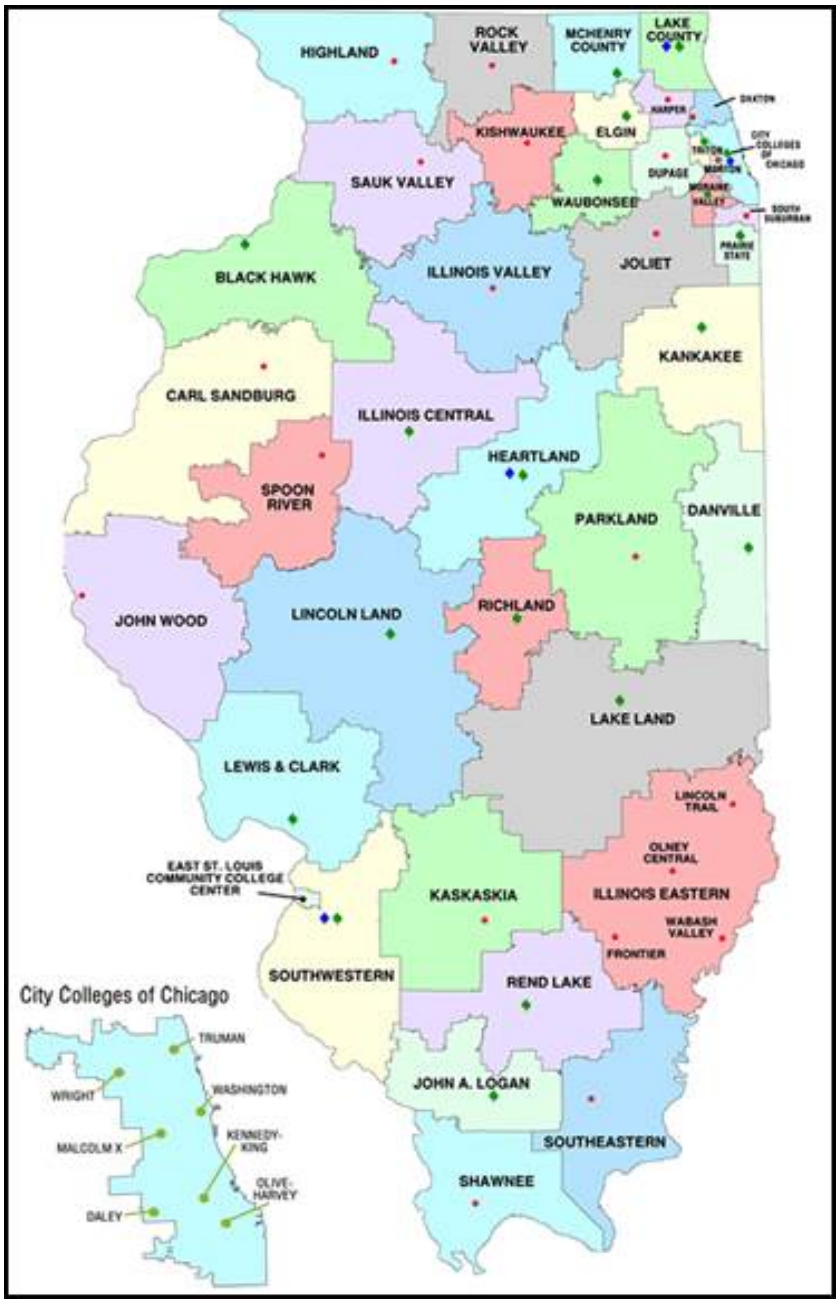
The Audit Fund is established for recording the payment of auditing expenses. During FY 2016, $44,195 will be budgeted to cover expenditures in this fund. As required by board policy, the College is subject to an annual external audit by a CPA firm which is included in this budget along with some additional 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 2016, the budget amount for expenditures is $1,982,050. 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



This map outlines the various Community College districts throughout Illinois.

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 ~ *2015)*

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 ~ *2015)*

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 ~ *2015)*

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 ~ *2015)*

JALC Department Examples:

- Community Services
- Small Business Workshops
- Scheduling Office

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 ~ *2015)*

***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 waivers. Employee tuition waivers are not included in this category. (ICCB Fiscal Management Manual ~ *2015)*

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 ~ *2015)*

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 ~ *2015)*

JALC Department Examples:

- Athletic Programs
- Food Service, Bookstore
- Community Health Education Complex Facility
- 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 ~ *2015)*

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 ~ *2015)*

JALC Department Examples*:*

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

REPORTING BASIS

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. Historically, the College's optimal goal is to adopt a budget where current year revenues are equal to or greater than its budgeted expenditures without considering the fund balance accumulated from prior years. See an operating revenue and expenditure history from FY 2001 through FY 2014 on page 62 that shows the tradition of surplus results as compared to deficits.

For FY 2014, the College expended 91% of its budgeted expenditures. See past trends from many years of history on page 24. At the start of the FY 2016 budget process, an anticipated FY 2015 deficit of $1.8m was assumed based on the history of the percentage expended. This would be the largest deficit in the history of the College. In May 2015, the College received notice to plan for a 2.25% reduction in current year's State funding which compounded the anticipated situation.

Over the last four (4) 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. The Vice-President for Business Services called for a campus wide pullback on all discretionary spending and vacated positions were left open. It was hoped to significantly reduce the anticipated deficit.

Without considering the prior accumulated fund balance, the FY 2016 operating revenue of $34,329,300 reflects a $673,982 or 2.00% increase compared to $33,655,318 from the prior year. Total budgeted expenditures for FY 2016 are $34,319,521 as compared to $39,229,210 for FY 2015. This is a decrease of (12.52%) or ($4,909,689). This resulted in a small budgeted operating surplus of $9,779. There are many variables in this balanced operating budget. One large factor is credit hour generation which will determine whether tuition revenue materializes. A continued decline in enrollment could significantly impact this budget year. However, the largest unknown could be State funding which was based more on speculation than factual data. The only information available was the prior year's allocation adjusted down for last minute legislative reductions.

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 third year, FY 2016 included a modified form of zero-based budgeting. For only the second time, the budget process was performed in a Budgeting Software package that incorporates the College's account and departmental structure. The software is designed specifically for budget development. 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
- Group meeting held by Vice-President of Business Services with Budget Officers
- Refresher budget software trainings were held with Budget Officers
- Budget Officers were given reduction targets for discretionary line items. These targets were based on FY 2014 actual expenditures, not on FY 2015 budget amounts.
    - For the following line items, targets were established as percentage decreases:
        - Contractual Services 15%
        - Supplies and Materials 25%
        - Conference & Meeting 25%
        - Capital Outlay 35%
- Held discussions with Administration on their role and the review/approval process
- Detailed departmental budgets were submitted first at the Dean's level and then to the Head of the Division for review, approval, or revisions
- Additional discussions with the President and Vice-Presidents
- Reports were generated
- Tentative legal budget was prepared
- Budget was reviewed with Board Finance Committee
- Board of Trustees met to approve display of tentative budget on June 23, 2015
- Budget was put on public display for 30-day period of inspection
- Vice-President of Business Services gave an overview of tentative budget to Faculty & Staff
- Public budget hearing
- Proposed final budget submitted to the Board of Trustees on July 28th, 2015

Budget Calendar – FY 2016

JANUARY to FEBRUARY

- Salary and Fringe Benefit Projections Developed
- Historical Data for FY 14 & FY 15 Imported into Budgeting Software
- Refresher Trainings Held with Staff on Budget Development

MARCH to APRIL

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

MAY

- Perform Revenue Projections
- President and Vice-President's Meet with Dean Financial Operations
- Budget Officers Submit Departmental Budgets to respective Deans
- Deans Submit Departmental Budgets to Division Heads

JUNE

- Budget Preparation by Dean for Financial Operations & VP for Business Services
- Budget Meeting with Board Finance Committee
- Tentative Budget Submitted to Board of Trustees
- Tentative Budget put on Public Display
- VP for Business Services presents budget overview to Campus Community

JULY

- Additional Budget Analysis
- Budget Hearing Held Prior to Board Meeting
- Proposed Final 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 recently purchased and now utilizes a different ERP computer software package called Jenzabar. This software contains modules for the higher education student system, finance, payroll, and human resources. The finance module was converted from the prior software at the very start of FY 2015. The student systems went live in April of 2015 with the start of summer and fall registration. The HR and Payroll modules will be the final stage of implementation. 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 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

REVENUE OVERVIEW

Operating revenue includes activities that have the characteristics of exchange transactions such as 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 local property taxes, state appropriations, most federal, state, and local grants and contracts and federal appropriations, and 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 $109 per credit hour. In addition, a $5 per credit hour fee is being assessed to support technology.

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 - FY 2016 to FY 2015 OPERATING FUNDS					
BY REVENUE SOURCE:	**FY 2016 Adopted Budget**	**FY 2015 Adopted Budget**	**$ Increase (Decrease)**	**% Increase (Decrease)**	**% of Total FY16 Revenue**
LOCAL PROPERTY TAXES	6,450,000	6,240,000	210,000	3.37%	18.79%
CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	550,000	550,000	-	0.00%	1.60%
CHARGEBACKS	20,000	10,000	10,000	100.00%	0.06%
ICCB BASE OPERATING GRANTS	3,740,000	3,964,233	(224,233)	(5.66%)	10.89%
ICCB EQUALIZATION GRANTS	7,115,000	7,394,685	(279,685)	(3.78%)	20.73%
ICCB VOCATIONAL GRANTS-INSTRUCTIONAL	400,000	410,000	(10,000)	(2.44%)	1.17%
ICCB PERFORMANCE ALLOCATION GRANT	10,000	20,000	(10,000)	(50.00%)	0.03%
ICCB VETERANS GRANT	53,400	54,900	(1,500)	(2.73%)	0.15%
STUDENT TUITION & FEES	15,355,500	14,569,000	786,500	5.40%	44.73%
SALES & SERVICE FEES	225,000	233,000	(8,000)	(3.43%)	0.66%
INTEREST ON INVESTMENTS	31,000	33,000	(2,000)	(6.06%)	0.09%
FACILITY USE	30,000	32,000	(2,000)	(6.25%)	0.08%
OTHER INCOME	349,400	144,500	204,900	141.80%	1.02%
TOTAL	**$ 34,329,300**	**$ 33,655,318**	**$ 673,982**	**2.00%**	**100.00%**

Note: Includes Education and Operations & Maintenance Funds.

REVENUES, EXPENDITURES, TRANSFERS & CHANGES IN FUND BALANCE - ALL FUNDS
FY 2016 BUDGET

	GENERAL FUND		SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ENTERPRISE FUND	
FY 2016	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	$5,550,000	$900,000	-	$42,500	$1,625,000	$1,986,090	$750,000	-	$10,853,590
CPPRT	550,000	-	-	-	-	-	-	-	550,000
Other Local Revenues	20,000	-	-	-	-	-	-	-	20,000
State Government	8,604,650	2,713,750	3,967,525	-	-	-	-	-	15,285,925
Federal Government	-	-	16,950,000	-	-	-	-	-	16,950,000
Student Tuition & Fees	15,355,500	-	-	-	-	-	-	-	15,355,500
Sales & Service Fees	225,000	-	-	-	-	-	-	-	225,000
Facilities Rental	-	30,000	-	-	-	-	-	-	30,000
Interest Income	30,000	1,000	-	300	1,500	1,500	2,250	2,800	39,350
Non-Governmental Gifts, Grants	-	-	-	-	-	-	-	-	0
Other	344,400	5,000	-	-	-	-	71,666	897,283	1,318,349
Total Revenues	30,679,550	3,649,750	20,917,525	42,800	1,626,500	1,987,590	823,916	900,083	60,627,714
Expenditures:									
Instruction	11,821,695	-	1,190,000	-	-	-	-	-	13,011,695
Academic Support	2,141,000	-	720,000	-	-	-	-	2,500	2,863,500
Student Services	2,833,664	-	705,000	-	-	-	-	-	3,538,664
Public Service	1,045,954	-	2,725,000	-	-	-	-	764,968	4,535,922
Independent Operations	-	-	-	-	-	-	-	1,275,840	1,275,840
Operations & Maintenance	-	3,500,000	-	-	660,232	-	-	58,500	4,218,732
Institutional Support	6,625,236	171,272	1,496,025	44,195	1,321,818	1,965,899	1,985,000	60,000	13,669,445
Scholarships, Grants, Waivers	4,474,100	-	14,100,000	-	-	-	-	373,464	18,947,564
Total Expenditures	28,941,649	3,671,272	20,936,025	44,195	1,982,050	1,965,899	1,985,000	2,535,272	62,061,362
Excess (Deficiency) of Revenues Over Expenditures	1,737,901	(21,522)	(18,500)	1,395	(355,550)	21,691	(1,161,084)	(1,635,189)	(1,433,648)
Other Sources (Uses):									
Bond Proceeds	-	-	-	-	-	-	-	-	0
Transfers In (Out)	(1,706,600)	-	18,500	-	-	-	655,000	1,033,100	0
Total Other Financing Sources (Uses)	(1,706,600)	0	18,500	0	0	0	655,000	1,033,100	0
(Deficit) / Surplus	31,301	(21,522)	0	1,395	(355,550)	21,691	506,084	(602,089)	(1,433,648)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-	0
Net Change	31,301	(21,522)	0	1,395	(355,550)	21,691	(506,084)	(602,089)	(1,433,648)
Beginning Fund Balance	8,900,000	2,100,000	0	82,000	1,200,000	1,080,000	1,450,000	2,600,000	17,412,000
Use of Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$8,931,301	$2,078,478	$0	$80,605	$844,450	$1,101,691	$943,916	$1,997,911	$15,978,352

YEARLY COMPARISON

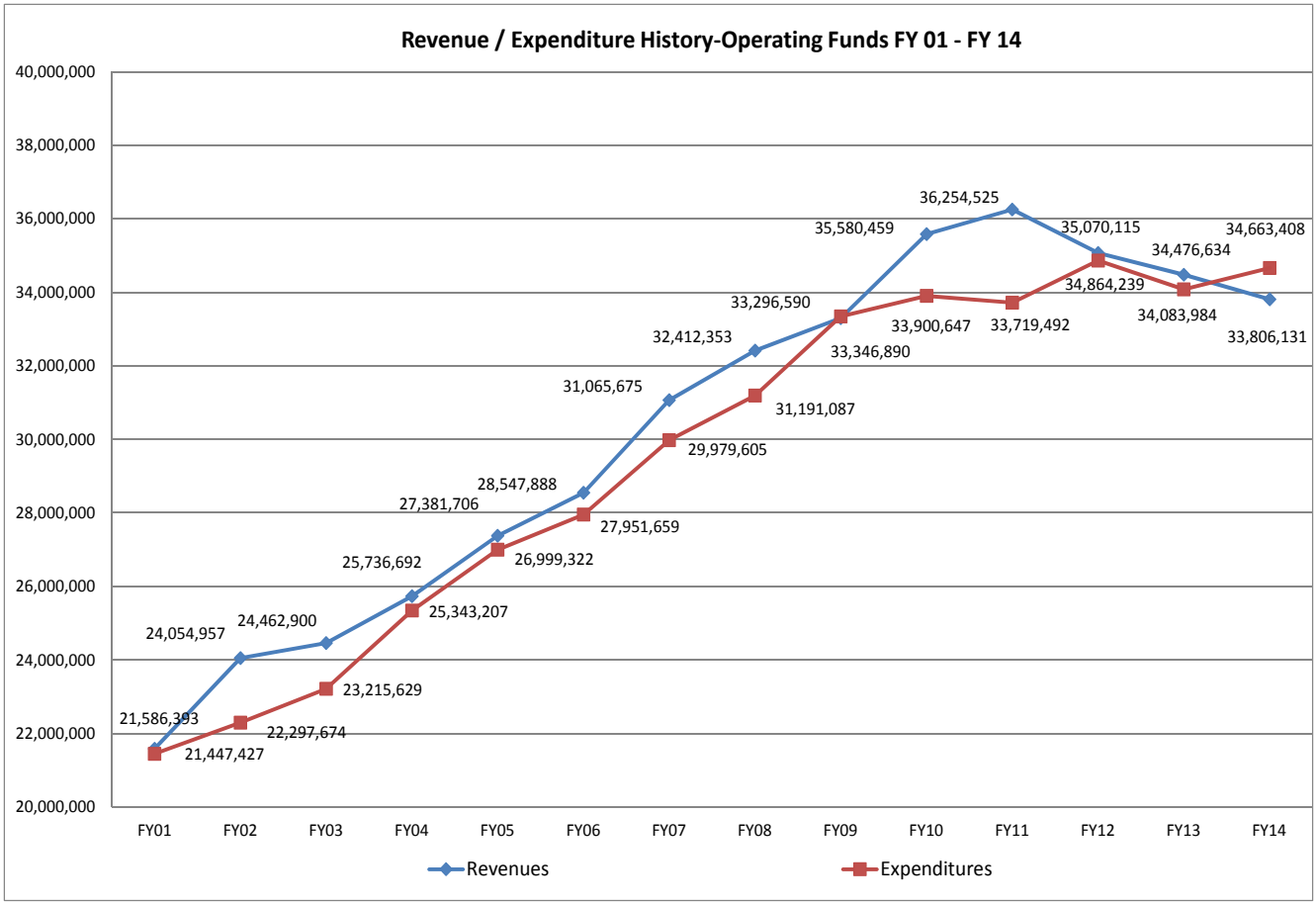
REVENUE / EXPENDITURE SUMMARY ALL FUNDS				
	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Budget
Revenues:				
Local Property Taxes	9,680,740	9,940,124	10,287,915	10,853,590
CPPRT	617,785	624,701	669,717	550,000
Other Local Revenues	6,832	24,687	25,615	20,000
State Government	13,407,310	13,406,806	13,642,106	15,285,925
Federal Government	10,259,612	10,448,691	10,253,291	16,950,000
Student Tuition & Fees	14,628,693	14,156,792	13,194,985	15,355,500
Sales & Service Fees	293,713	174,475	238,626	225,000
Facilities Rental	43,527	15,138	6,870	30,000
Interest Income	38,724	30,802	35,121	36,550
Non-Governmental Gifts, Grants	-	-	104,788	-
Other	1,530,940	3,200,102	2,158,768	1,321,149
Total Revenues	50,507,876	52,022,318	50,617,802	60,627,714
Expenditures:				
Instruction	13,225,866	12,780,333	13,173,565	13,011,695
Academic Support	2,764,315	2,602,584	2,509,847	2,863,500
Student Services	3,440,984	3,584,449	3,678,010	3,538,664
Public Service	2,894,207	3,545,648	3,153,136	4,535,922
Independent Operations	1,424,772	1,455,752	1,258,935	1,275,840
Operations & Maintenance	4,363,243	4,734,457	4,583,864	4,218,732
Institutional Support	11,206,251	12,686,079	11,773,478	13,669,445
Scholarships, Grants, Waivers	12,692,486	12,491,669	11,575,089	18,947,564
Total Expenditures	52,012,124	53,880,971	51,705,924	62,061,362
Excess (Deficiency) of Revenues Over Expenditures	(1,504,248)	(1,858,653)	(1,088,122)	(1,433,648)
Other Sources (Uses):				
Bond Proceeds	-	-	-	-
Principal Payment on Debt	-	-	(575,000)	
Transfers In (Out)	-	-	-	-
Total Other Sources	0	0	(575,000)	0
(Deficit) / Surplus	(1,504,248)	(1,858,653)	(1,663,122)	(1,433,648)
Prior Yr Fund Balance Resource	-	-	-	-
Net Change	(1,504,248)	(1,858,653)	(1,663,122)	(1,433,648)
Beginning Fund Balance	22,438,023	20,933,775	19,075,122	17,412,000
Use of Prior Yr Fund Balance	-	-	-	-
Ending Fund Balance	$20,933,775	$19,075,122	$17,412,000	$15,978,352

