

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

**2017 Annual Budget
Fiscal Year Ended June 30, 2017
Adopted June 28, 2016**

**“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, 2016 and Ending June 30, 2017
Adopted June 28, 2016
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, 2015. 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
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John A. Logan College

Illinois

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan".

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

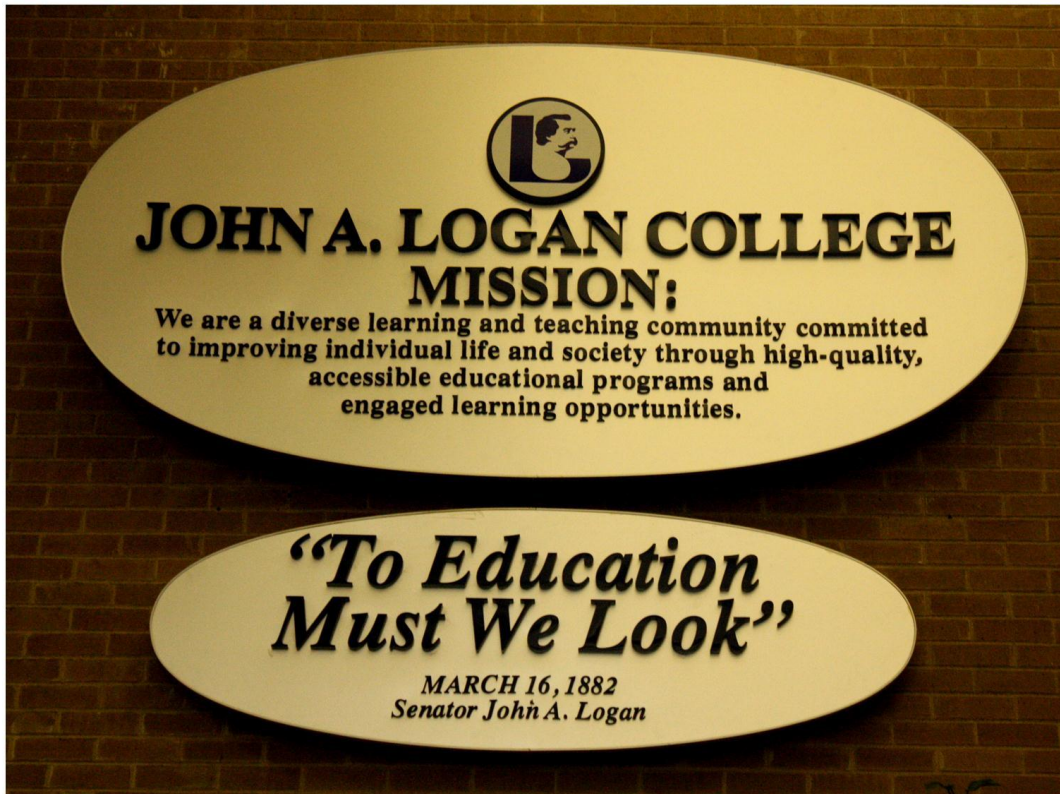
The John A. Logan College district consists of one central campus and extension centers in the towns of DuQuoin and West Frankfort. Many courses in baccalaureate transfer, career education, continuing education and adult literacy are taught in high schools and public facilities throughout the five-county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