GENERAL FUND	EDUCATION FUND				OPERATIONS & MAINTENANCE FUND			
MULTI-YEAR COMPARISON	**FY 2013 Actual**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**	**FY 2013 Actual**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**
Revenues:								
Local Property Taxes	$5,252,099	$5,361,427	$5,326,687	$5,550,000	$875,316	$893,810	$851,912	$900,000
CPPRT	617,785	624,701	669,717	550,000	-	-	-	-
Other Local Revenues	6,832	24,687	25,615	20,000	-	-	-	-
State Government	9,627,567	9,351,972	8,651,046	8,604,650	2,884,150	2,958,052	2,620,350	2,713,750
Federal Government	30,532	27,415	-	-	-	-	-	-
Student Tuition & Fees	14,628,693	14,156,792	13,194,985	15,355,500	-	-	-	-
Sales & Service Fees	293,713	174,475	238,626	225,000	-	-	-	-
Facilities Rental	-	-	-	-	43,527	15,138	6,870	30,000
Interest Income	37,254	32,941	28,728	30,000	1,470	1,205	761	1,000
Other	165,796	168,629	159,809	344,400	11,900	14,887	3,612	5,000
Total Revenues	30,660,271	29,923,039	28,295,213	30,679,550	3,816,363	3,883,092	3,483,505	3,649,750
Expenditures:								
Instruction	12,184,435	11,857,847	12,183,789	11,821,695	-	-	-	-
Academic Support	2,658,103	2,499,506	2,371,970	2,141,000	-	-	-	-
Student Services	2,941,979	3,034,713	3,169,827	2,833,664	-	-	-	-
Public Service	955,292	1,589,938	1,046,500	1,045,954	-	-	-	-
Operations & Maintenance	-	-	-	-	3,826,273	4,092,466	3,853,046	3,500,000
Institutional Support	4,736,942	5,568,294	5,746,224	6,625,236	4,120	3,777	-	171,272
Scholarships, Grants, Waivers	5,021,581	4,447,899	3,796,872	4,474,100	-	-	-	-
Total Expenditures	28,498,332	28,998,197	28,315,182	28,941,649	3,830,393	4,096,243	3,853,046	3,671,272
Excess (Deficiency) of Revenues Over Expenditures	2,161,939	924,842	(19,969)	1,737,901	(14,030)	(213,151)	(369,541)	(21,522)
Other Financing Sources (Uses):								
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers In (Out)	(1,755,259)	(1,568,968)	(1,616,252)	(1,706,600)	-	-	-	-
Total Other Financing	(1,755,259)	(1,568,968)	(1,616,252)	(1,706,600)	0	0	0	0
(Deficit) / Surplus	406,680	(644,126)	(1,636,221)	31,301	(14,030)	(213,151)	(369,541)	(21,522)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-
Net Change	406,680	(644,126)	(1,636,221)	31,301	(14,030)	(213,151)	(369,541)	(21,522)
Beginning Fund Balance	10,773,667	11,180,347	10,536,221	8,900,000	2,696,722	2,682,692	2,469,541	2,100,000
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance	$11,180,347	$10,536,221	$8,900,000	$8,931,301	$2,682,692	$2,469,541	$2,100,000	$2,078,478

SPECIAL REVENUE FUNDS									
	RESTRICTED PURPOSES FUND			AUDIT FUND			LIABILITY, PROTECTION & SETTLEMENT FUND		
Multi-Year Comparison	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**
Revenues:									
Local Property Taxes	-	-	-	$45,486	$43,963	$42,500	$1,466,981	$1,466,620	$1,625,000
CPPRT	-	-	-	-	-	-	-	-	-
State Government	1,010,910	1,820,652	3,967,525	-	-	-	-	-	-
Federal Government	10,424,838	10,253,291	16,950,000	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	-	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	$153	$84	-	327	303	300	1,867	1,260	1,500
Non-Governmental Gifts	$139,498	$104,788	-	-	-	-	-	-	-
Other	121,299	$294,027	-	-	-	-	-	13,325	-
Total Revenues	11,696,698	12,472,842	20,917,525	45,813	44,266	42,800	1,468,848	1,481,205	1,626,500
Expenditures:									
Instruction	922,486	989,776	1,190,000	-	-	-	-	-	-
Academic Support	100,687	136,202	720,000	-	-	-	-	-	-
Student Services	549,736	508,183	705,000	-	-	-	-	-	-
Public Service	1,955,710	2,089,969	2,725,000	-	-	-	-	-	-
Operations & Maintenance	$775	-	-	-	-	-	607,781	710,623	660,232
Institutional Support	1,967,735	1,302,441	1,496,025	43,995	38,695	44,195	975,859	1,026,757	1,321,818
Scholarships, Waivers	8,043,770	7,464,122	14,100,000	-	-	-	-	-	-
Total Expenditures	13,540,899	12,490,693	20,936,025	43,995	38,695	44,195	1,583,640	1,737,380	1,982,050
Excess (Deficiency) of Revenues Over Expend	(1,844,201)	(17,851)	(18,500)	1,818	5,571	(1,395)	(114,792)	(256,175)	(355,550)
Other Sources (Uses):									
Bond Proceeds	1,827,351	-	-	-	-	-	-	-	-
Transfers In (Out)	16,850	17,851	18,500	-	-	-	-	-	-
Total Other Sources	1,844,201	17,851	18,500	0	0	0	0	0	0
(Deficit) / Surplus	0	0	0	1,818	5,571	(1,395)	(114,792)	(256,175)	(355,550)
Prior Yr Fund Bal Resource	-	-	-	-	-	-	-	-	-
Net Change	0	0	0	1,818	5,571	(1,395)	(114,792)	(256,175)	(355,550)
Beginning Fund Balance	0	0	0	74,611	76,429	82,000	1,570,967	1,456,175	1,200,000
Use Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$0	$0	$0	$76,429	$82,000	$80,605	$1,456,175	$1,200,000	$844,450

DEBT SERVICE, CAPITAL PROJECTS, AND PROPRIETARY FUNDS									
	Debt Service			Capital Projects			Proprietary		
	Bond & Interest Fund			Operations & Maintenance Restricted Fund			Auxiliary Enterprises Fund		
MULTI-YEAR COMPARISON	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**	**FY 2014 Actual**	**FY 2015 Estimate**	**FY 2016 Budget**
Revenues:									
Local Property Taxes	1,357,219	1,651,050	1,986,090	815,201	947,683	750,000	-	-	-
CPPRT	-	-	-	-	-	-	-	-	-
State Government	-	-	-	82,310	550,058	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	-	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	1,444	1,043	1,500	2,639	2,942	2,250	-	-	-
Non-Governmental Gifts	-	-	-	-	-	-	-	-	-
Other	-	-	-	369,976	1,146,727	71,666	548,688	541,268	900,083
Total Revenues	1,358,663	1,652,093	1,987,590	1,270,126	2,647,410	823,916	548,688	541,268	900,083
Expenditures:									
Instruction	-	-	-	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-	2,392	1,675	2,500
Student Services	-	-	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-	16,667	764,968
Independent Operations	-	-	-	-	-	-	1,455,752	1,258,935	1,275,840
Operations & Maintenance	-	-	-	-	-	-	33,434	20,195	58,500
Institutional Support	1,217,168	807,384	1,965,899	2,354,869	2,792,763	1,985,000	74,382	59,214	60,000
Scholarships, Grants, Waivers	-	-	-	-	-	-	-	314,095	373,464
Total Expenditures	1,217,168	807,384	1,965,899	2,354,869	2,792,763	1,985,000	1,565,960	1,670,781	2,535,272
Excess (Deficiency) of Revenues Over Expenditures	141,495	844,709	21,691	(1,084,743)	(145,353)	(1,161,084)	(1,017,272)	(1,129,513)	(1,635,189)
Other Sources (Uses):									
Bond Proceeds	-	-	-	-	-	-	-	-	-
Principal Payment on Debt	(480,000)	(575,000)	-	-	-	-	-	-	-
Transfers In (Out)	352,118	-	-	500,000	598,401	655,000	700,000	1,000,000	1,033,100
Total Other Sources	(127,882)	(575,000)	0	500,000	598,401	655,000	700,000	1,000,000	1,033,100
(Deficit) / Surplus	13,613	269,709	21,691	(584,743)	453,048	(506,084)	(317,272)	(129,513)	(602,089)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-	-
Net Change	13,613	269,709	21,691	(584,743)	453,048	(506,084)	(317,272)	(129,513)	(602,089)
Beginning Fund Balance	796,678	810,291	1,080,000	1,581,695	996,952	1,450,000	3,046,785	2,729,513	2,600,000
Use of Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	$810,291	$1,080,000	$1,101,691	$996,952	$1,450,000	$943,916	$2,729,513	$2,600,000	$1,997,911

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)
Average	**30,266,644**	**29,500,305**	**766,339**


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
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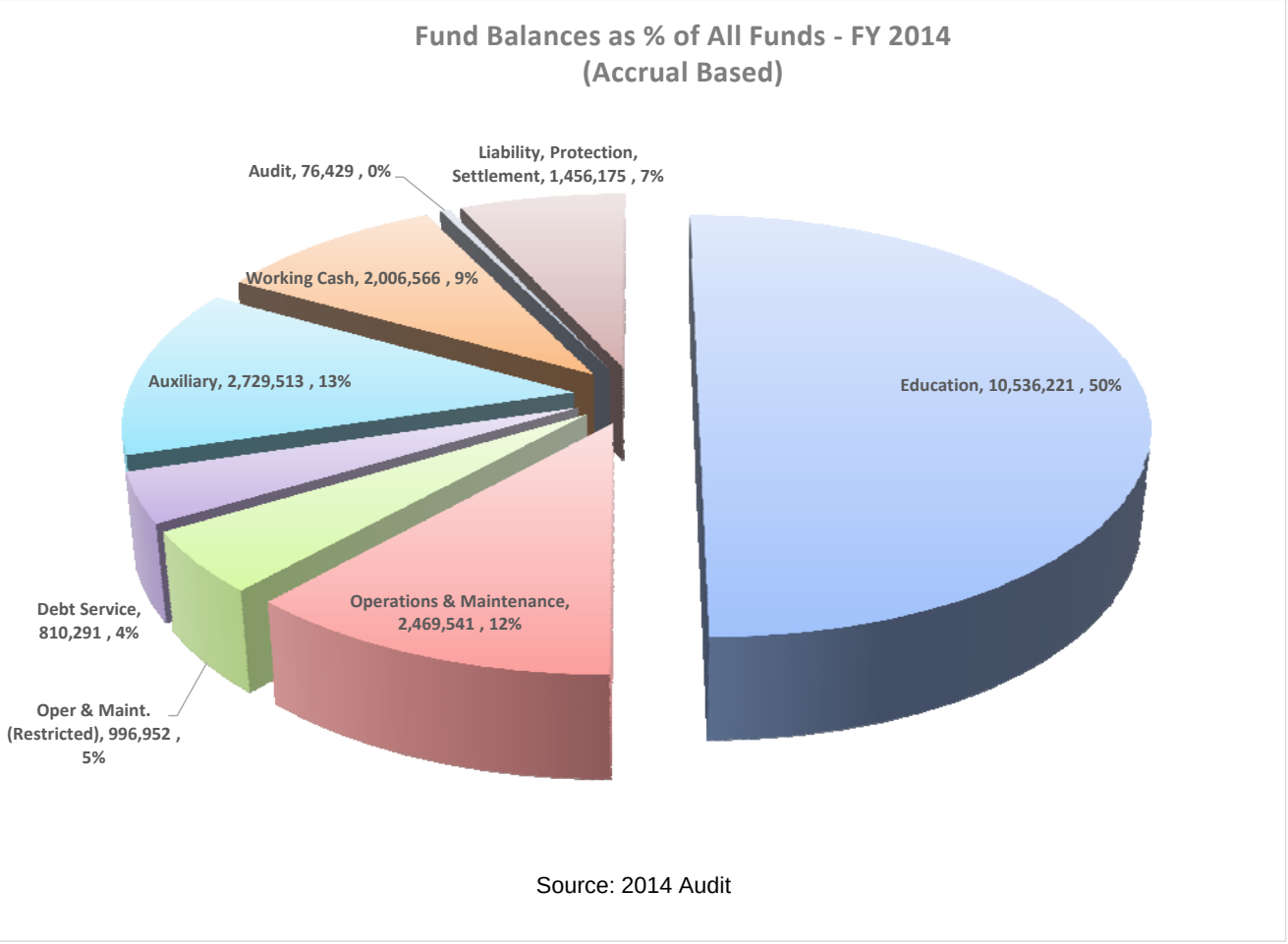
FY12
FY13
FY14
21,586,393
24,054,957
24,462,900
25,736,692
27,381,706
28,547,888
31,065,675
32,412,353
33,296,590
35,580,459
36,254,525
35,070,115
34,476,634
34,663,408
21,447,427
22,297,674
23,215,629
25,343,207
26,999,322
27,951,659
29,979,605
31,191,087
33,346,890
33,900,647
33,719,492
34,864,239
34,083,984
33,806,131
Revenues
Expenditures

FUND BALANCE

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.



Source: 2014 Audit

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. The transfer was reduced to $700,000. 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. For FY 2015, a planned transfer of $1,000,000 was carried out to attempt to maintain the stability of the Auxiliary fund balance.

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 the end of FY 2014, the balance was at $2,006,566. With the addition of a small amount of interest, the estimated FY 2015 balance will only grow to around $2,010,000. Throughout the process of building these fund balances, the College will continue historical annual transfers to the Operations and Maintenance-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, might need re-examined.

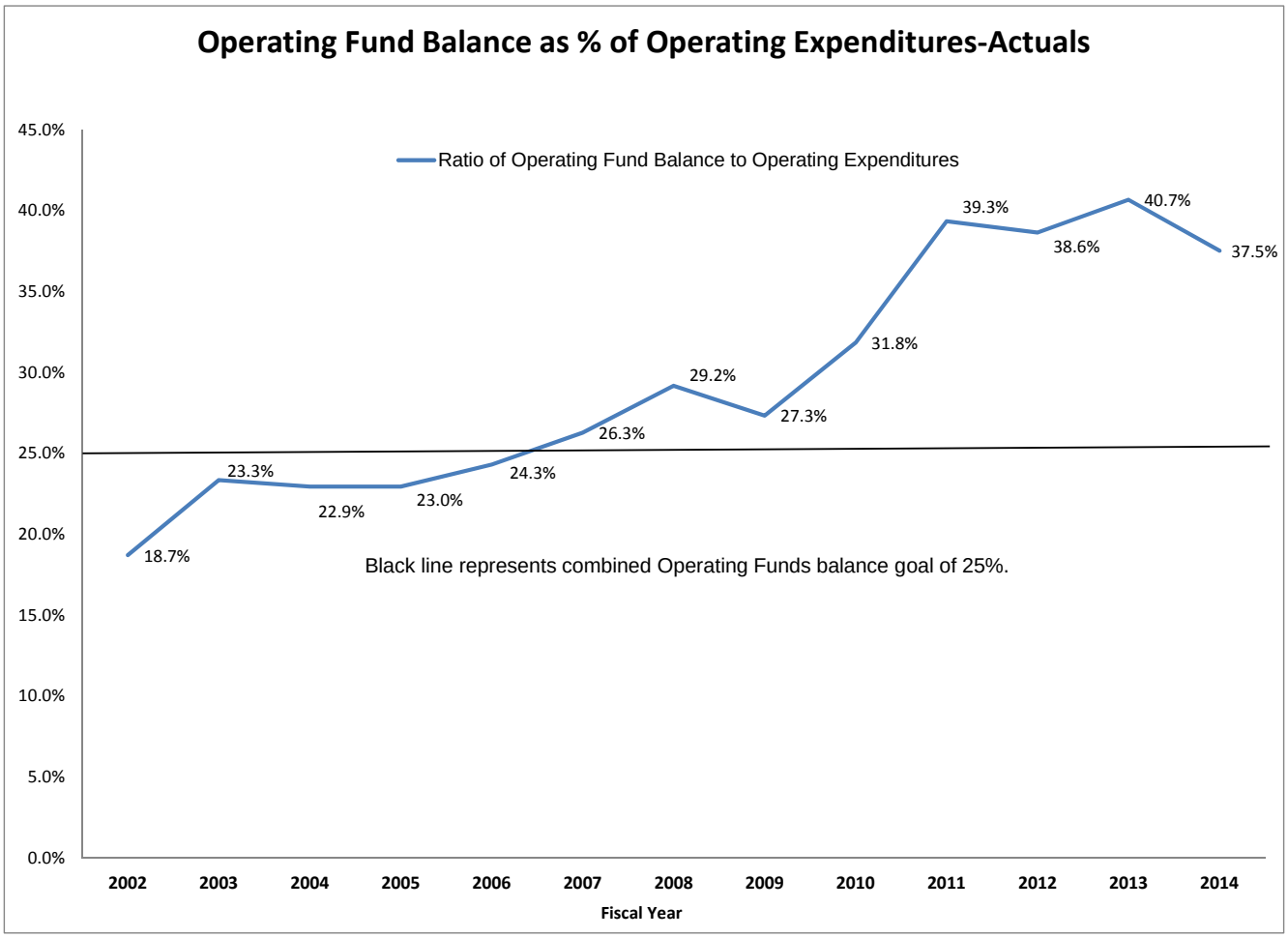
However at this time, the College is faced with the reality of two consecutive deficits and no significant surplus of revenue for the current budget year. Estimates expect fund balance percentages to decline for Operating funds in FY 2015 and also decline in the Auxiliary fund for FY 2016.

See the table on the page below that details fund balance data and fund balance ratios as a percent of annual operating expenditures. This table includes actual fund balance data for FY 2013 and for FY 2014, with projected fund balances for FY 2015 as well as budgeted ending fund balance amounts for FY 2016. On subsequent pages, you will find charts that show fund balance ratios compared to their targets over a long-term period.