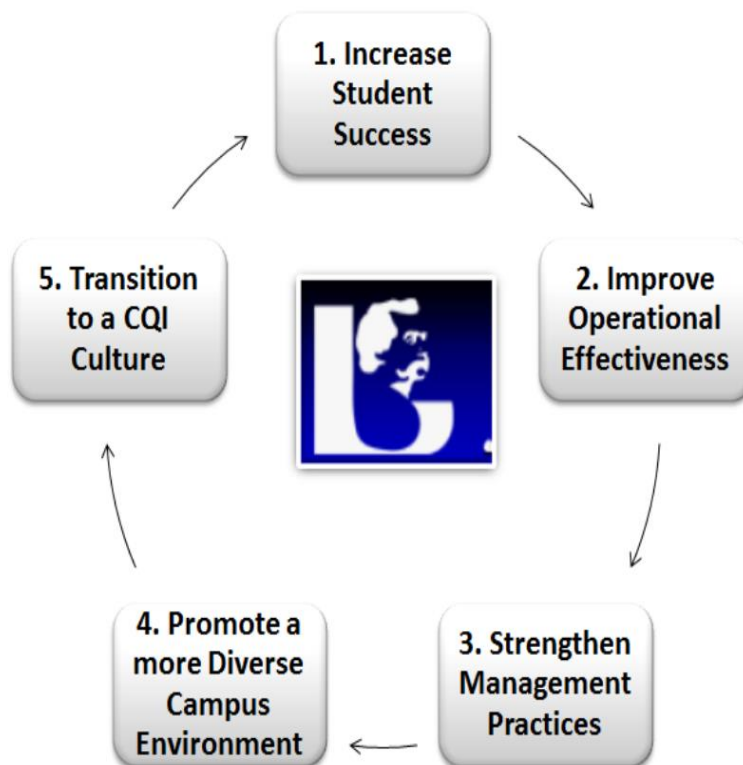
- **Communication** - To participate in the entire communication process of listening, speaking, reading, and writing.
- **Critical Thinking** - To cultivate the process of critical thinking by analyzing, synthesizing and evaluating objects, concepts, theories, and hypotheses.
- **Mathematical Reasoning** - 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 with the President to present status reports, including accomplishments to-date, next steps, and any other matters critical to the success of the projects. Project owners have been reassessed over time due to natural staffing changes. See below the complete list of projects:

1. Student Success Initiative
2. ERP System
3. IT Staffing
4. Assessment
5. Knowledge & Information Management
6. Process Improvements
7. Office Productivity
8. Internal Communications
9. Website Redesign
10. Strengthening Management Practices
11. Diversity
12. Continuous Quality Improvement (CQI) Transition
13. LMS Implementation
14. Planning & Institutional Effectiveness
15. Career and Job Readiness
16. Capital Construction/Renovation/Maintenance

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 to provide updated status reports on their assigned projects.

STRATEGIC PLAN ITEMS EMPHASIZED IN FY 2017 BUDGET

With such an extreme reduction in expected state revenue and a goal of expenditure retrenchment, it was not possible to find much in the way of new funds for the start of additional strategic projects. However, the College budget does provide support to explore a partnership with Southern IL University for potential development of an Agriculture program or to explore other new program opportunities. The SIU partnership has been previously presented to the Board for discussion. The budget also maintains support for many ongoing strategic initiatives that were supported in the prior budgets. There is ongoing support for technology in the following areas: ERP system, Learning Management (LMS) system, computer labs, Smart Classroom maintenance, scheduling software, and the College's website. The College budget includes support for a Diversity and Inclusion department. Student Success is supported through notetaking services, tutoring centers, interpreter services, testing services, and job placement services. The College also continues to support students through a student work program, institutional waivers, and scholarship funds.

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 this committee structure to have more decision making authority than the previous version and a stronger instructional voice. A student representative serves on the ITC committee to provide input on the appropriate use of a technology fee assessed to students and to offer suggestions concerning such matters as navigation of the College's website and use of the Learning Management System (LMS).

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

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 2017 CONCERNS

Just as with the prior year, the majority of budget concerns faced by Illinois Higher Education institutions center around the financial condition of the State. For FY 2016, there was no IL State budget passed. The College received only one \$4m payment or 35% from the State to fund the entire fiscal year. An additional funding issue was the delayed payment of MAP funds that the College elected to front to students during the FY 2016 year to attempt to maintain student retention. While the College made it through the fiscal year without external borrowing, the cash flow situation had to be monitored very closely, and a line of external credit was put in place due to the ongoing uncertainty of funding. Additional concerns relate to downward enrollment trends and credit hour reductions. There is only speculation that this downward cycle may be getting close to an end, but no solid evidence to base any recovery assumptions on. In addition, there is still the concerning issue of IL pension funding. At some point, the current obligation of the State to fund the pension system could shift to the Colleges. At this time, the College's overall concern is how to reduce its dependence on the State of Illinois.

The College had already experienced a significant operating fund deficit of **\$857,277** for FY 2014. A second consecutive deficit of **\$1,048,790** resulted in FY 2015. With a shortfall of \$7.3m in State revenues for FY 2016, the projected operating deficit is **\$5.7m**. The College cannot maintain a cycle of multiple operating deficits. With the expected FY 2016 deficit, the College will fall below its targeted percentage of operating fund balances in relation to operating expenditures. The challenge was to develop a FY 2017 budget that did not produce a fourth consecutive operating deficit. The other challenge in FY 2017 will be monitoring the College's cash flow situation and making decisions concerning potential borrowing versus a possible bond issuance related to strengthening the College's working cash fund.

Moving forward into the FY 2017 year, the largest question will be whether the College's assumptions on the level of Base Operating and Equalization funding from the State will actually come to light, or if it will find itself in a similar shortfall situation as it experienced in FY 2016.

BUDGET SUMMARY



Brad McCormick, Vice-President for Business Services & College Facilities

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

For the second year in a row, John A. Logan College must present a budget built upon speculation regarding the level of state funding, as the State of Illinois moves into the 2nd year without a state budget for higher education. In absence of the assurance of state funding for fiscal year 2017 and with dramatically reduced beginning fund balances resulting from having only received 35% of the previous year's budgeted state revenues, the College is projecting state revenues to average 63% of those originally committed by the state in fiscal year 2015. In addition, the budget includes a plan to propose for Board consideration a \$10 tuition increase effective with the spring 2017 semester. Expenses in the operating funds have been reduced by double digits for the second year in a row. This year by 15.7% to achieve the ending result of a **\$123,511** operating deficit. With such a dramatic reduction in state revenues, a very small operating deficit would not have been possible without utilizing previously accumulated Auxiliary funds held in reserve of just under \$1.4 million.

Salaries and benefits were reduced in this budget by \$4.1 million, even after contractual raises were applied due to a significant reduction in staff at the end of fiscal year 2016. Total salaries paid will be 16.1% less in fiscal year 2017 than in fiscal year 2016. Double digit reductions were also made in the areas of materials & supplies, conference & meeting expenses, and capital outlay. All categories of spending in the operating funds combined yield a budget that has dropped by almost \$5.4 million for fiscal year 2017 to a total of \$28.9 million.

Though there is no additional debt issuance anticipated in this budget, debt issued last year to fund the payment of post-employment benefits paid to retirees has a significant positive impact on this new budget. The College will continue to monitor outstanding debt from a 2007 debt series to determine when refinancing that debt would yield the greatest amount of savings.

A significant challenge for this year is to curb the statewide trend of enrollment decline while at the same time deliver services with fewer full-time staff. It is critical to do so, because 75% to 80% of total revenue is tied directly to the College's performance in the area of generating credit hours.

During this year, the College must also continue to manage cash flow. This is critical given that \$5.7 million of operating fund balance is projected to be depleted by the end of the current 2016 fiscal year. The College has only received \$4 million of stop gap funding from the state in FY 2016 that was expected to be over \$11 million had a state budget been approved. We will regularly monitor our cash positions utilizing our "Stages of Action" plan.

In the coming year, it is the administration's goal to also work with the Board of Trustees to develop board policies on debt management, a balanced budget policy that includes directives regarding steps to be taken when a budget includes a deficit, and a policy that moves our fund balance targets from informal targets to goals expressed in policy. All three of these will be helpful in building the fiscal year 2018 budget.

For the FY 2017 budget year, the College was forced to make very difficult decisions to bring expenses more closely in line with the uncertain revenues that have become so much a part of publicly supported institutions in Illinois. 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.

BUDGET PRIORITIES

While the budget process continues to support the *Five-Year Strategic Plan*, the FY 2017 budget process called for drastic overall reductions. However, there were dollars for some areas to continue to support ongoing strategic projects. You can see a list of some of these supported items in the earlier section “Strategic Plan Items Emphasized in FY 2017 Budget”. In addition, it is always important to meet any policy requirements, contractual obligations, or regulatory requirements. For this budget year, departmental officers were charged with building a retrenchment or what was labeled an austerity budget.

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
- Utilize reporting capabilities during budget development
- Historical comparison at line item level
- Expenditures properly allocated to reflect appropriate department and expense category
- Propose a tuition rate designed to generate additional revenue
- Attrition savings
- Continue to develop plans related to the financial well-being of the Community Health Education Complex
- Develop improved expense and revenue tracking for the College’s Preschool operations

The end result of this process was that it produced a double-digit reduction in budgeted Operating Expenditures as compared to the prior year. These reductions were necessary in anticipation of lost revenue from state funds.