Ending Fund Balance $ and Fund Balance % Goals					
Fund Description	**FY 2013 Actual**	**FY 2014 Actual**	**FY 2015 Estimated**	**FY 2016 Budgeted**	
Education Fund Balance	$11,180,347	$10,536,221	$8,900,000	$8,931,301	
Operations & Maintenance Fund Balance	2,682,692	2,469,541	2,100,000	2,078,478	
Combined Operating Fund Balance	13,863,039	13,005,762	11,000,000	11,009,779	
Auxiliary Fund Balance	3,046,785	2,729,513	2,600,000	1,997,911	
Working Cash Fund Balance	2,003,222	2,006,566	2,010,000	2,014,000	
Auxiliary+Working Cash Fund Balances	5,050,007	4,736,079	4,610,000	4,011,911	
Total Operating+Auxiliary & Working Cash	18,913,046	17,741,841	15,610,000	15,021,690	
Total Annual Operating Revenues	34,476,634	33,806,131	31,778,718	34,329,300	
Total Annual Operating Expenditures	34,083,984	34,663,408	33,784,480	34,319,521	
Operating Funds Surplus/Deficit	$392,650	($857,277)	($2,005,762)	$9,779	
As % of Annual Operating Expenditures	**FY 2013 Actual**	**FY 2014 Actual**	**FY 2015 Estimated**	**FY 2016 Budgeted**	**Goals**
Education Fund	32.8%	30.4%	26.3%	26.0%	
Operations & Maintenance Fund	7.9%	7.1%	6.2%	6.1%	
Combined Operating Funds	40.7%	37.5%	32.6%	32.1%	25.0%
Auxiliary Fund	8.9%	7.9%	7.7%	5.8%	10.0%
Working Cash Fund	5.9%	5.8%	5.9%	5.9%	15.0%
Auxiliary+Working Cash Funds	14.8%	13.7%	13.6%	11.7%	25.0%
Total Operating+Auxiliary & Working Cash	55.5%	51.2%	46.2%	43.8%	50.0%

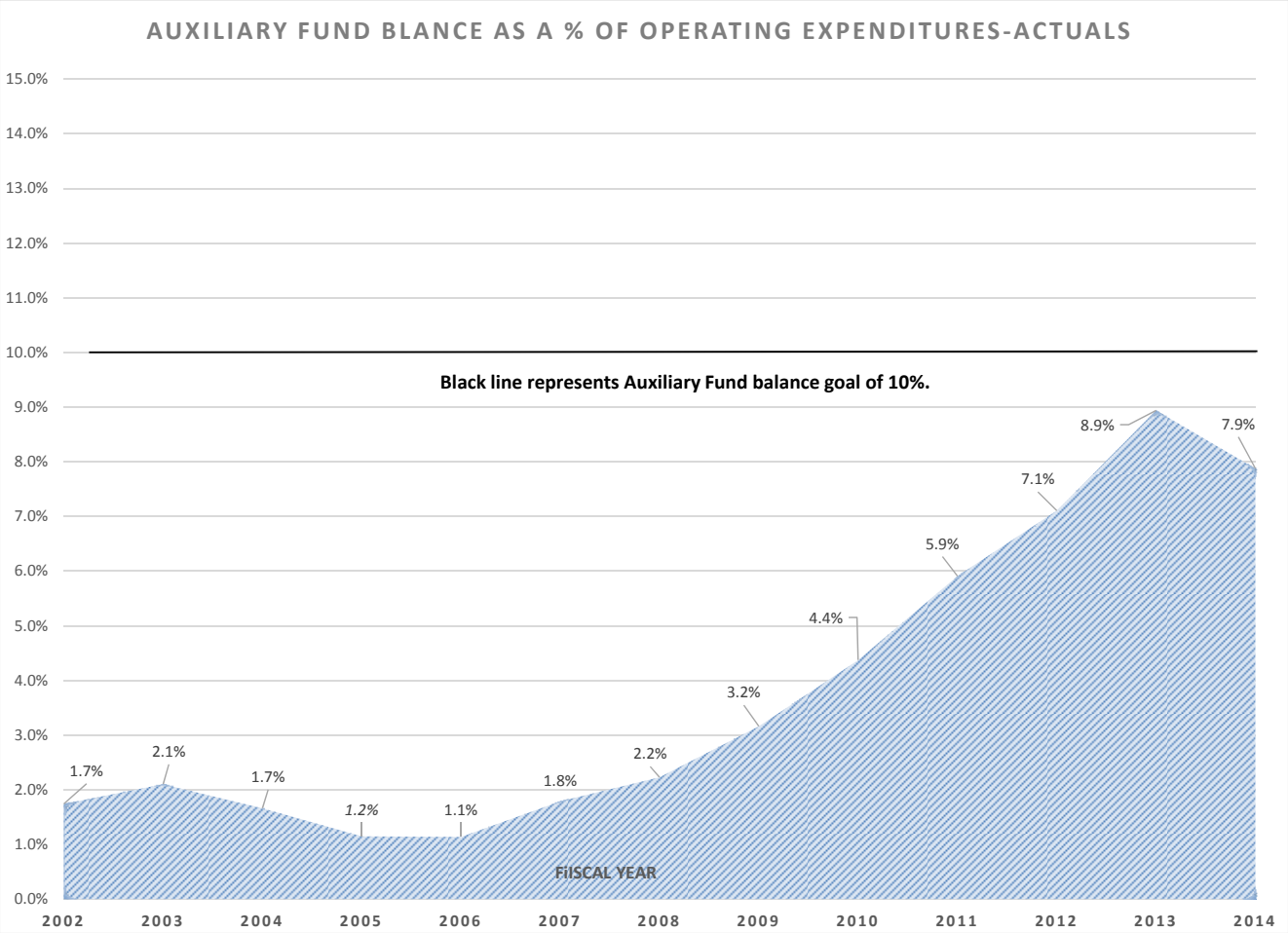
Goals-Operating Funds:

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). FY 2015 is estimated at a worst case scenario of $11,000,000 or 32.6%. A call for a discretionary spending freeze was executed to attempt to improve final FY 2015 numbers. See the chart below detailing several years of ratios related to Operating funds.



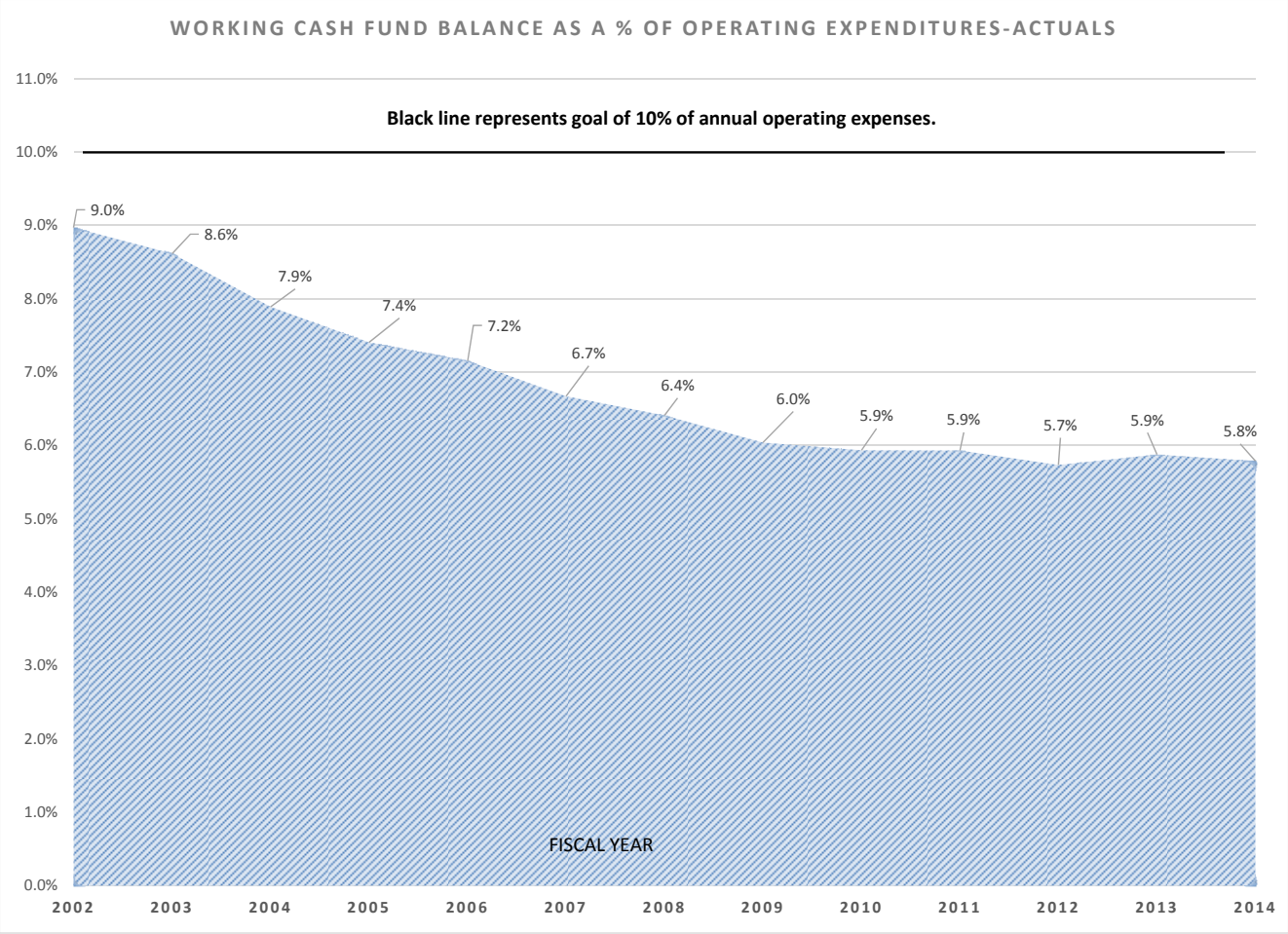
Goals-Auxiliary Fund:

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. For 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, a decrease in the planned transfer from the Education fund resulted a reduction down to $2,729,513, representing 7.9%. FY 2015 is estimated to finish at only a minimal change to $2.6m or 7.7%. With the CHEC facility operations being reclassified to the Auxiliary fund for FY 2016, budgeted numbers project the ending fund balance at just under $2m or a significant reduction to 5.8%. 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 had a fund balance of $2,006,566 representing 5.8% of annual operating expenditures. With only a minor accumulation of interest, FY 2015 and FY 2016 are estimated to be $2,010,000 and $2,014,000, respectively. Based on a slight decrease in projected operating expenditures, this represents 5.9% in both years. See the chart below for the historical details of the Working Cash Fund.



Projected Beginning Fund Balance vs. Projected Ending Fund Balance - FY 2016				
Fund	**Projected Beginning Fund Balance**	**Projected Ending Fund Balance**	**FY 2016 $ Change in Fund Balance**	**FY 2016 Percent Change**
Education Fund	$8,900,000	$8,931,301	$31,301	0.35%
Operations & Maintenance Fund	2,100,000	2,078,478	(21,522)	(1.02%)
Restricted Purposes Fund	0	0	0	0.00%
Audit Fund	82,000	80,605	(1,395)	(1.70%)
Liability, Protection & Settlement Fund	1,200,000	844,450	(355,550)	(29.63%)
Bond & Interest Fund	1,080,000	1,101,691	21,691	2.01%
Operations & Maintenance (Restricted) Fund	1,450,000	943,916	(506,084)	(34.90%)
Auxiliary Fund	2,600,000	1,997,911	(602,089)	(23.16%)
Total All Funds	**$17,412,000**	**$15,978,352**	**($1,433,648)**	**(8.23%)**

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

Liability, Protection & Settlement Fund - The Liability, Protection, & Settlement Fund budget contains $1,982,050 in current year expenses and only $1,626,500 in projected revenues. This actually reflects an increase in revenues of $234,800 over the prior year due based on the tax levy. Expenditures were budgeted relatively flat with only a $37,139 increase. The current year deficit of ($355,550) is an improvement over the prior year's budgeted deficit. In the past, expenditures in this fund have come in under estimates.

Operations & Maintenance (Restricted) Fund - The Operations & Maint. (Restricted) Fund has $1,478,916 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 $1,985,000 for FY 16. The result is a projected decrease in fund balance of ($506,084). This is related to the use of prior bond funds for two current year projects and the use PHS funds accumulated from prior project years.

Auxiliary Fund - Including a transfer from the Education Fund, the Auxiliary fund has expected revenue of $1,933,183 and expenditures of $2,535,272. This is a budgeted deficit of ($602,089). The operations of the CHEC facility previously under the Education fund were reclassified to this fund for FY 2016. It is estimated the facility will operate at a deficit of ($300,000) for this year. For future years, the College must continue to explore new revenue models for this facility and continue to look for ways to reduce expenses. A portion of the fund's deficit is attributable to the College's seven Athletic programs which are also being reviewed.

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

RESOURCE ASSUMPTIONS-OPERATING FUNDS

Local Government Sources: $7,020,000 or 20.45% of Budgeted Operating Revenues

Property tax revenues are currently projected to be $6,450,000. This amount is an increase of $210,000 or a 3.37% 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. Chargeback revenue is estimated at $20,000.

State Government Sources: $11,318,400 or 32.97% of Budgeted Operating Revenues

State revenue sources reflect a decline in budgeted revenue. Based on an anticipated 2.25% IL State Budget reduction and a loss of credit hours in the Community Health Education Complex, ICCB Base Operating grant funds are budgeted at a total of $3,740,000 which is an estimated decrease of ($224,233) or (5.66%) from the prior year's budget. Equalization grants account for $7,115,000 which is an estimated decrease of ($279,685) or (3.78%) from the prior year's budget. FY 2016 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 $400,000 which is a budget reduction of $10,000. This year the College expects to receive Performance Based funding of $10,000 and a special designated ICCB Veterans grant estimated at $53,400.

Tuition and Student Fees: $15,355,500 or 44.73% of Budgeted Operating Revenues

For FY 2016, the in-district tuition rate is $109 per credit hour along with a $5 per hour technology fee. Student tuition and fees are anticipated at $15,355,500 as compared to $14,569,000 budgeted for the prior year. This is a projected increase of $786,500 or 5.40%. One reason for this is technology fees being budgeted as follows: $100,000 for summer, $200,000 for fall, and $200,000 for the spring term. In the prior fiscal year, the technology was not effective until the spring term and was budgeted at a prorated amount. This technology fee revenue will be dedicated to the network upgrade project.

In addition, the FY 2016 budget is based on an expected net increase of around $450,000 in tuition revenue. This was calculated based on what would normally be an expected $750,000 of new funds resulting from a $10 per credit hour tuition increase; however, offset by an expected ($300,000) of tuition revenue resulting from credit hour loss and expected continuation of unfunded mandates of certain financial aid programs. At this time, the College has experienced $325,912 in lost FY 2015 tuition revenue due to unfunded financial aid programs. Also, FY 2015 tuition revenues are currently projected to finish short of the budgeted amount.

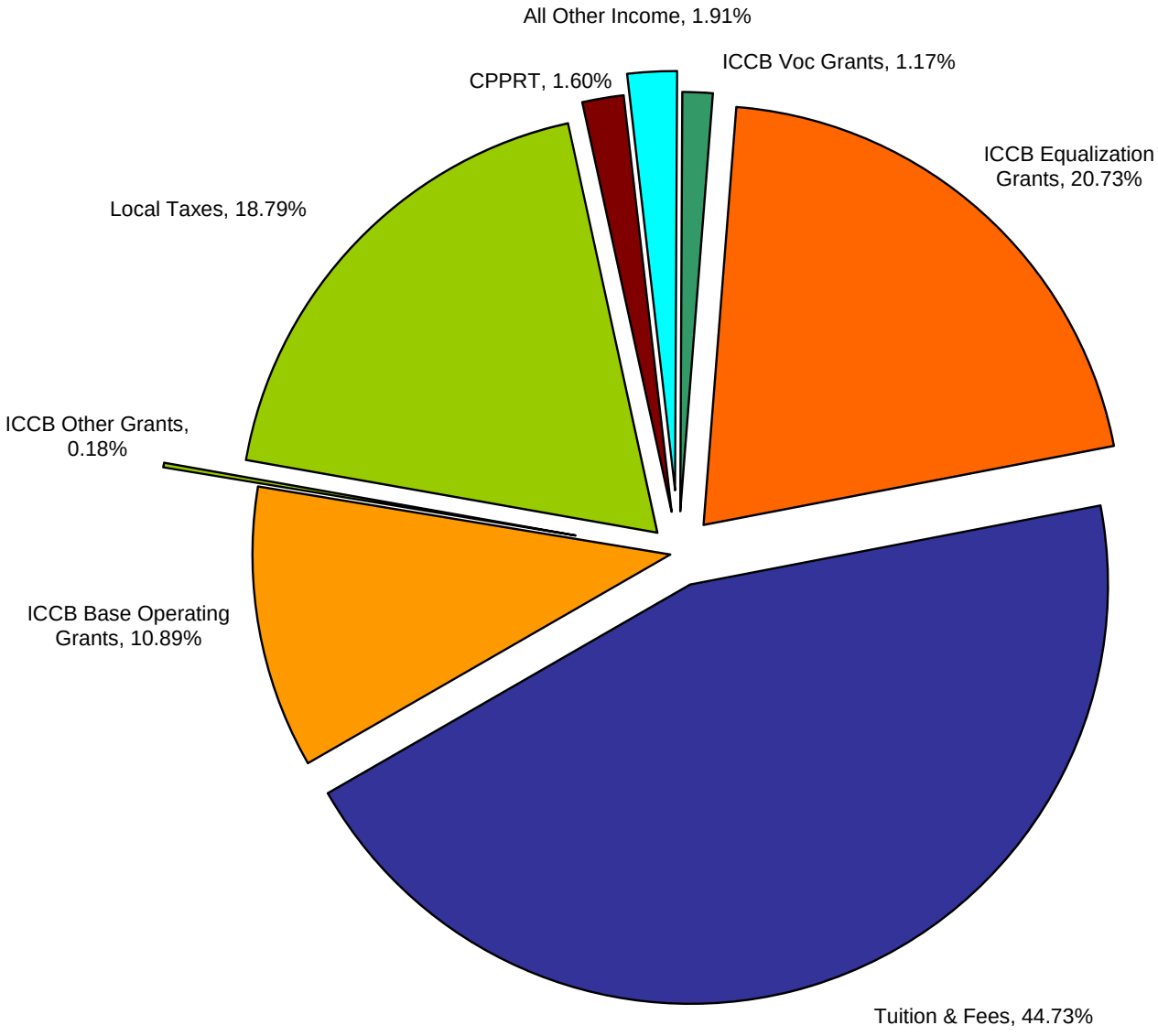
Other Revenue Sources: $635,400 or 1.86% of Budgeted Operating Revenues

Remaining sources of budgeted operating revenue include Sales and Service Fees of $225,000, interest income of $31,000, facilities revenue of $30,000, SICCM Admin fees for payroll processing of $60,000, aid from the FWROE of $60,000, and other nominal sources. Also for FY 2016, a one-time refund of SICCM assessment fees totaling $217,900 is included in other revenue.