PRIOR YEAR COMPARISON

Budget officers across all departments of the campus were trained on the budget development tool utilized for detailed expenditure requests. For comparison purposes, each department was given detailed line item information on actual expenditures for FY 2015 and original budget for FY 2016.

Total budgeted operating expenditures for FY 2017 are \$28,928,331 as compared to \$34,319,521 for FY 2016. This is a decrease of (\$5,391,190) or (15.71%). You will need to go back to FY 2004 to find comparable budgeted operating expenditures at this reduced level.

Changes resulting from attrition, a reduction in force, and from the reallocation of the Preschool to the Auxiliary fund 05 accounted for a total of (\$3,319,136) in salary savings and (\$797,240) in benefit reductions. The College also received news that its health insurance premiums would see no increase next year.

As compared to FY 2016, contractual services were fairly flat at \$1,704,271 showing only an \$18,528 or 1.10% increase. However, there were significant reductions to supplies of (\$215,079). Conference and meeting expenses, capital outlay requests, and other expenses were also reduced. Smaller reductions were seen in other expenditures such as utilities.

Transfer from the Education Fund to support other funds were significantly reduced from \$1,706,600 in the prior budget to \$906,274 in FY 2017. These transfers included support for non-PHS construction, repayment of debt certificates, transfer of student technology fees to support the agreement with Dell for the network upgrade, reimbursement of staff wellness expenses at the CHEC facility, and a small required grant match. No other subsidies were budgeted to support the Auxiliary Fund operations of Athletics, the CHEC facility, or Preschool operations.

Operating expenditures include a small provision for contingency funds of \$260,000 which is 0.9% of budgeted expenditures. These funds are available for emergencies and unforeseen budget issues, and close monitoring of these funds will be performed by the College Administration. \$50,000 is specifically in the Operations and Maintenance fund to assist with unforeseen facility issues. The remainder resides in the Education fund, and is allocated for needs in each division and to a general contingency.

See the section titled "Expenditure Allocations" for additional comparison data.

Without considering the fund balance accumulated from prior years, the current operating revenue of \$28,804,820 reflects a decrease of \$5,524,480 or 16.09% as compared to \$34,329,300 from the prior year. This is mostly due to assumptions of only partial funding from the State of Illinois. Local property taxes were projected to be relatively flat in comparison to the prior year's budget. Tuition and fees are anticipated at a total of \$14,500,000 as compared to \$15,355,500 budgeted for the prior year. This is a projected decrease of \$855,500 or 5.57% from the prior budget. See the section titled "Resource Assumptions" for detailed factors that went into budgeting for each revenue source.

The FY 2017 budget produced an operating deficit of **\$123,511** as compared to a very minimal budgeted operating surplus for FY 2016. However, FY 2016 budgeted revenue will not be fully realized due to an absence of an Illinois budget resulting in a \$7m shortfall of State appropriations.

ACTIONS TAKEN

For the fourth year, the College continued to utilize a modified form of zero-based budgeting. Software specifically designed for budgeting and higher education was utilized for the third year. Historical data from the prior FY 2016 budget and FY 2015 actual expenditures were imported as reference points for comparison purposes. Budget Officers were directed to develop an austerity budget for retrenchment purposes.

As mentioned in the “Budget Message”, there were significant actions taken to generate double-digit expenditure reductions. An unprecedented reduction in force of 55 employees was approved at a special Board meeting in early March of 2016. A small portion of these individuals were recalled at future meetings. The College continued to use retirement incentives to facilitate attrition savings and will leave several vacant positions unfilled for the upcoming year. The Preschool operations were moved from the Education fund to the Auxiliary fund. The resulting operating salary and benefit reductions from these actions were \$3.3m and almost \$800,000, respectively. Action was previously completed to move the expense of funding a post-retirement health insurance reimbursement benefit out of the College’s operating funds through the issuance of general obligation bonds. This allowed the College to budget no operating dollars to fund this retiree’s benefit.

A tuition increase proposal effective for the spring of 2017 term will be taken for Board consideration. Additional discussion has taken place with the Student Senate related to a possible Student Activity fee to support the Community Health Education Complex (CHEC) and other student activities. Planning will continue along these lines. Other than some reimbursement for employee wellness activities in the CHEC facility, a decision was made again for FY 2017 not to supplement the Auxiliary operations with a transfer from the Education fund, and instead budget a deficit in this fund. Utilizing prior accumulated fund balance to supplement current Auxiliary operations is not ideal, but has been necessary with such a significant reduction in state funding.

BUDGET OVERVIEW



Summary of Fiscal Year 2017 Budget by Fund

Summary of Budget by Fund:	General		Special Revenue		
	Education Fund	Operations & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection, Settlement Fund
Fiscal Year 2017					
Beginning Balance	\$5,200,000	\$1,050,000	\$0	\$79,300	\$1,300,000
Budgeted Revenue	25,741,924	3,062,896	21,423,930	45,300	1,701,500
Budgeted Expenditures	24,504,630	3,517,427	21,440,930	44,700	2,114,569
Budgeted Transfers from (to) Other Funds	(906,274)		17,000		
Budgeted Ending Balance (Deficit)	\$5,531,020	\$595,469	\$0	\$79,900	\$886,931

Summary of Budget by Fund:	Debt Service	Capital Projects	Proprietary Fund
	Bond & Interest Fund	Operations & Maintenance Fund (Restricted)	Auxiliary Enterprises Fund
Fiscal Year 2017			
Beginning Balance	\$1,342,300	\$840,000	\$1,800,000
Budgeted Revenue	2,478,310	798,916	1,059,726
Budgeted Expenditures	2,766,220	1,316,898	2,499,401
Budgeted Transfers from (to) Other Funds	327,911	518,713	42,650
Budgeted Ending Balance (Deficit)	\$1,382,301	\$840,731	\$402,975

The official budget which is accurately summarized above was approved by the Board of Trustees on June 28, 2016.

Budgeted vs. Actual Expenditures Operating Funds FY 2000 - FY 2015									
Fiscal Yr	Education			Operations & Maintenance			Total-Operating Funds		
	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%
15	33,061,513	29,668,572	89.74%	4,579,846	3,642,705	79.54%	37,641,359	33,311,277	88.50%
Average	29,046,046	25,765,083	88.70%	4,707,107	3,507,060	74.51%	33,753,153	29,272,143	86.72%

INSTITUTIONAL OVERVIEW



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

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 two divisional Vice-Presidents. One oversees the Instructional and Student Services areas and the other Business Services and Facilities. 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, and the Executive Directors of Human Resources and Integrated Technology. These administrators are assisted by a network of associate deans, directors, and coordinators as outlined in the organizational chart.

Five 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, and the Southern & Central Illinois Laborers’ District Council, Laborers Local 773).

Board of Trustees:

Donald L. Brewer, Chair	Cheryl Graff
William J. Kilquist, Vice-Chair	Jaclyn Hancock
Jacob “Jake” Rendleman, Secretary	Ray Hancock
Glenn Poshard	Christine Lipe, Student Trustee