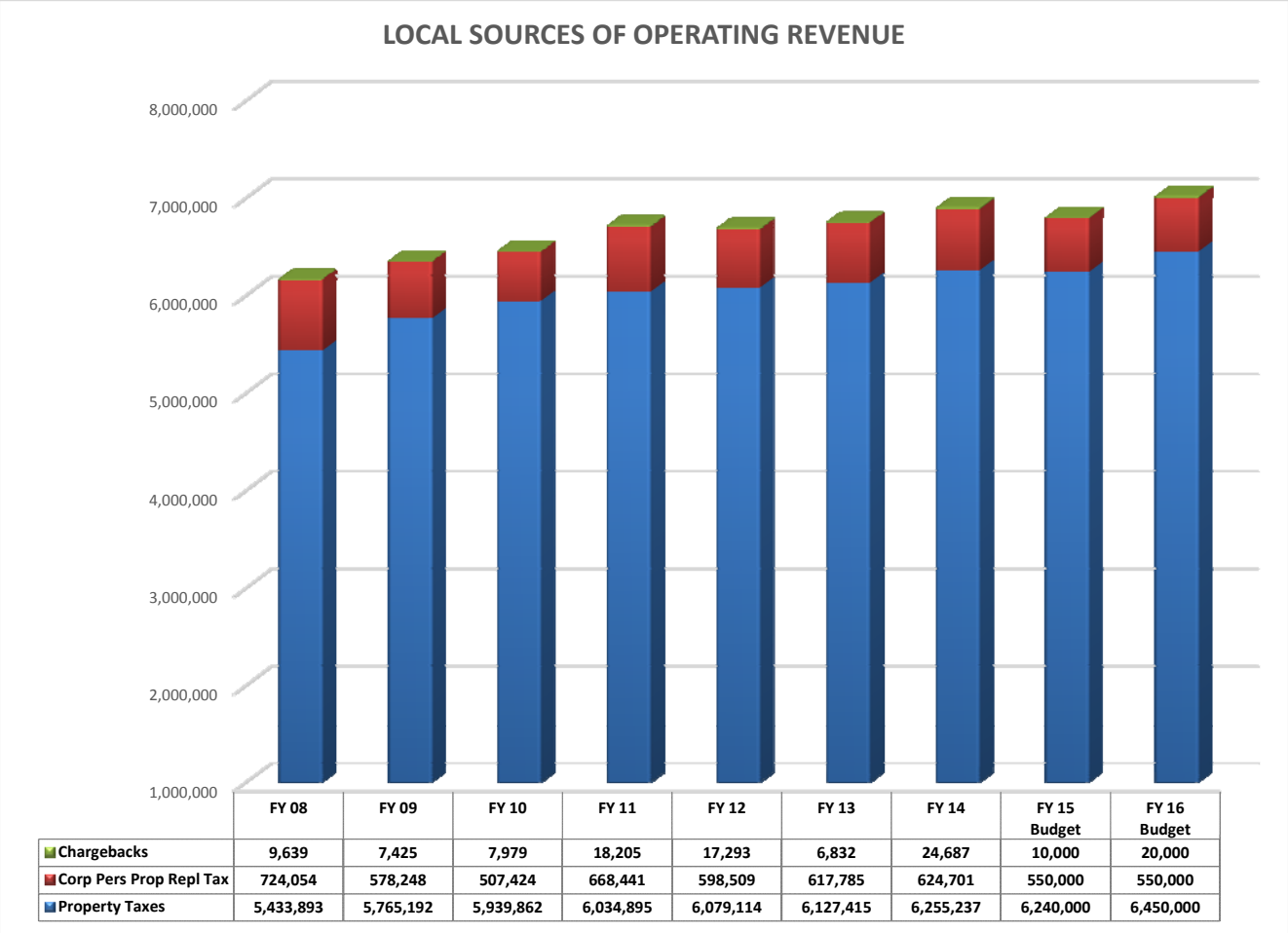
Summary of Fiscal Year 2016 Estimated Revenues

Operating Revenues By Source:	Education Fund	Operations and Maintenance Fund	Total Operating Funds	% of Total
Local Government Sources:				
Current Taxes	$5,550,000	$900,000	$6,450,000	18.79%
Corporate Personal Property Replacement Tax	$550,000		550,000	1.60%
Chargeback Revenue	20,000		20,000	0.06%
TOTAL LOCAL GOVERNMENT	**$6,120,000**	**$900,000**	**$7,020,000**	**20.45%**
State Governmental Sources:				
ICCB Base Operating Grants	$2,805,000	$935,000	$3,740,000	10.89%
ICCB Equalization Grants	5,336,250	1,778,750	7,115,000	20.73%
ICCB Performance Allocation Grant	10,000		10,000	0.03%
ICCB Veterans Grant	53,400		53,400	0.16%
Illinois Community College Board-Vocational Education	400,000		400,000	1.17%
TOTAL STATE GOVERNMENT	**$8,604,650**	**$2,713,750**	**$11,318,400**	**32.97%**
Student Tuition and Fees:				
Tuition	$13,647,500		$13,647,500	39.75%
Fees	1,708,000		1,708,000	4.98%
TOTAL TUITION AND FEES	**$15,355,500**	**$0**	**$15,355,500**	**44.73%**
Other Sources:				
Sales and Service Fees	$225,000		$225,000	0.66%
Facilities Revenue		$30,000	30,000	0.09%
Investment Revenue	30,000	1,000	31,000	0.09%
Other Sources	344,400	5,000	349,400	1.02%
TOTAL OTHER SOURCES	**$599,400**	**$36,000**	**$635,400**	**1.86%**
TOTAL FY 2016 BUDGETED REVENUE	**$30,679,550**	**$3,649,750**	**$34,329,300**	**100.00%**
Less Nonoperating Items:				
Tuition Chargeback Revenue	$20,000		$20,000	
ADJUSTED REVENUE	**$30,659,550**	**$3,649,750**	**$34,309,300**	

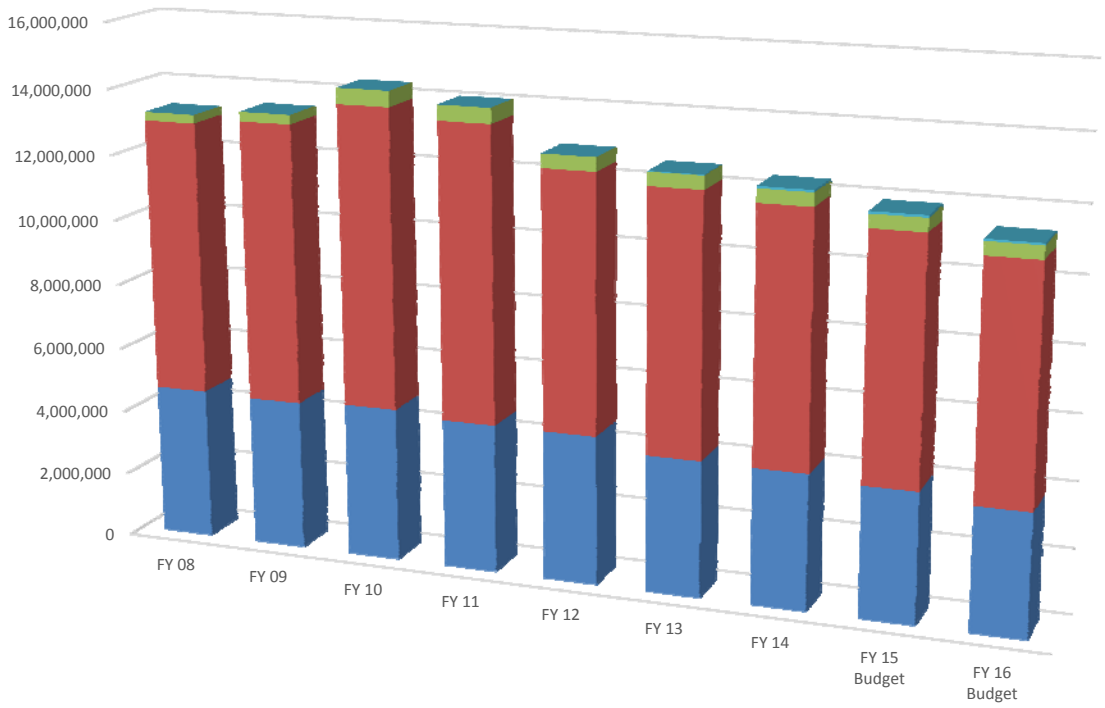
Revenues
Operating Funds
FY 2016



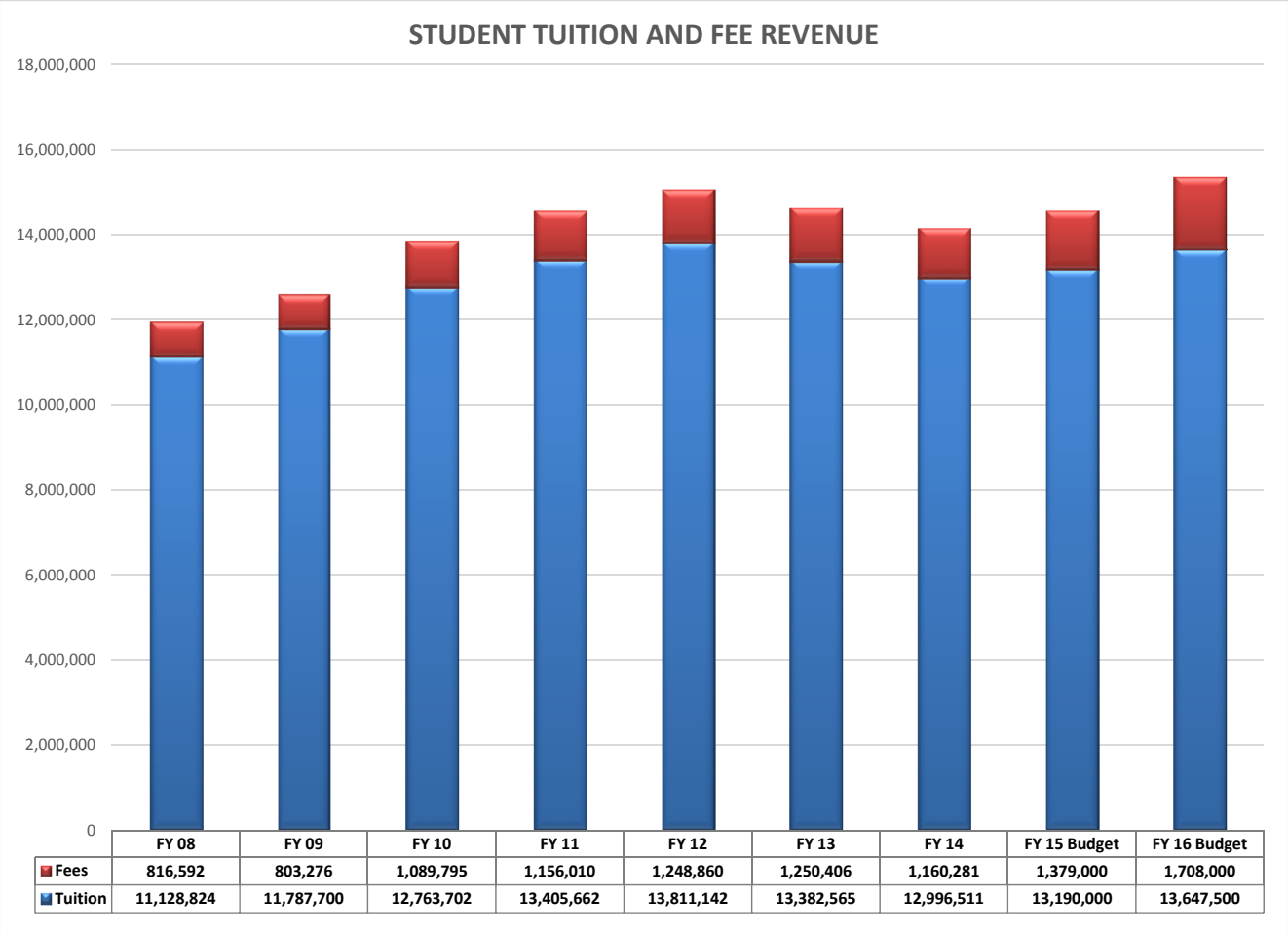
REVENUE BY SOURCE (OPERATING FUNDS)									
REVENUE SOURCE:	**FY 08**	**FY 09**	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**	**FY 15 Budget**	**FY 16 Budget**
Property Taxes	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,240,000	6,450,000
CPPRT	724,054	578,248	507,424	668,441	598,509	617,785	624,701	550,000	550,000
Chargeback Revenue	9,639	7,425	7,979	18,205	17,293	6,832	24,687	10,000	20,000
Total Local Revenue	**6,167,586**	**6,350,865**	**6,455,265**	**6,721,541**	**6,694,916**	**6,752,032**	**6,904,625**	**6,800,000**	**7,020,000**
% of Total Revenue	**19.03%**	**19.07%**	**18.14%**	**18.54%**	**19.09%**	**19.58%**	**20.42%**	**20.20%**	**20.45%**
ICCB Base Operating	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,964,233	3,740,000
ICCB Equalization	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,394,685	7,115,000
ICCB Vocational Educ	260,639	287,755	486,091	471,462	428,343	413,863	410,285	410,000	400,000
ICCB Misc Grants	0	0	0	0	0	20,176	67,533	74,900	63,400
Total State Revenue	**13,221,379**	**13,416,723**	**14,317,685**	**14,011,085**	**12,799,473**	**12,511,717**	**12,310,024**	**11,843,818**	**11,318,400**
% of Total Revenue	**40.79%**	**40.29%**	**40.24%**	**38.65%**	**36.50%**	**36.29%**	**36.41%**	**35.19%**	**32.97%**
Tuition	11,128,824	11,787,700	12,763,702	13,405,662	13,811,142	13,382,565	12,996,511	13,190,000	13,647,500
Fees	816,592	803,276	1,089,795	1,156,010	1,248,860	1,250,406	1,160,281	1,379,000	1,708,000
Total Tuition & Fees	**11,945,416**	**12,590,976**	**13,853,497**	**14,561,672**	**15,060,002**	**14,632,971**	**14,156,792**	**14,569,000**	**15,355,500**
% of Total Revenue	**36.85%**	**37.81%**	**38.94%**	**40.17%**	**42.94%**	**42.44%**	**41.88%**	**43.29%**	**44.73%**
Sales and Service fees	250,044	228,343	228,645	250,647	229,544	293,713	174,476	233,000	225,000
Facilities Revenue	23,956	9,900	3,120	1,760	27,872	43,527	15,138	32,000	30,000
Investment Revenue	429,402	104,497	25,210	21,428	30,139	38,724	34,146	33,000	31,000
Other Sources	374,570	595,282	697,037	686,392	228,169	203,951	210,930	144,500	349,400
Total Other Revenue	**1,077,972**	**938,022**	**954,012**	**960,227**	**515,724**	**579,915**	**434,690**	**442,500**	**635,400**
% of Total Revenue	**3.33%**	**2.83%**	**2.68%**	**2.64%**	**1.47%**	**1.69%**	**1.29%**	**1.32%**	**1.86%**
Total Operating Revenue	**$32,412,353**	**$33,296,586**	**$35,580,459**	**$36,254,525**	**$35,070,115**	**$34,476,635**	**$33,806,131**	**$33,655,318**	**$34,329,300**
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**



	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget	FY 16 Budget
Chargebacks	9,639	7,425	7,979	18,205	17,293	6,832	24,687	10,000	20,000
Corp Pers Prop Repl Tax	724,054	578,248	507,424	668,441	598,509	617,785	624,701	550,000	550,000
Property Taxes	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,240,000	6,450,000



	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget	FY 16 Budget
ICCB Misc Grants	0	0	0	0	0	20,176	67,533	74,900	63,400
ICCB Vocational Educ	260,639	287,755	486,091	471,462	428,343	413,863	410,285	410,000	400,000
ICCB Equalization	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,394,685	7,115,000
ICCB Base Operating	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,964,233	3,740,000



	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 Budget	FY 16 Budget
Fees	816,592	803,276	1,089,795	1,156,010	1,248,860	1,250,406	1,160,281	1,379,000	1,708,000
Tuition	11,128,824	11,787,700	12,763,702	13,405,662	13,811,142	13,382,565	12,996,511	13,190,000	13,647,500

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, & TAXES EXTENDED
UNAUDITED
LEVY YEARS 2012, 2013, & 2014

Assessed Valuation	2014 Levy Payable in 2015	2013 Levy Payable in 2014	2012 Levy Payable in 2013
Franklin County	$83,697,751	$77,755,623	$77,500,710
Jackson County	675,757,450	667,469,780	672,273,769
Perry County	85,122,356	83,815,165	83,641,699
Randolph County	11,055,039	10,198,758	10,416,804
Williamson County	950,562,817	946,400,403	919,939,174
Total	$1,806,195,413	$1,785,639,729	$1,763,772,156
$ Increase	$20,555,684	$21,867,573	
% Increase	1.15%	1.24%	

Tax Rates (Per $100 of Assessed Valuation)	2014 Levy Payable in 2015	2013 Levy Payable in 2014	2012 Levy Payable in 2013
Education	0.30000	0.30000	0.30000
Operations and Maintenance	0.05000	0.05000	0.05000
Bond and Interest	0.10977	0.07895	0.07633
Audit	0.00251	0.00207	0.00283
Liability, Protection, and Settlement	0.08939	0.08714	0.08092
Health, Life, and Safety	0.03864	0.04507	0.04513
Prior Year Adjustment	0.00070	-	0.00014
Total	0.59101	0.56323	0.55535

Taxes Extended	2014 Levy Payable in 2015	2013 Levy Payable in 2014	2012 Levy Payable in 2013
Education	$5,418,586	$5,356,919	$5,285,095
Operations and Maintenance	903,098	892,820	881,886
Bond and Interest	1,976,203	1,411,462	1,346,883
Audit	45,252	38,328	50,104
Liability, Protection, and Settlement	1,608,915	1,557,595	1,427,689
Health, Life, and Safety	695,464	805,624	796,123
Prior Year Adjustment	7,645	(1,276)	1,288
Total	$10,655,163	$10,061,472	$9,789,068

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

Instruction: $11,821,695 or 34.5% of Budgeted Operating Expenditures
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.

As compared to the prior year's budget, Instruction experienced a decrease of (12.49%) or ($1,687,423). In addition to attrition savings, the elimination of a position, and reallocation of CHEC staffing, a significant reduction was seen in requests for new instructional equipment as well as reductions in other discretionary areas.

- Discretionary Line Item Reductions: Contractual Services ($80,652); Materials & Supplies ($95,911); Conference & Meeting ($68,469); Capital Outlay ($450,766)
- Contingency allocated to VP of Instruction ($50,000)

Even with overall reductions, funds for the new Health Information Technology (HIT) Program were budgeted. Obligations such as professional development funds for full-time Faculty, clinical site visits, and funds to cover travel to the College's two extension centers were also budgeted.

Academic Support: $2,141,000 or 6.2% of Budgeted Operating Expenditures
This category includes activities designed to provide support services for the institution's primary missions of instruction and public service. Academic support includes the operation of the library, educational media services, and academic computing used in the learning process.

As compared to the prior year's budget, Academic Support experienced an overall decrease of (22.77%) or ($631,173). In addition to salary and benefit savings from attrition and the elimination of a position, reductions were seen in each area of discretionary spending.

- Discretionary Line Item Reductions: Contractual Services ($12,423); Materials & Supplies ($133,633); Conference & Meeting ($63,675); Capital Outlay ($30,400)

Budget requests in this area included $40,000 to upgrade existing and also provide additional smart rooms. In addition, $25,000 was budgeted for the implementation of new EMS Scheduling software and $10,000 to provide for a related support agreement.

Student Services: $2,833,664 or 8.3% of Budgeted Operating Expenditures
The student services function provides assistance in the areas of financial aid, admissions, placement, testing, counseling, and student activities.

As compared to the prior year's budget, Student Services experienced a decrease of (11.96%) or ($384,823). In addition to salary and benefit savings from attrition, reductions were seen in the following areas of discretionary spending.

- Discretionary Line Item Reductions: Contractual Services ($24,489); Materials & Supplies ($27,175); Conference & Meeting ($25,263); Fixed Charges ($1,140); Capital Outlay ($2,400)

In addition to other services, some examples of normal budget requests in the Student Services area would be to provide student assistance in the areas of interpreting and tutoring services, along with the job fair and other career services.

Public Services: $1,045,954 or 3.0% of Budgeted Operating Expenditures

Public service consists of Community Education (noncredit) classes and other activities of an educational nature, such as workshops, seminars, and the provision of college facilities and expertise to the community designed to be of service to the public.

As compared to the prior year's budget, Public Services experienced a decrease of (4.40%) or ($48,103). Salary and benefit budgeting resulted in a nominal reduction. Additional reductions were seen in each area of discretionary spending.

- Discretionary Line Item Reductions: Contractual Services ($14,736); Materials & Supplies ($15,133); Conference & Meeting ($9,790); Other ($400)

Institutional Support: $6,796,508 or 19.8% of Budgeted Operating Expenditures
Institutional support includes expenditures for central executive-level activities and support services that benefit the entire institution. Examples include expenses for the governing board, information technology, fiscal operations, human resources, institutional effectiveness, legal services, etc.

As compared to the prior year's budget, Institutional Support experienced a decrease of (9.45%) or ($709,670). Salary and benefit budgeting resulted in a net increase of just under $88,000.

- Discretionary Line Item Reductions: Materials & Supplies ($314,028); Conference & Meeting ($79,450); Capital Outlay ($5,900); Other ($6,000)
- Contingency - VP Business Services ($25,000); VP Student Affairs & Community Ed ($25,000) reduction
- Contingency - General ($600,000) reduction

Operation & Maintenance of Plant: $3,500,000 or 10.2% of Budgeted Operating Expenditures
Operation and maintenance of plant consists of those activities necessary to keep the grounds, buildings, and equipment operating efficiently and ready for use. This function also provides for plant utilities, as well as equipment, materials, supplies, fire protection, and other costs necessary to support this function.

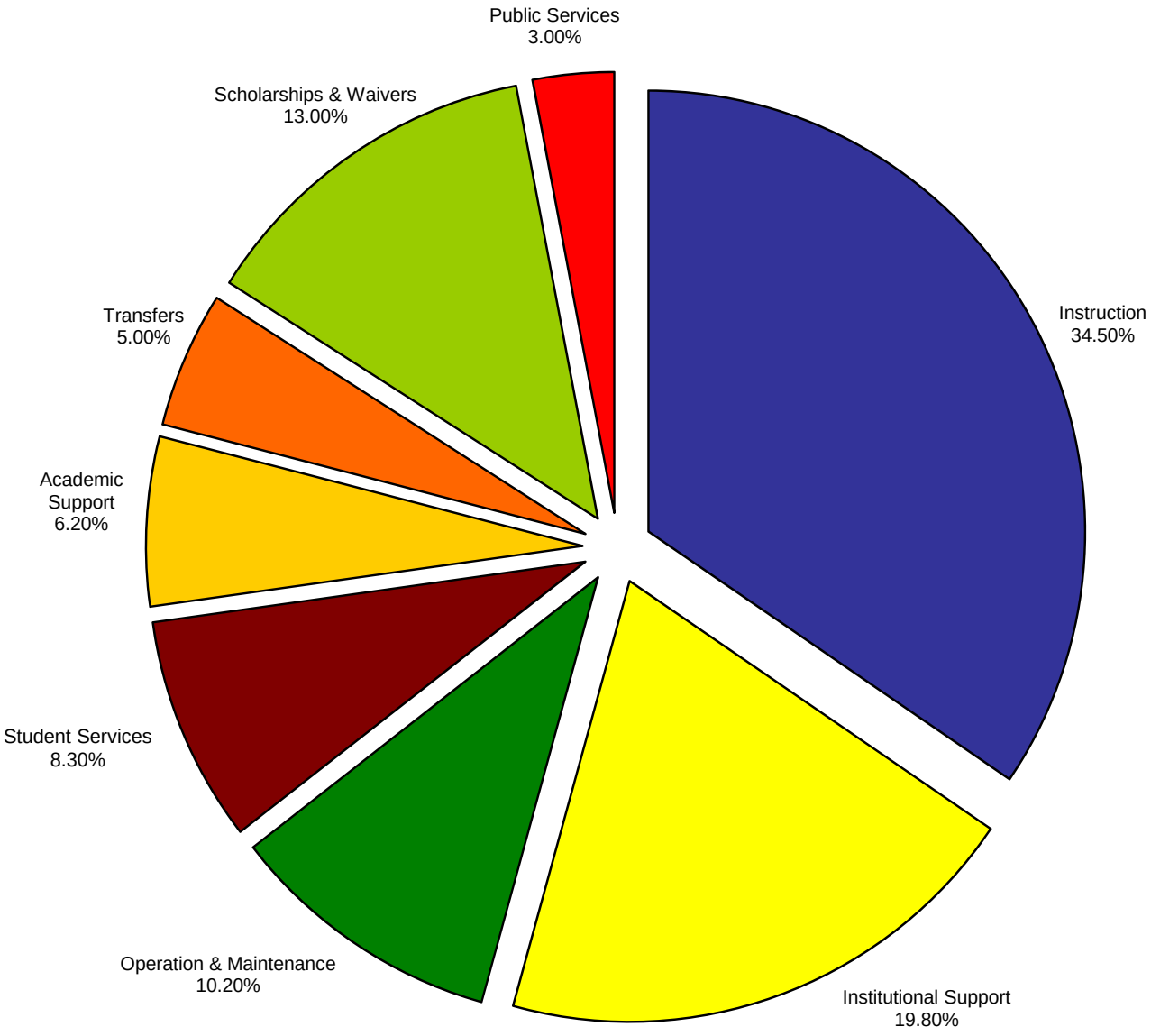
As compared to the prior year's budget, Operation and Maintenance of Plant experienced a decrease of (23.58%) or ($1,079,846). A significant portion were salary and benefit reductions related to both attrition and the removal of CHEC Custodial staffing from Operating Funds to the Auxiliary Fund.

- Discretionary Line Item Reductions: Contractual Services ($136,074); Materials & Supplies ($32,143); Conference & Meeting ($6,670); Fixed Charges ($700); Utilities ($101,016); Capital Outlay ($54,000)
- Contingency allocated for Facility Needs ($250,000) reduction

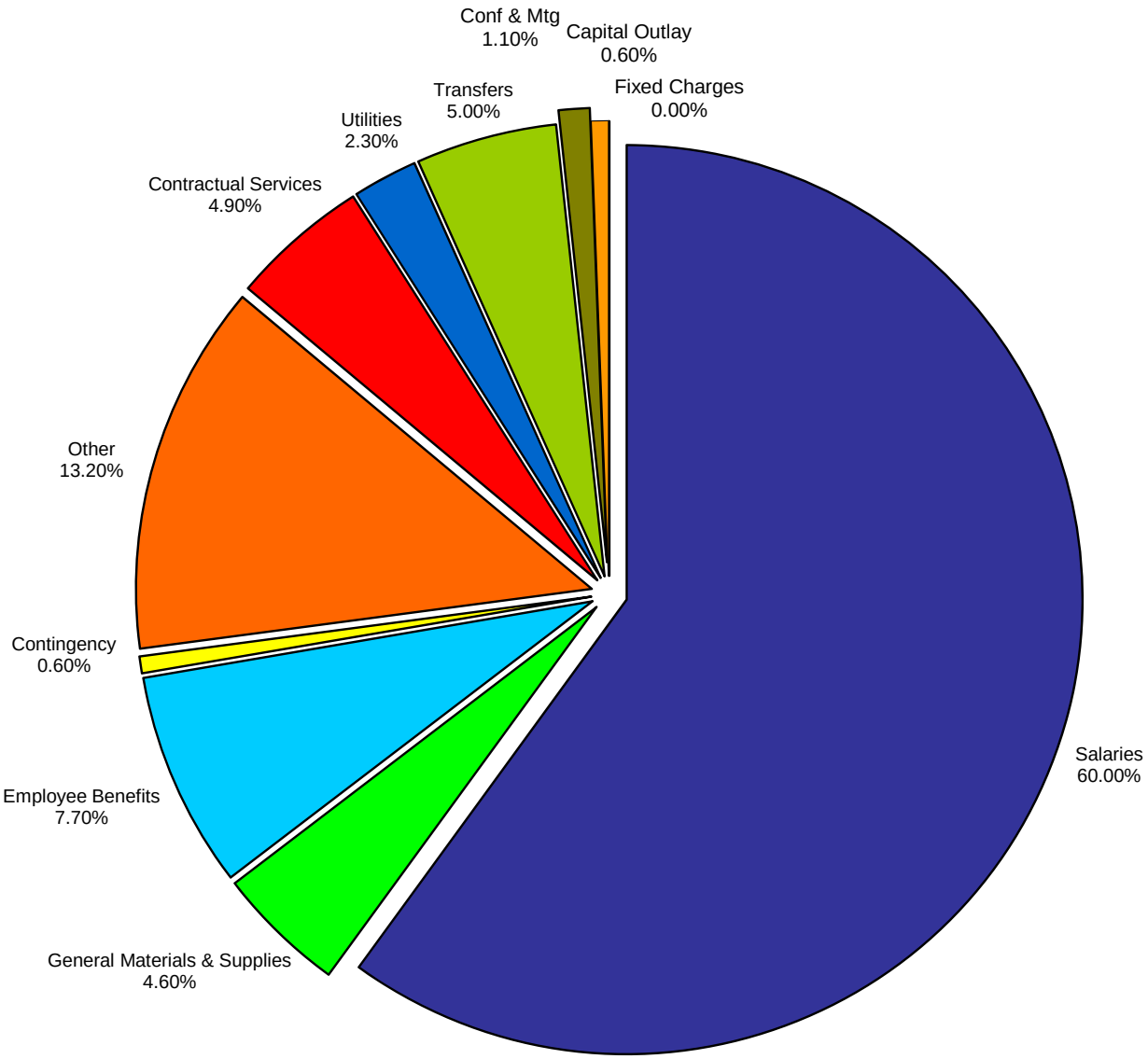
Summary of Fiscal Year 2016 Operating Budgeted Expenditures

BY PROGRAM:	Education Fund	Operations and Maintenance Fund	Total Operating Funds	%
Instruction	$11,821,695		$11,821,695	34.5%
Academic Support	2,141,000		2,141,000	6.2%
Student Services	2,833,664		2,833,664	8.3%
Public Service	1,045,954		1,045,954	3.0%
Operation & Maintenance of Plant		$3,500,000	3,500,000	10.2%
Institutional Support	6,625,236	171,272	6,796,508	19.8%
Scholarships, Student Grants, Waivers	4,474,100		4,474,100	13.0%
TRANSFERS	1,706,600		1,706,600	5.0%
Total FY 2016 Budgeted Expenditures	**$30,648,249**	**$3,671,272**	**$34,319,521**	**100.0%**
Less Nonoperating Items:				
Tuition Chargeback	$10,000		$10,000	
ADJUSTED EXPENDITURES	**$30,638,249**	**$3,671,272**	**$34,309,521**	
BY OBJECT:				
Salaries	$18,554,275	$2,045,924	$20,600,199	60.0%
Employee Benefits	2,393,268	246,316	2,639,584	7.7%
Contractual Services	1,459,066	226,677	1,685,743	4.9%
General Materials & Supplies	1,335,845	252,271	1,588,116	4.6%
Conference & Meeting Expense	352,773	10,030	362,803	1.1%
Fixed Charges	13,687	2,300	15,987	0.1%
Utilities	1,800	801,754	803,554	2.3%
Capital Outlay	155,000	36,000	191,000	0.7%
Other	4,535,935		4,535,935	13.2%
Provision for Contingency	140,000	50,000	190,000	0.6%
TRANSFERS	1,706,600		1,706,600	5.0%
Total FY 2016 Budgeted Expenditures	**$30,648,249**	**$3,671,272**	**$34,319,521**	**100.2%**
Less Nonoperating Items:				
Tuition Chargeback	$10,000		$10,000	
ADJUSTED EXPENDITURES	**$30,638,249**	**$3,671,272**	**$34,309,521**	

Expenditures by Program
Operating Funds
FY 2016



Expenditures by Object
Operating Funds
FY 2016



EXPENDITURE COMPARISON - FY 2016 to FY 2015 OPERATING FUNDS (Education and Operations & Maintenance)					
EXPENDITURES BY PROGRAM:	**FY 16 Adopted Budget**	**FY 15 Adopted Budget**	**$ Increase (Decrease)**	**% Increase (Decrease)**	**% of Total FY16 Budget**
INSTRUCTION	$11,821,695	$13,509,118	($1,687,423)	(12.49%)	34.5%
ACADEMIC SUPPORT	2,141,000	2,772,173	(631,173)	(22.77%)	6.2%
STUDENT SERVICES	2,833,664	3,218,487	(384,823)	(11.96%)	8.3%
PUBLIC SERVICES	1,045,954	1,094,057	(48,103)	(4.40%)	3.0%
OPERATION & MAINTENANCE	3,500,000	4,579,846	(1,079,846)	(23.58%)	10.2%
INSTITUTIONAL SUPPORT	6,796,508	7,506,178	(709,670)	(9.45%)	19.8%
SCHOLARSHIPS & WAIVERS	4,474,100	4,961,500	(487,400)	(9.82%)	13.0%
TRANSFERS	1,706,600	1,587,851	118,749	7.48%	5.0%
TOTALS	**$ 34,319,521**	**$ 39,229,210**	**($4,909,689)**	**(12.52%)**	**100.0%**

EXPENDITURES BY OBJECT:	**FY 16 Adopted Budget**	**FY 15 Adopted Budget**	**$ Increase (Decrease)**	**% Increase (Decrease)**	**% of Total FY16 Budget**
SALARIES	$20,600,199	$22,026,208	($1,426,009)	(6.47%)	60.0%
EMPLOYEE BENEFITS	2,639,584	3,273,265	(633,681)	(19.36%)	7.7%
CONTRACTUAL SERVICES	1,685,743	1,696,243	(10,500)	(0.62%)	4.9%
MATERIALS & SUPPLIES	1,588,116	2,206,140	(618,024)	(28.01%)	4.6%
CONFERENCE & MEETING	362,803	616,120	(253,317)	(41.11%)	1.1%
FIXED CHARGES	15,987	17,827	(1,840)	(10.32%)	0.0%
UTILITIES	803,554	902,770	(99,216)	(10.99%)	2.3%
CAPITAL OUTLAY	191,000	734,466	(543,466)	(73.99%)	0.6%
OTHER	4,535,935	5,028,320	(492,385)	(9.79%)	13.2%
CONTINGENCY	190,000	1,140,000	(950,000)	(83.33%)	0.6%
TRANSFERS	1,706,600	1,587,851	118,749	7.48%	5.0%
TOTALS	**$ 34,319,521**	**$ 39,229,210**	**($4,909,689)**	**(12.52%)**	**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 2016 year, Budget Officers were able make direct connections to the 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 as early as 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 2016.

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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 FY 2016, $1,985,000 is budgeted in the Operations and Maintenance (Restricted) Fund for capital projects. Those projects include the following:

Breakdown of Operations and Maintenance-Restricted Fund projects:

CAPITAL PROJECTS BUDGETED FY 2016				
Fund 03 Operations & Maint. (Restricted):	**Bond Funds (2007 Series)**	**Protection, Health, Safety Projects**	**Other (O&M Restricted)**	**Total Cost**
Biology Lab Renovation-Room C237	65,000			65,000
Locker Room-CHEC Building	280,000	200,000		480,000
B Building Roof Replacement		375,000		375,000
Security Camera Project		300,000		300,000
O'Neil Auditorium Lighting		250,000	15,000	265,000
Dell Lease-Network Upgrade			200,000	200,000
Carpet Replacement			70,000	70,000
Painting of Exterior Handrails			20,000	20,000
Striping of Parking Lots & Roadways			50,000	50,000
Architectural & Engineering Services	50,000	110,000		160,000
Totals	**$ 395,000**	**$ 1,235,000**	**$ 355,000**	**$ 1,985,000**

Note:
CHEC represents the Community Health Education Complex.

Two other approved capital projects were also budgeted in other funds. They include $50,000 for the removal of a stage area in the Cosmetology department budgeted in the Liability, Protection, and Settlement Fund, and $105,000 budgeted in the Auxiliary Fund for the installation of a Baseball Announcer Stand.

IMPACT OF CAPITAL IMPROVEMENTS

Workforce Development and Construction Management Program facility

IMPACT ON CURRENT OPERATING BUDGET

In recent years, the College purchased and renovated two off-campus facilities, 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 in the prior two fiscal years through the use of existing balances within that fund. At this time, the College has no additional facility purchases planned.

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. This joint project and the recognition of this revenue has allowed for remaining bond funds to be utilized in FY 2016 to support the renovation of a Biology lab and fund a portion of a locker room renovation in the Community Health Education Complex (CHEC).

Normally, the College spends between $700,000 - $900,000 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. For FY 2016, identified PHS projects are budgeted at a higher level, $1,235,000. These projects will improve the campus environment with better lighting, digital security cameras, and ongoing roof replacement. 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 2016 operating budget as a result of capital projects includes a direct transfer from the Education Fund of $655,000. $155,000 of this is related to support construction projects, not fund through the tax levy. $200,000 of this transfer is directly related to the second year of a five year lease with Dell to support a major network upgrade. This is from revenue generated by a $5 per credit hour student technology fee budgeted in the Education fund. The additional transfer is also from technology fee revenue to assist with other expenses related to the network project implementation.

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. In 2015, the College refinanced outstanding debt certificates as was set forth as a goal during the construction of the 2015 budget. This was done through the issuance of general obligation bonds.

Current debt is $21,588,849 and is comprised of bonds payable of $20,790,000 and a lease purchase agreement in the amount of $798,849. Payments for long-term debt in total for fiscal year 2016 are $2,164,290.