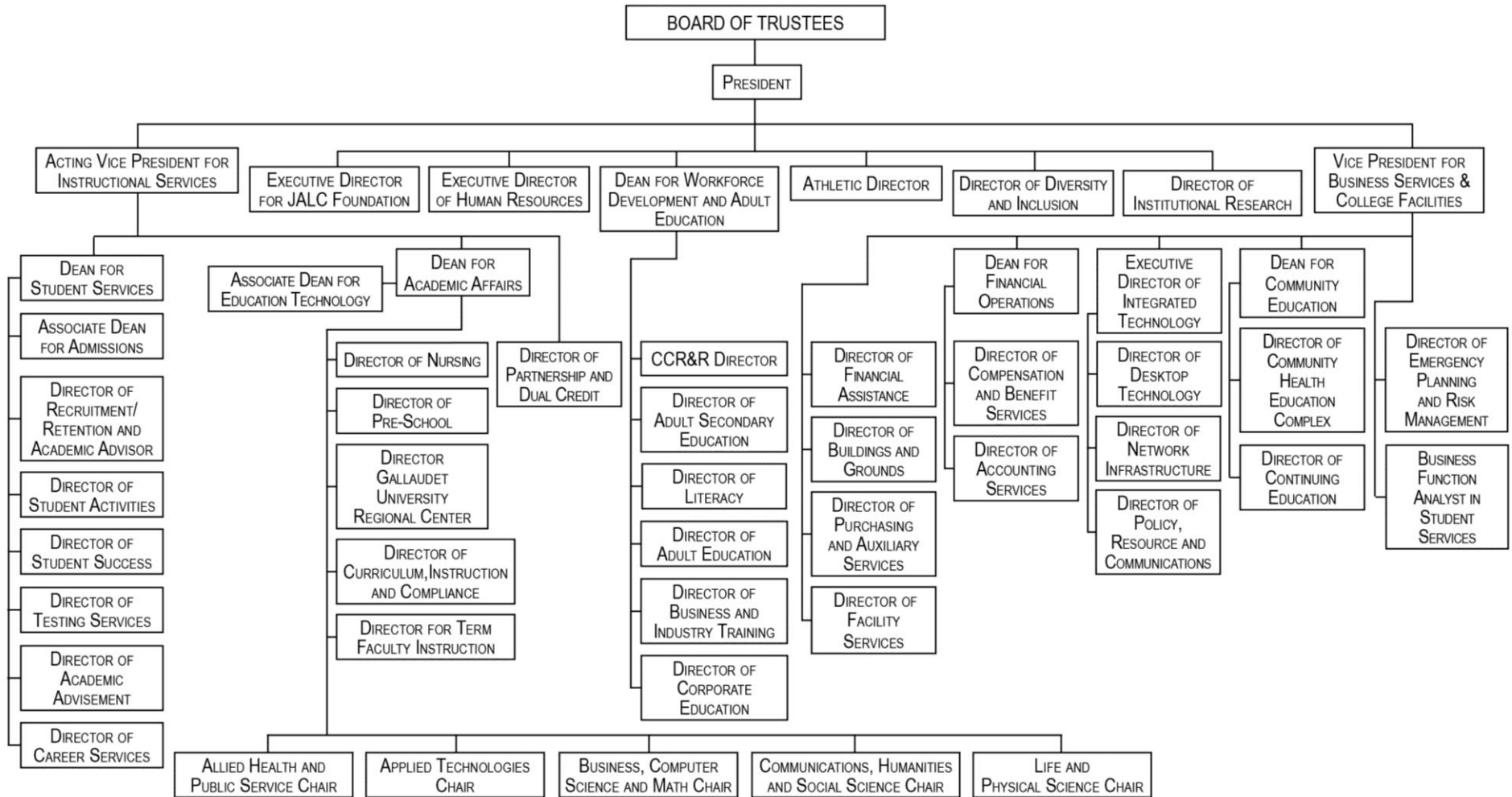
Officers of the College:

Ronald House, President
Brad McCormick, Vice President for Business Services and College Facilities
Melanie Pecord, Acting 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. The structure begins with the seven members of the Board of Trustees that are elected for six year terms by the voters of the College’s district and a Student Trustee elected by the student body. The President reports to the Board and oversees all operations of the College. See the institutional chart on the following page.