In 2016, the College anticipates issuing $4,915,000 in general obligation bonds to create a restricted trust fund for purpose of funding its obligations associated with a post-employment medical plan reimbursement for retirees. This will resolve an unfunded liability. This reimbursement plan is not anticipated to grow as new employees are not eligible for the benefit. In addition, $1,500,000 in debt certificates are anticipated to be issued for further funding of technology investment.

LEGAL DEBT LIMITS

Community College District 530 has a legal debt limit of $51,337,142, which is equal to the 2.875% of $1,785,639,729 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 $29,748,293.

The anticipated debt issuance in 2016 will reduce debt capacity, but not significantly. If all debt issuance plans materialize in 2016, the College will still retain 45% of its remaining debt capacity.

IMPACT ON OPERATIONS

The large amount of debt margin available to the College provides the potential of providing needed cash flow relief if economic conditions in Illinois caused by the lack of agreement on a budget are not resolved. If the lack of a state budget continues into the second half of the year, the College would most likely need to use lines of credit or issue working cash fund bonds by March of 2016. Significant debt margin exists to aid the College to address any unforeseen problem.

PERSONNEL INFORMATION

Institutional Position Count By Employee Group							
Employee Group (Full-Time):	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Campus Safety	8	8	8	7	8	7	7
Faculty	106	102	98	95	96	98	91
Professional	95	96	95	93	99	100	92
Professional-Grant	32	32	31	33	33	28	22
Operational (Clerical)	78	74	80	78	80	78	70
Operational-Grant	9	9	8	7	7	7	7
Custodial/Maintenance/Grounds	36	33	32	33	34	34	30
Subtotal-Full-Time	364	354	352	346	357	352	319
Employee Group (Part-Time):	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Campus Safety	14	12	8	10	12	12	11
ABE/GED/ASE Instructors	13	14	13	13	15	15	13
Professional-Grant	7	6	8	4	5	5	7
Operational-Grant	1	1	1	1	1	1	1
Student Workers	125	107	98	99	104	111	83
Professional	10	9	9	9	14	19	16
Term Faculty (Adjunct)	183	167	172	162	173	157	139
Trainers	9	6	12	7	10	11	10
Continuing Education Instructor	66	61	62	62	65	55	55
Operational (Clerical)	11	10	9	11	11	7	10
Custodial	0	0	4	5	5	5	5
Subtotal-Part-Time	439	393	396	383	415	398	350
John A. Logan Employees	**803**	**747**	**748**	**729**	**772**	**750**	**669**

Full-Time Faculty Position Counts									
Instructional Department	**FY 10**	**FY 11**	**FY 12**	**FY 13**	**FY 14**	**FY 15**	**FY 16**	**Inc/(Decr)**	**Comments**
Social Science	10.00	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	7.80	(1.00)	Retirement
Physical Science	6.50	6.50	6.50	6.50	6.00	6.00	6.00	(0.50)	Retirement
Humanities	8.70	8.70	6.70	6.70	7.70	6.70	6.00	(2.70)	Pos. Elim/ Vacancy/ Transfer
Theatre	0.30	0.30	0.30	0.30	0.30	0.30	0.00	(0.30)	Transfer
English	11.00	10.00	9.00	8.00	8.00	8.00	6.00	(5.00)	Retirements
Math	7.50	6.50	7.50	7.50	7.00	7.00	7.00	(0.50)	Retirement
Business	9.00	9.00	9.00	8.00	7.00	7.00	5.50	(3.50)	Retirements/Transfer
Data Processing	4.00	4.00	4.00	4.00	3.00	3.00	2.00	(2.00)	Retirement/Vacancy
Health Information Tech.	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.50	New Position/Transfer
Automotive	2.00	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	1.00		
Drafting	0.50	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	0.00	(0.50)	Program Eliminated
Welding	1.00	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	2.00		
Emergency Medical Services	0.00	0.00	0.00	0.00	1.00	1.00	0.00		Position Eliminated
Heating & Air	1.00	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	1.00	New Position
Computer Integrated Mfg.	0.50	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	0.00	(0.50)	Program Eliminated
Construction Management	3.00	2.00	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	4.00		
Child Care	1.00	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	2.00	(1.00)	Vacancy
Nursing Assistant	2.00	2.00	2.00	2.00	1.00	1.00	1.00	(1.00)	Transfer
Practical Nursing	6.00	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	2.50	0.50	New Position
Dental Hygiene	4.00	4.00	4.00	4.00	3.50	4.50	4.50	0.50	Vacancy/New Position
Sonography	1.00	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	1.00		
Interpreter Prep Training	2.00	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	2.00	1.00	New Position
International Education	0.20	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	1.00		
Total	**106**	**102**	**98**	**95**	**96**	**98**	**91**	**(15.00)**	**Change FY10 to FY16**

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. Through an agreement with the Logan Operational Staff Association, whenever possible existing Operational (Clerical) staff have been transferred into vacancies and their previous positions have not been back filled.

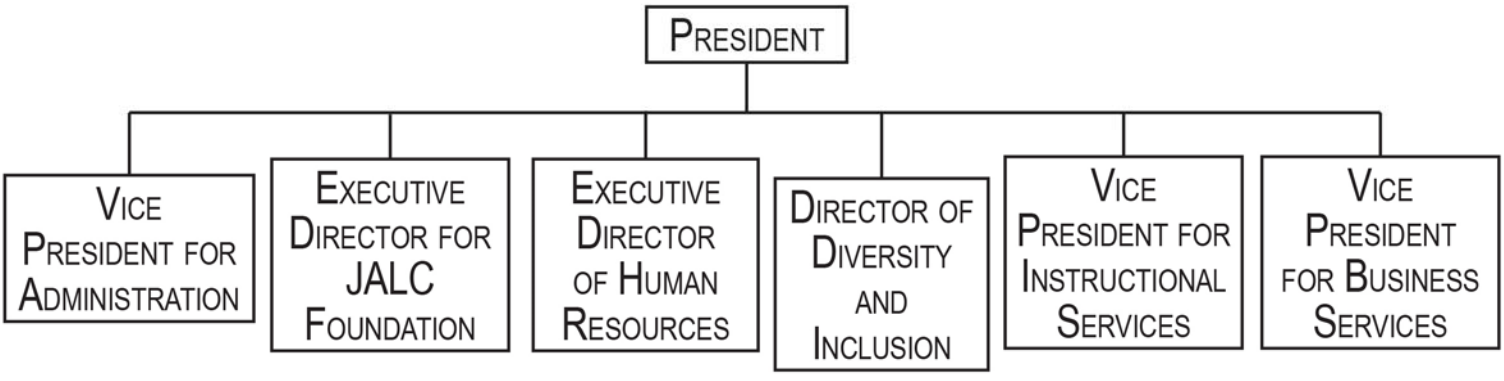
ORGANIZATIONAL UNITS / DIVISIONS

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.*

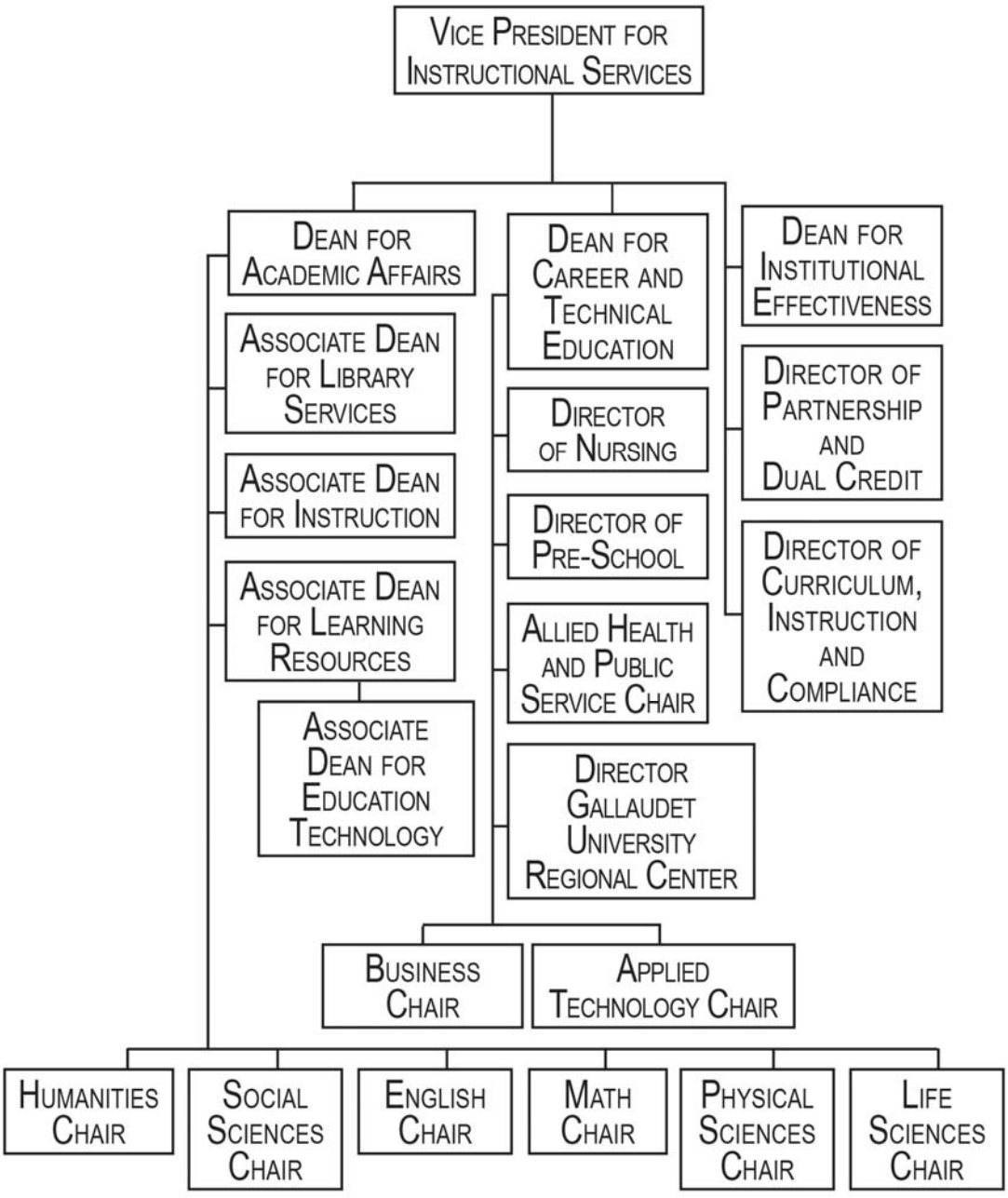
Faculty Affairs - The responsibility for procuring and retaining well-qualified and dedicated community college faculty is initiated by the Office of the Vice-President for Instructional Services. This responsibility encompasses recruitment, evaluation, retention, advancement, assignment and development 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 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 – ADMINISTRATION DIVISION

The Office of the Vice-President for Administration serves to support the administrative services component of the College. This includes the 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 research and 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, 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.

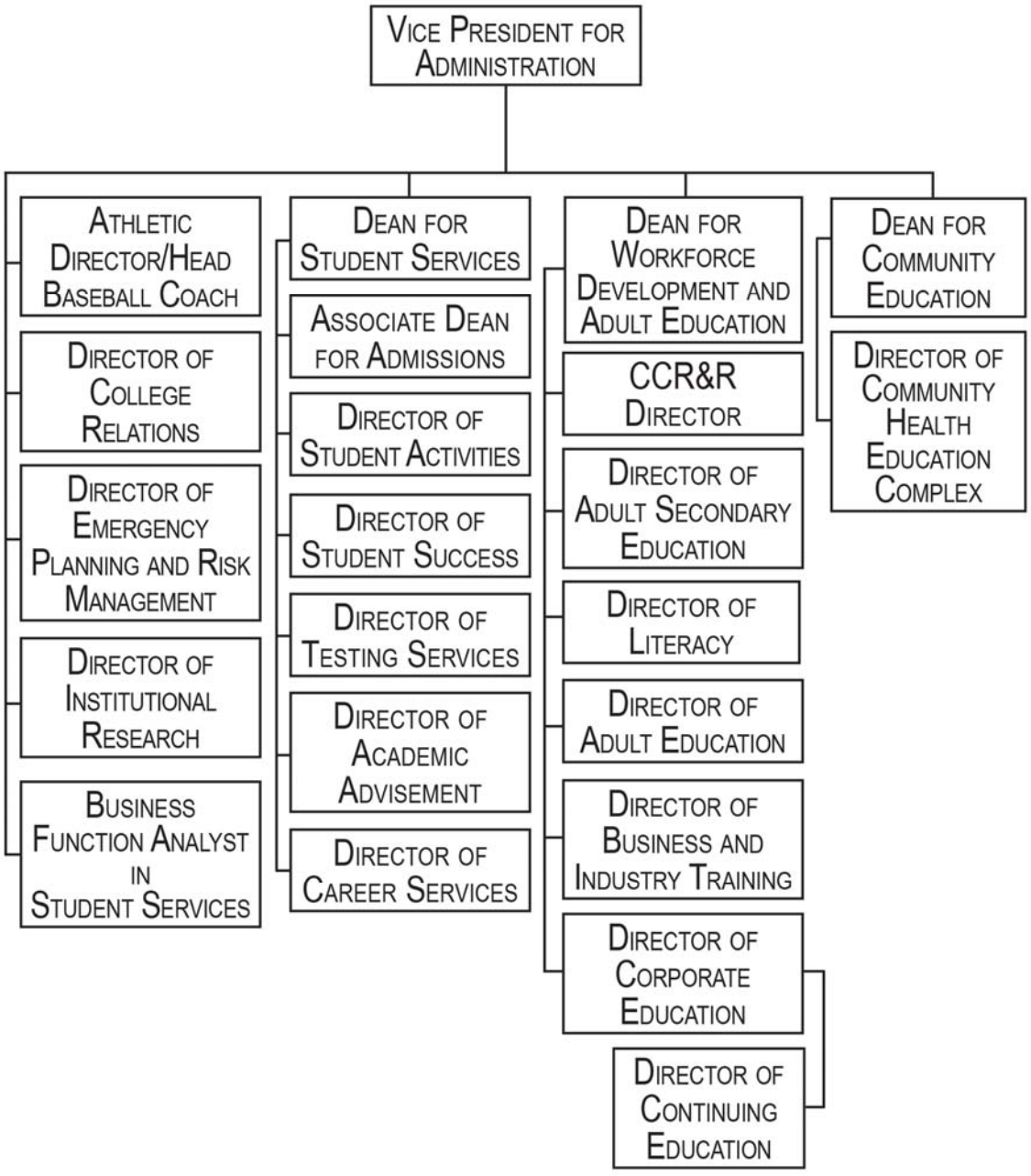
Adult Secondary Education (ASE) Program - Coordinated effort involving John A. Logan College, the high schools in the John A. Logan College district, and the Regional Superintendents of Schools. The program is offered to students who have dropped out of school or who are at risk of school failure in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

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.

Administration 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, Student Financial Assistance, Word Processing, 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 along with Student Financial Assistance
- 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 / Financial Aid - Provides accounting, budgeting, cashiering, billing and receivable management, award student financial aid, 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.

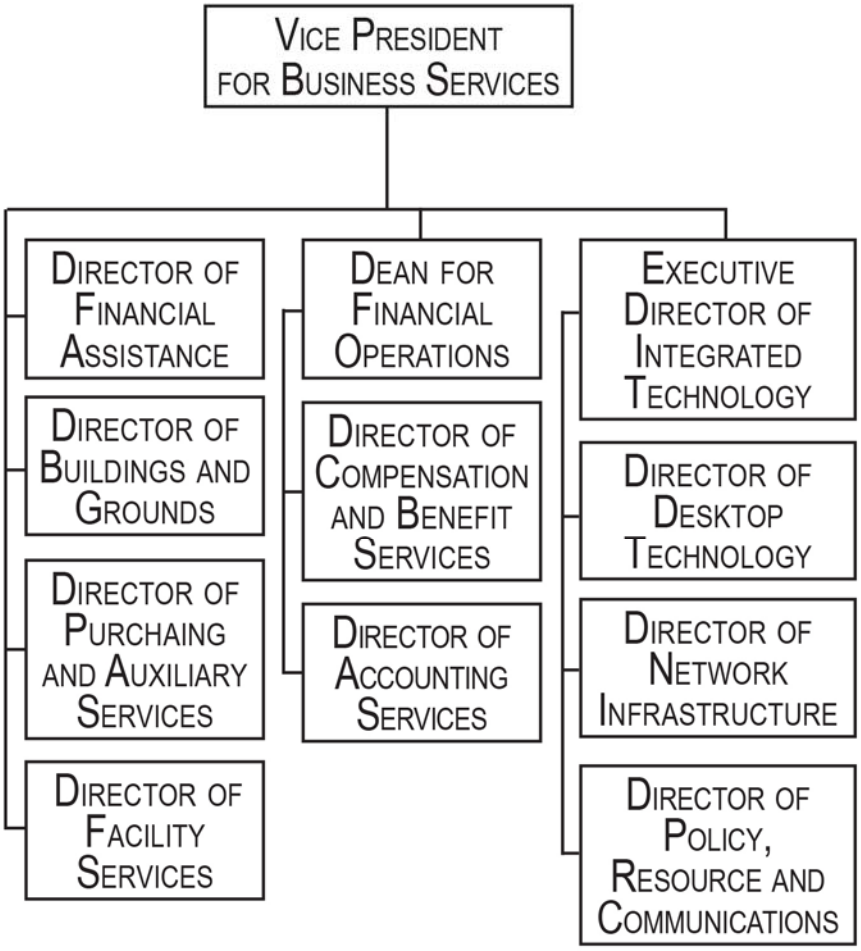
Information Technology - Responsible for management of the College's phone services, computer networks, computer program development, software support, email services, system security, and performs maintenance on and replacement of College computers.

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.

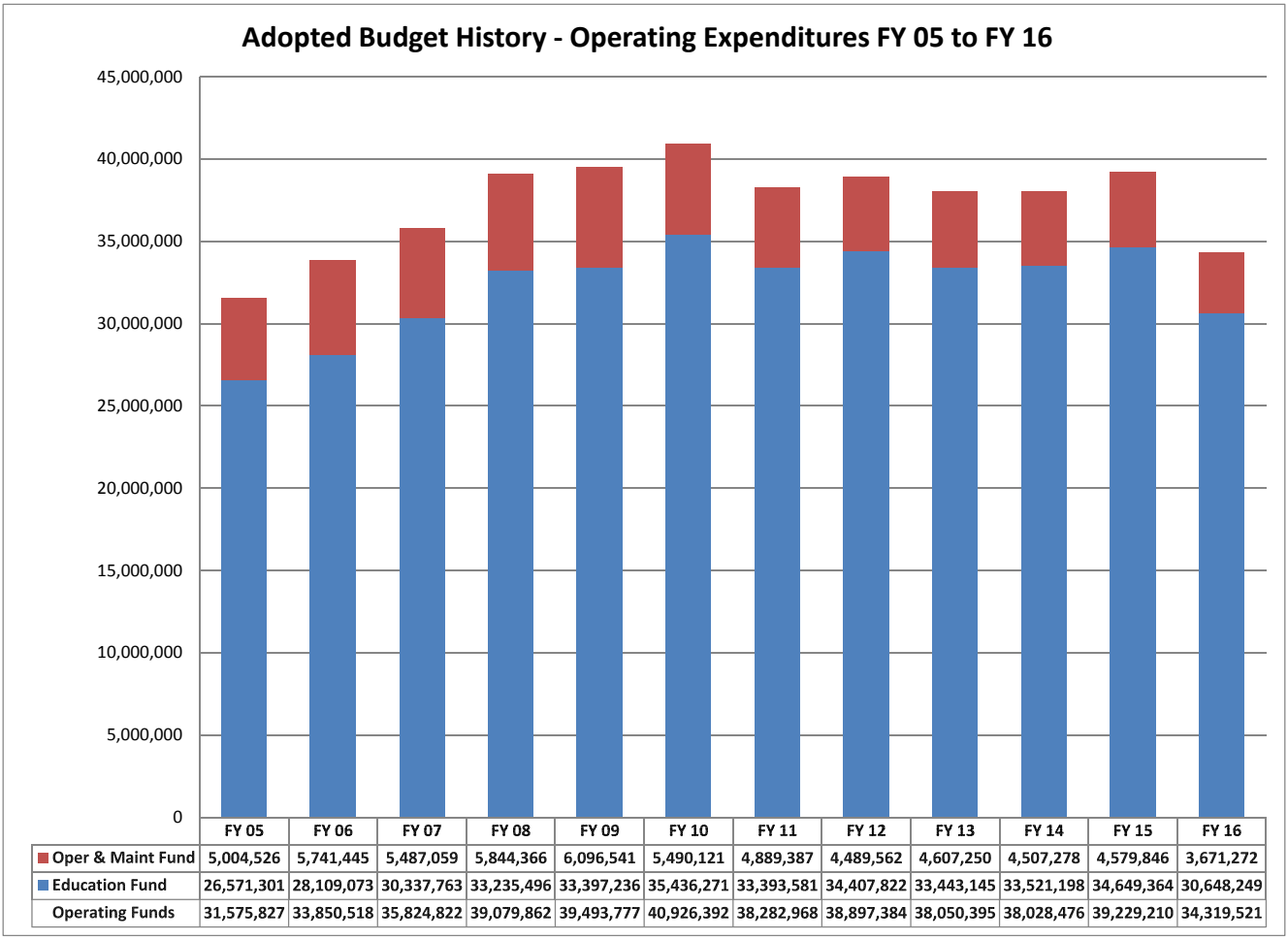
INSTITUTIONAL ACCOMPLISHMENTS- EXPECTED DURING FY 2016

- Completion of Community Health Education Complex (CHEC) Roof System Replacement.
- Continued capital investment in the facilities by replacement of A & B building roofs.
- Replacement of 80% of all outdoor lighting with more energy efficient lighting with an investment payback of less than 2 years.
- Sale of General Obligation bonds to create restricted fund for purpose of funding the post-employment benefits paid to retirees in the form of reimbursement for health insurance premiums.
- Reclassification of the operations at the Community Health Education Center as an auxiliary enterprise effective FY16 and transition of business model to a membership based model instead of course based.
- Final completion of security camera project included new software and over 200 cameras by February 2016.
- Tuition increased by $10 per credit hour (10%).
- Salary savings in the operating funds through natural attrition of approximately $900,000.
- Offer a Health Information Technology (HIT) Instructional program in-house that was previously operated by the Southern Illinois Collegiate Common Market consortium.
- Obtain a Department of Defense Center for Excellence Certification
- Continued progress towards multiple strategic projects contained in a five-year plan.

SUPPLEMENTAL MATERIAL

Accredited – Higher Learning Commission;
Member – North Central Association

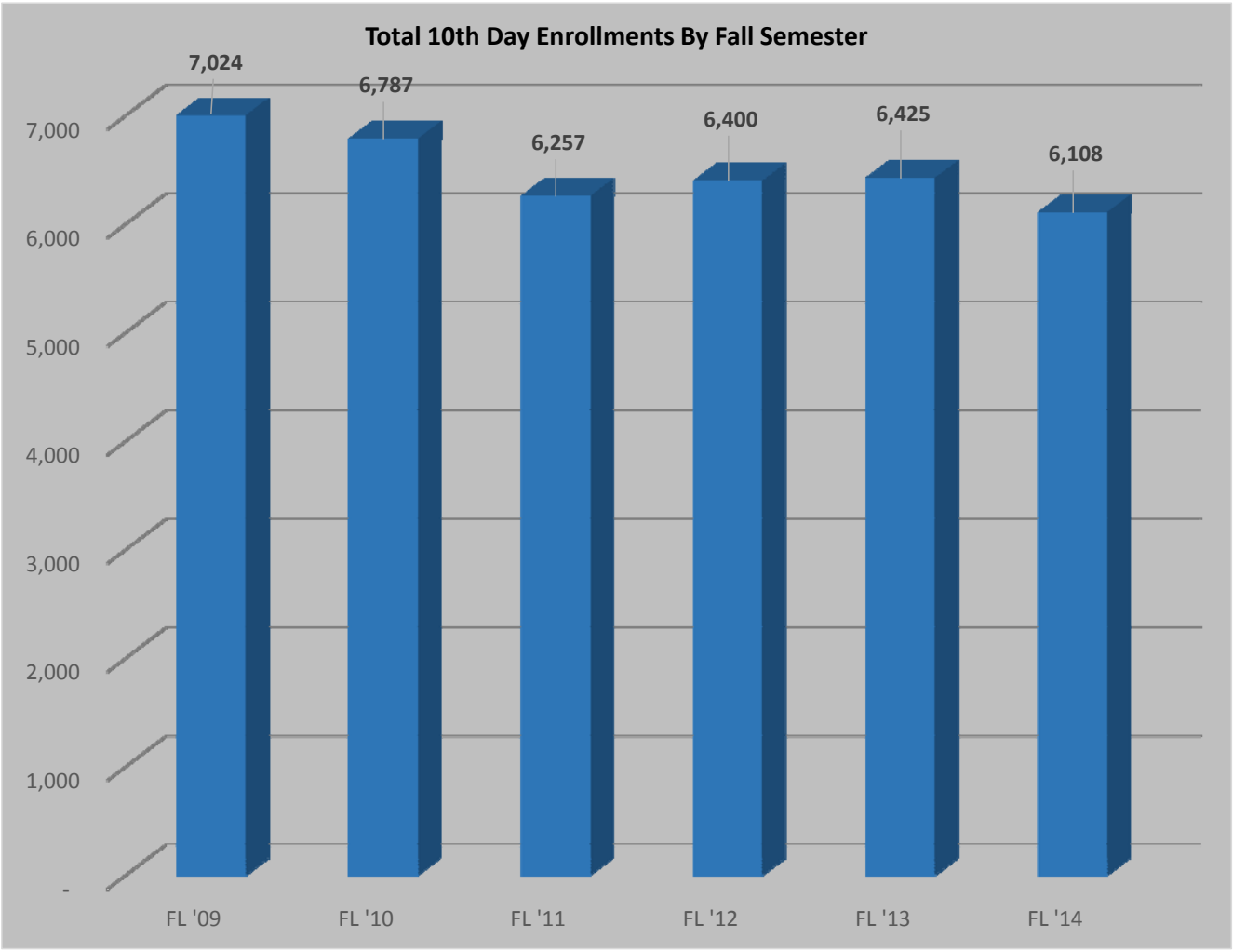
Adopted Budget History Operating Fund Expenditures FY 2000 - FY 2016				
Fiscal Year	Education	Operations & Maintenance	Total Operating Funds	Increase (Decrease) From Prior Year
FY 00	19,046,734	2,737,552	21,784,286	
FY 01	20,297,130	3,672,809	23,969,939	10.03%
FY 02	21,918,087	3,600,289	25,518,376	6.46%
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 16	30,648,249	3,671,272	34,319,521	(12.52%)



	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
Oper & Maint Fund	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	3,671,272
Education Fund	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	30,648,249
Operating Funds	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	34,319,521

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.

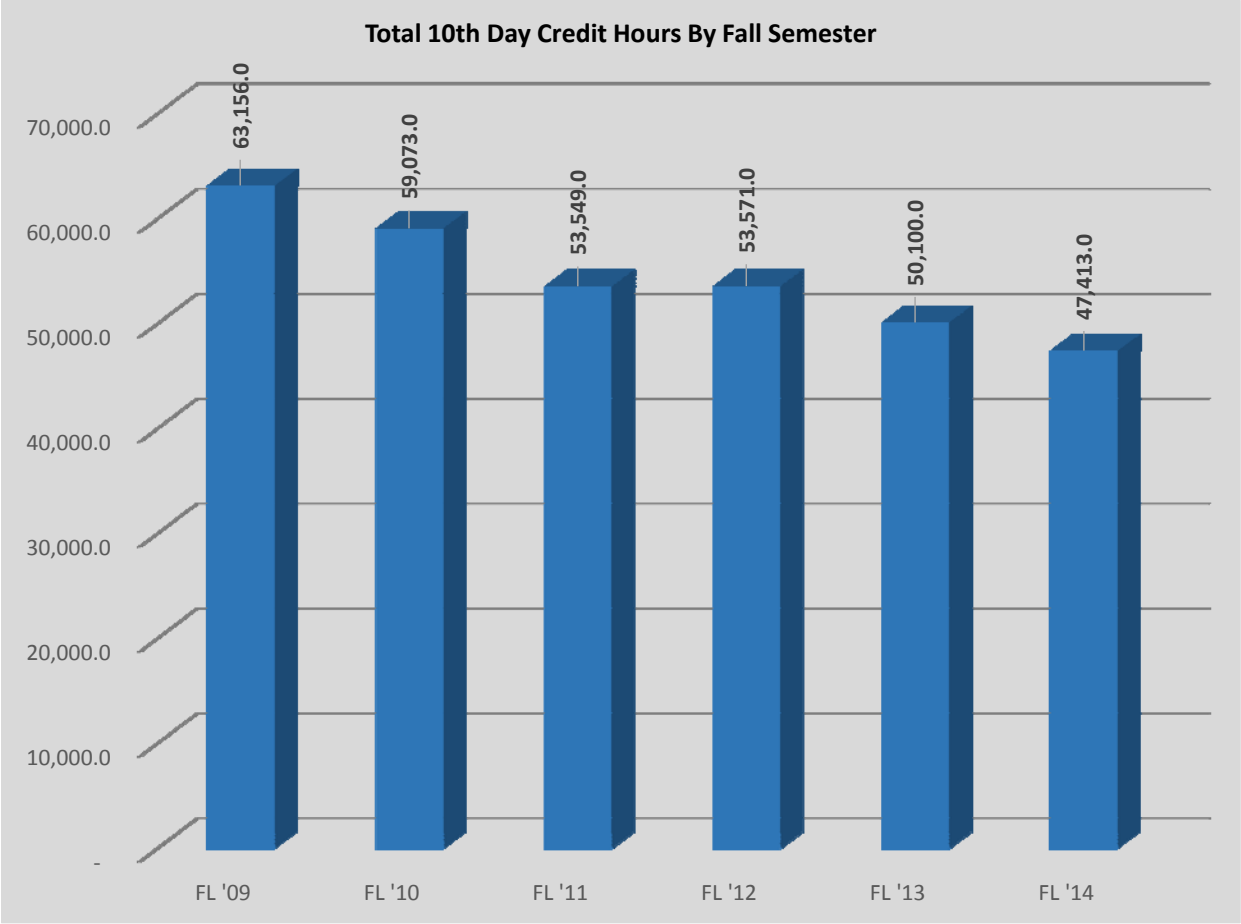


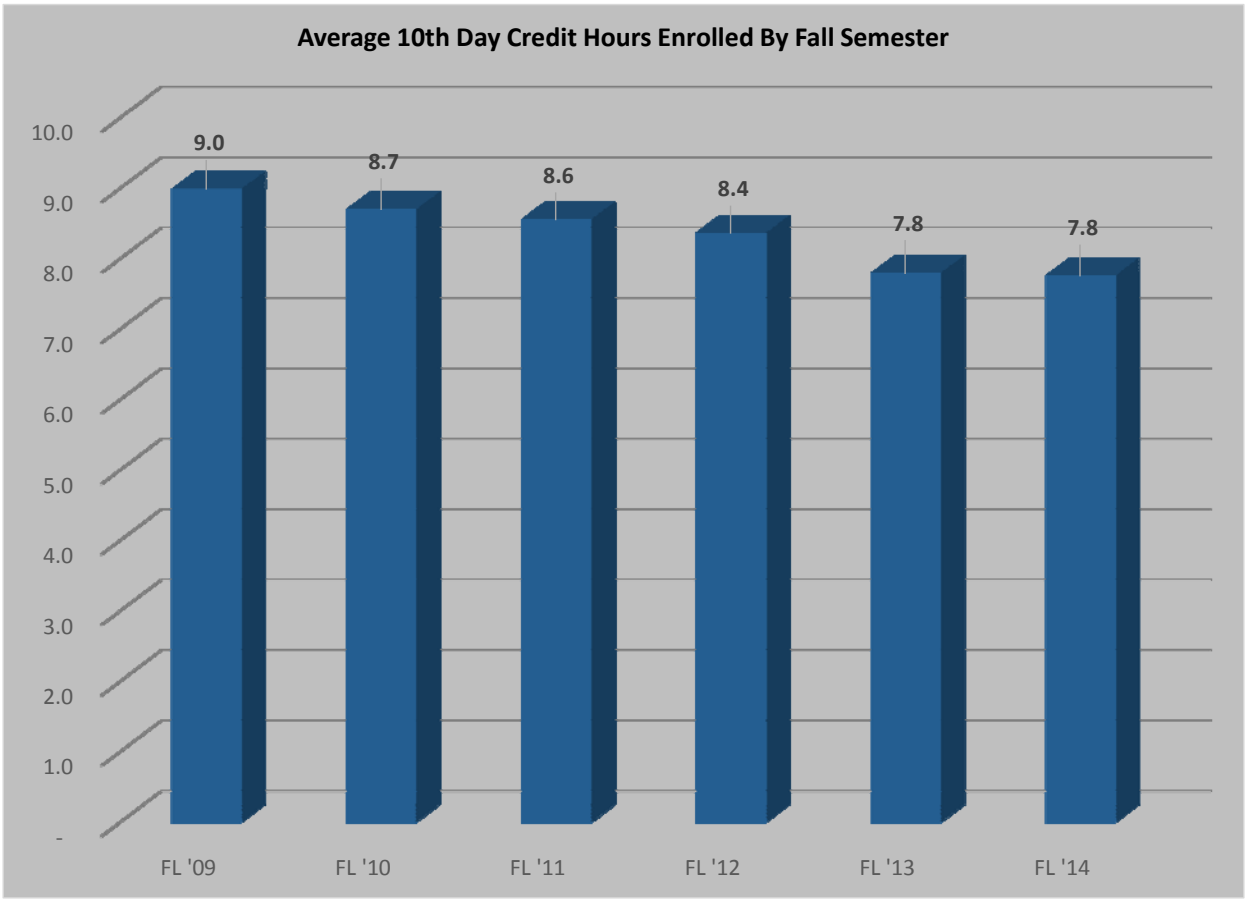
Student Age, Ethnicity, and Gender Information
Fall 10th Day Enrollments - FL 09 to FL 14

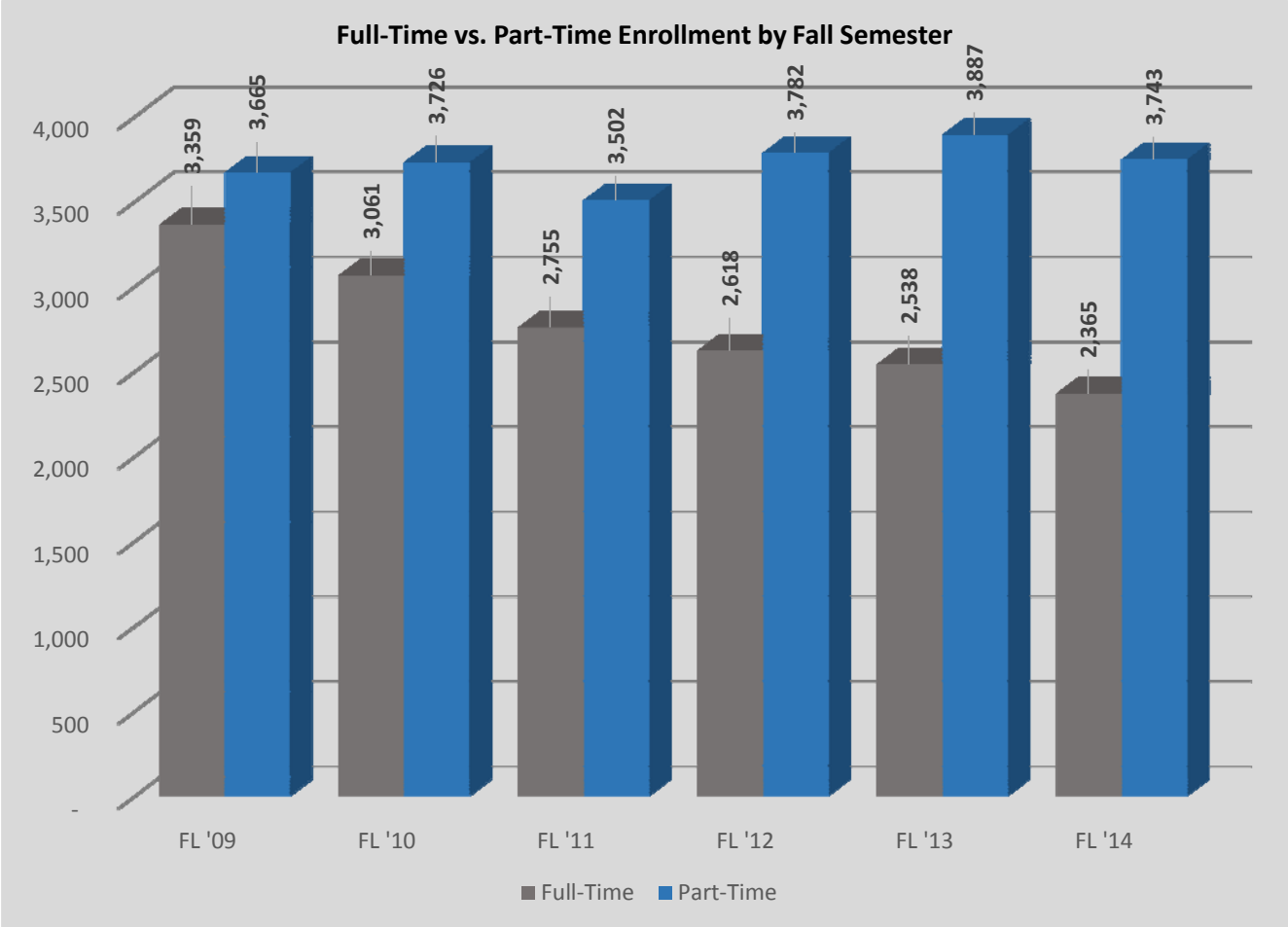
Age Information	FL 09	FL 10	FL 11	FL 12	FL 13	FL 14
17 & under	324	333	336	340	464	437
18-20	2,044	1,896	1,709	1,739	1,609	1,685
21-25	1,494	1,437	1,307	1,297	1,343	1,157
26-30	615	559	591	503	505	458
31-40	650	603	499	519	512	476
41-50	452	411	346	370	370	337
51-60	388	374	344	358	355	318
61-70	645	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