JOHN A. LOGAN COLLEGE ORGANIZATIONAL CHART



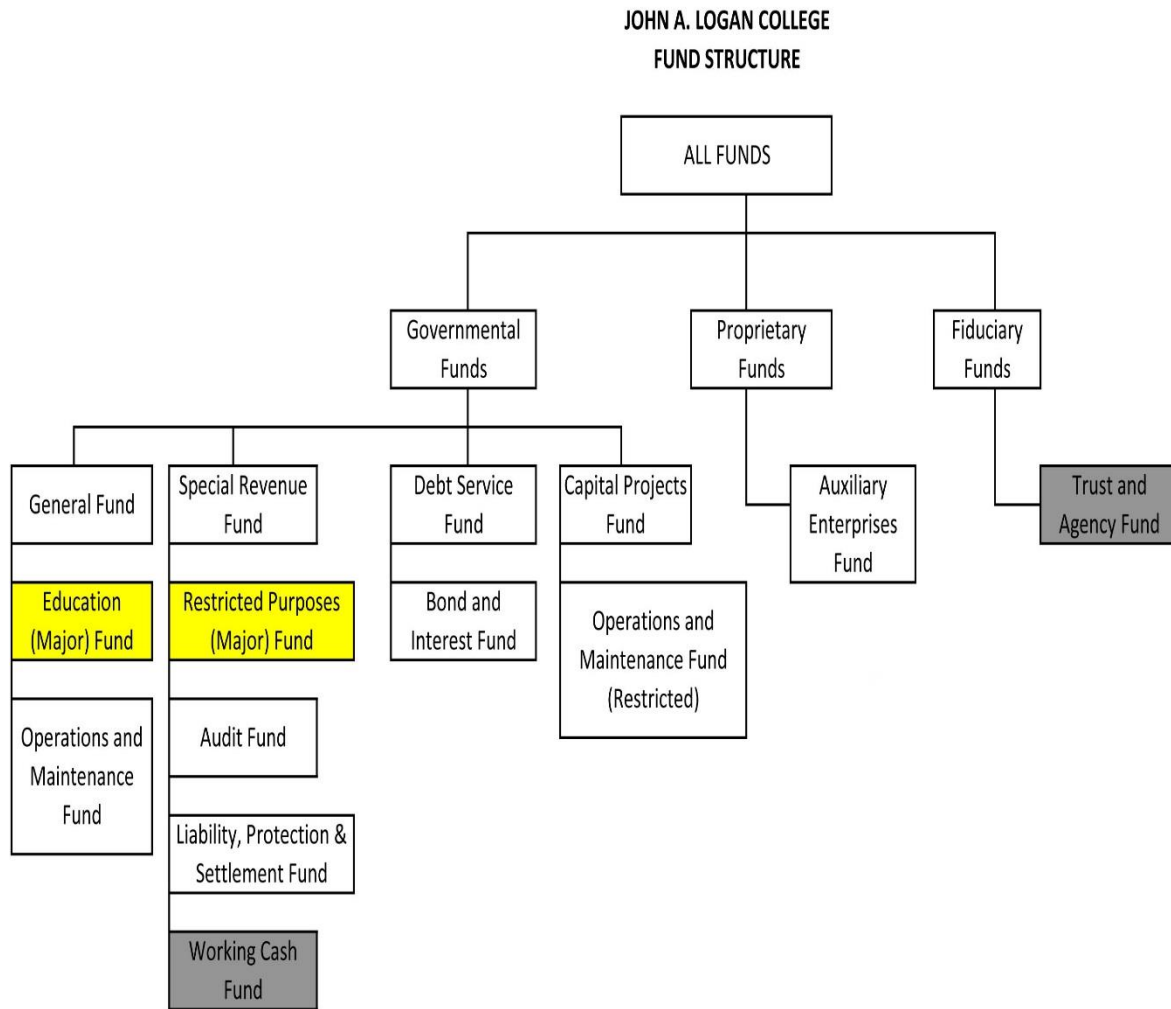
FUND DESCRIPTIONS



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 2017 budgeted expenditures for the Education Fund are \$25,410,904 which includes \$906,274 in transfers to other funds. Education Fund revenues are projected at \$25,741,924.

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 2017 budgeted expenditures for the Operations and Maintenance Fund are \$3,571,427. Operations and Maintenance Fund revenues are projected at \$3,062,896.

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 \$1,316,898 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 2017, a total of \$2,766,220 in principal, interest, and fee payments are scheduled. Of this amount, \$419,550 is specifically related to the repayment of bonds for the refinancing of debt certificates issued to purchase an Enterprise Resource Planning (ERP) system. \$429,709 is related to a 2016 bond issuance to fund a post-employment insurance benefit. \$327,911 is to repay debt certificates used to fund technology improvements. The remaining budgeted expenditures of \$1,589,050 are related to bonds issued in 2007 for the purpose of construction. See the section titled "Current Debt Levels" for additional details on debt issuances.

WORKING CASH FUND

The Working Cash Fund which has an accumulated fund balance of just over \$2m 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. Due to a shorter timing issue, it may also 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, Community Health Education Complex (CHEC), intercollegiate athletics, and for FY 2017, the operations of the Preschool Center formerly accounted for in the Education fund were reclassified to the Auxiliary fund. For FY 2017, estimated expenditures in this fund total \$2,499,401 with \$1,102,376 in budgeted revenue of which \$42,650 is being provided by transfers from the Education Fund to repay CHEC operations for employee wellness waivers. Of this **\$1,397,025** budgeted deficit, approximately \$217,000 will be utilized to subsidize operations of the CHEC facility and \$110,000 to subsidize Preschool operations with the bulk of the remainder related to Athletic programs. This cannot continue indefinitely. This practice works against the fund balance goals previously established by the Finance committee, and will cause the fund to become unhealthy. The College Administration continues to review recommendations related to Athletic programs. According to prior approved planning, FY 2017 will be the last year of providing College-funded housing for athletes. A Student Activity fee discussion related to granting students access to the CHEC facility will be formulated into a formal proposal for Board consideration.