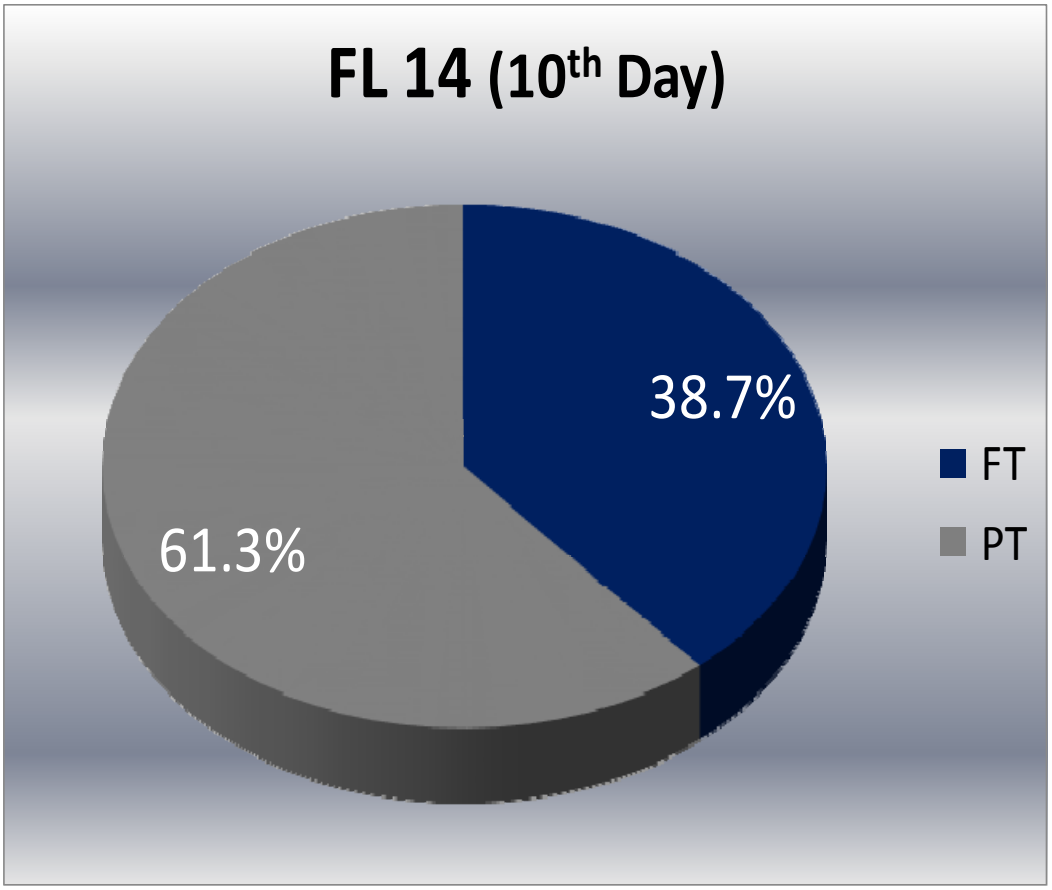
Ethnicity	FL 09	FL 10	FL 11	FL 12	FL 13	FL 14
American Indian or Alaskan Native	30	32	30	30	20	20
Asian	99	77	74	74	77	67
Black or African American	551	522	467	518	526	543
Hispanics of any race	105	108	112	104	101	136
Native Hawaiian or Other Pacific Islander	0	0	0	0	21	24
White	6,197	6,047	5,433	5,401	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 a comprehensive, public community college in the southern tip of Illinois. The College was established by public mandate in 1967 and opened its doors for classes in 1968. 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 222,395. The total land area of the counties (combined) is 2,430.4 square miles leaving the total persons per square mile at 91.5.

The ethnic breakdown of the population of the five counties the College serves follows (U.S. Census 2014 data):

Ethnicity	Franklin	Jackson	Perry	Randolph	Williamson
White	97.4%	77.7%	88.6%	88.1%	92.7%
Black	0.5%	14.9%	8.8%	10.1%	4.3%
American Indian and Alaska Native	0.4%	0.5%	0.4%	0.2%	0.4%
Asian	0.4%	3.9%	0.5%	0.4%	1.0%
Native Hawaiian and Other Pacific Islander	N/A	0.1%	0.1%	0.1%	N/A
Hispanic or Latino Origin	1.6%	4.2%	3.1%	2.8%	2.4%
Persons reporting two or more races	1.2%	2.9%	1.7%	1.0%	1.6%

Age and gender data (U.S. Census 2014 data) also follows:

Age/Gender Information	Franklin	Jackson	Perry	Randolph	Williamson
Persons under 18 years	22.1%	18.0%	19.4%	19.5%	21.9%
Persons 65 years and over	19.5%	13.0%	17.3%	17.2%	17.6%
Females	50.9%	49.8%	45.6%	45.0%	50.3%

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

Housing/Income Information	Franklin	Jackson	Perry	Randolph	Williamson
Housing units (2014)	18,546	28,615	9,465	13,814	30,801
Owner-occupied housing rate (2009-2013)	75.6%	53.4%	76.7%	76.0%	72.0%
Households (2009-2013)	16,110	23,567	7,982	11,889	26,819
Persons per household (2009-2013)	2.42	2.33	2.51	2.50	2.41
Median household income (2009-2013)	$36,273	$33,479	$42,078	$47,427	$43,125
Persons below poverty level (2009-2013)	20.0%	29.5%	17.6%	14.1%	16.2%

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 – 2009-2013)	87.1%	89.7%	84.5%	82.2%	88.9%
Bachelor's degree or higher (persons age 25 and over – 2009-2013)	13.1%	35.1%	14.3%	11.8%	22.5%

Unemployment rates in the southern Illinois region continue to remain high. The counties the College serves are no exception. Two of the five are ranked amongst the top twelve in Illinois with Franklin actually ranking third highest in terms of unemployment. The rates as of September, 2015 were as follow (Illinois Department of Employment Security data):

Franklin	7.5
Jackson	5.2
Perry	6.6
Randolph	5.1
Williamson	6.0

Major employers in the region include the following:

Southern Illinois University @ Carbondale
Southern Illinois Healthcare
Crownline Boats
John A. Logan College
Illinois Department of Corrections
Aisin Manufacturing Illinois, LLC
Pepsi
Heartland Regional Medical Center
U.S. Department of Justice (U.S. Penitentiary)
Blue Cross/Blue Shield of Illinois
Centerstone of Illinois
Wal-Mart
Penn Aluminum International
Illinois Department of Transportation
General Dynamics
Shawnee Healthcare
Marion V.A. Medical Center

Some of the major industries in the area include:

Healthcare and Healthcare Related Services
Education
Transportation/Logistics
Retail
Construction and Manufacturing
Distribution
Rail
Farming
Coal Mining and 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 several 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.

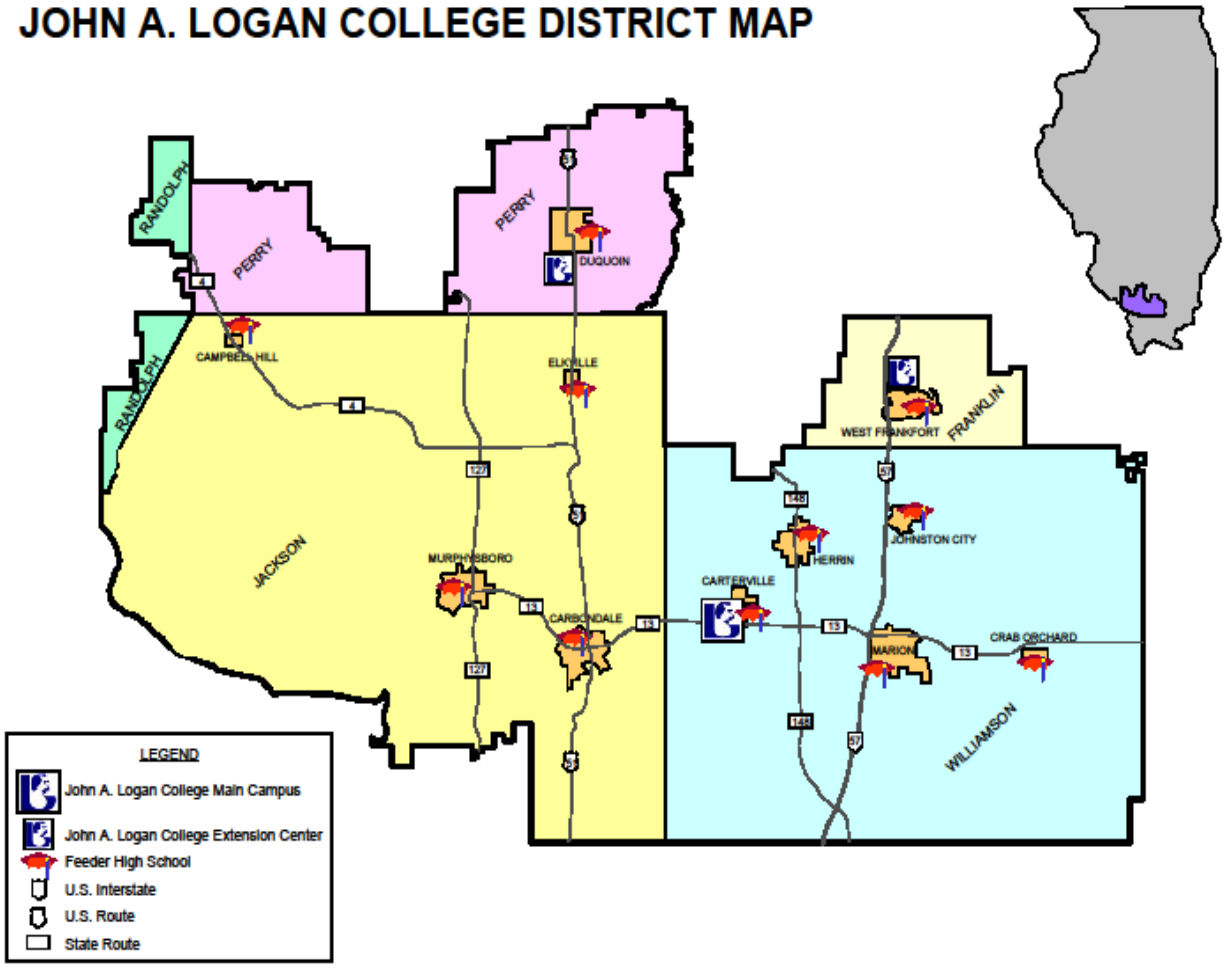
Southern Illinois University at Carbondale is the state's second teachers college - founded in 1869. The University now ranks among Illinois' most comprehensive public universities.

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
FY2016 Tuition and Universal Fees

	In-District Fall FY2016 (calendar 2015)			In-District Spring FY2016 (calendar 2016)		
	Tuition	Fee	Total	Tuition	Fee	Total
BLACK HAWK	$ 135.00	$ -	$ 135.00	$ 135.00	$ -	$ 135.00
DANVILLE	$ 115.00	$ 15.00	$ 130.00	$ 115.00	$ 15.00	$ 130.00
DUPAGE	$ 104.15	$ 35.85	$ 140.00	$ 104.15	$ 35.85	$ 140.00
ELGIN	$ 119.00	$ -	$ 119.00	$ 119.00	$ -	$ 119.00
HARPER	$ 113.75	$ 16.00	$ 129.75	$ 113.75	$ 16.00	$ 129.75
HEARTLAND	$ 133.00	$ 9.00	$ 142.00	$ 133.00	$ 9.00	$ 142.00
HIGHLAND	$ 123.00	$ 19.00	$ 142.00	$ 123.00	$ 19.00	$ 142.00
ILLINOIS CENTRAL	$ 135.00	$ -	$ 135.00	$ 135.00	$ -	$ 135.00
ILLINOIS EASTERN	$ 83.00	$ 15.00	$ 98.00	$ 83.00	$ 15.00	$ 98.00
ILLINOIS VALLEY	$ 111.60	$ 7.40	$ 119.00	$ 111.60	$ 7.40	$ 119.00
JOLIET	$ 84.00	$ 31.00	$ 115.00	$ 84.00	$ 31.00	$ 115.00
KANKAKEE	$ 122.00	$ 13.00	$ 135.00	$ 122.00	$ 13.00	$ 135.00
KASKASKIA	$ 115.00	$ 16.00	$ 131.00	$ 115.00	$ 16.00	$ 131.00
KISHWAUKEE	$ 119.00	$ 12.00	$ 131.00	$ 119.00	$ 12.00	$ 131.00
LAKE COUNTY	$ 107.00	$ 22.00	$ 129.00	$ 107.00	$ 22.00	$ 129.00
LAKE LAND	$ 92.50	$ 22.80	$ 115.30	$ 92.50	$ 22.80	$ 115.30
LEWIS & CLARK	$ 108.00	$ 20.00	$ 128.00	$ 108.00	$ 20.00	$ 128.00
LINCOLN LAND	$ 110.00	$ 11.00	$ 121.00	$ 110.00	$ 11.00	$ 121.00
LOGAN	$ 109.00	$ 5.00	$ 114.00	$ 109.00	$ 5.00	$ 114.00
MC HENRY	$ 101.00	$ 9.00	$ 110.00	$ 101.00	$ 9.00	$ 110.00
MORAINE VALLEY	$ 116.00	$ 17.00	$ 133.00	$ 116.00	$ 17.00	$ 133.00
MORTON	$ 88.00	$ 26.00	$ 114.00	$ 88.00	$ 26.00	$ 114.00
OAKTON	$ 111.25	$ 5.00	$ 116.25	$ 111.25	$ 5.00	$ 116.25
PARKLAND	$ 125.00	$ 15.50	$ 140.50	$ 125.00	$ 15.50	$ 140.50
PRAIRIE STATE	$ 121.00	$ 22.00	$ 143.00	$ 119.00	$ 21.50	$ 140.50
REND LAKE	$ 95.00	$ 15.00	$ 110.00	$ 95.00	$ 15.00	$ 110.00
RICHLAND	$ 114.00	$ 10.00	$ 124.00	$ 114.00	$ 10.00	$ 124.00
ROCK VALLEY	$ 91.00	$ 10.00	$ 101.00	$ 91.00	$ 10.00	$ 101.00
SANDBURG	$ 150.00	$ -	$ 150.00	$ 150.00	$ -	$ 150.00
SAUK VALLEY	$ 106.00	$ 5.00	$ 111.00	$ 106.00	$ 5.00	$ 111.00
SHAWNEE	$ 99.00	$ 3.00	$ 102.00	$ 99.00	$ 3.00	$ 102.00
SOUTH SUBURBAN	$ 135.00	$ 17.75	$ 152.75	$ 135.00	$ 17.75	$ 152.75
SOUTHEASTERN	$ 94.00	$ 10.00	$ 104.00	$ 94.00	$ 10.00	$ 104.00
SOUTHWESTERN	$ 109.00	$ 5.00	$ 114.00	$ 109.00	$ 5.00	$ 114.00
SPOON RIVER	$ 120.00	$ 20.00	$ 140.00	$ 120.00	$ 20.00	$ 140.00
TRITON	$ 113.00	$ 16.00	$ 129.00	$ 113.00	$ 16.00	$ 129.00
WAUBONSEE	$ 110.00	$ 8.00	$ 118.00	$ 110.00	$ 8.00	$ 118.00
WOOD	$ 134.00	$ 13.00	$ 147.00	$ 134.00	$ 13.00	$ 147.00
State Average	$ 112.40	$ 13.09	$ 125.49	$ 112.35	$ 13.07	$ 125.42

*Standard fees paid by all students per credit hour



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

2014 TAX LEVY RESOLUTION

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 **$5,571,000** be levied as a tax for educational purposes; that **$928,500** be levied as a tax for operations and maintenance purposes; that **$1,312,000** be levied as a special tax for purposes of the Local Governmental and Governmental Employees Tort Immunity Act; that **$288,000** be levied as a special tax for Social Security and Medicare insurance purposes; that **$45,000** be levied as a special tax for audit purposes; and that **$691,671** be levied as a special tax for protection, health, and safety purposes, for a total of **$8,836,171** on an equalized assessed valuation of **the taxable properties of said District for the year 2014 to be collected in the year 2015; and that the levy for the year 2014 be allocated 50% for Fiscal Year 2015 and 50% for Fiscal Year 2016.** This represents a **2.15% 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.

The estimated property taxes to be levied for debt service and public building commission leases **for 2014 are $1,928,303**. The estimated total property taxes to be levied **for 2014 are $10,764,474**.

BE IT FURTHER RESOLVED that the secretary or his or her 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.

I HEREBY CERTIFY that the above Tax Levy Resolution was approved in public session by the John A. Logan College Board of Trustees, Community College District No. 530, meeting in regular session on November 25, 2014. FURTHERMORE, I CERTIFY that all provisions of Public Act 82-102 have been met, particularly Sections 4 through 7 of Public Act 82-102.

Jake Rendleman, Chair

Board of Trustees

Community College District No. 530

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 $ 5,571,000 to be levied as a tax for educational purposes (110 ILCS 805/3-1), and

the sum of $ 928,500 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 $ 1,312,000 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 $ 288,000 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 $ 45,000 to be levied as a special tax for financial audit purposed (50 ILCS 310/9), and

the sum of $ 691,671 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 25th day of November, 2014

_____
Chairman of the Board of Said Community College District

Cheryl R. Draft
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 2.

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.

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 July 28, 2015, commencing at 7:00 p.m.

The meeting was called to order by Board Chair Don Brewer.

Adoption of 2015-2016 Budget (Appendix V)

The tentative budget for the 2015-2016 academic year was approved at the June 23 meeting of the Board of Trustees, and a public hearing on the budget was held at 6:30 p.m., prior to the July 28 board meeting with no comments or questions from the public. 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 28th day of July, 2015. 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, 2015, and ending June 30, 2016, 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.

An analysis of the FY 2016 budget had been distributed with the board packets as Appendix V.

President Dreith recommended and Jake Rendleman and Cheryl Graff moved and seconded that the Board of Trustees adopt the 2015-2016 (FY 2016) budget for John A. Logan College as recommended, and that the administration be authorized to implement this budget effective July 1, 2015.

Upon roll call, all members voted yes with the exception of Bill Alstat who abstained. Motion carried. (Resolution #16-3204)

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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