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 2017, we will budget \$21,440,930 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 be 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

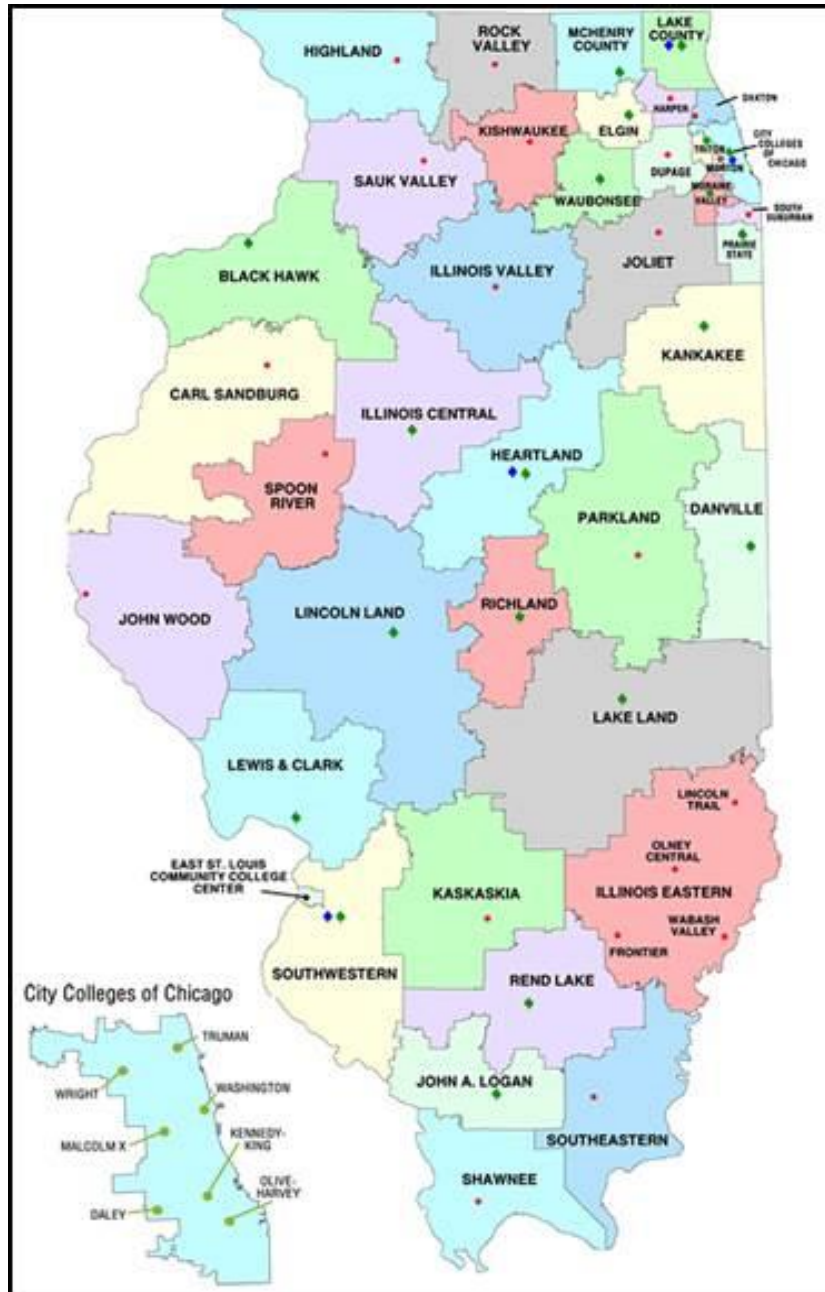
The Audit Fund is established for recording the payment of auditing expenses. During FY 2017, \$44,700 will be budgeted to cover expenditures in this fund. As required by board policy, the College is subject to an annual external audit by a CPA firm which is included in this budget along with some additional 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 2017, the budget amount for expenditures is \$2,114,569. 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 ~ 2016)

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 ~ 2016)

JALC Department Examples:

- Library Services
- Media Services
- Office of the Dean for Academic Affairs
- 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 ~ 2016)

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 ~ 2016)

JALC Department Examples:

- Community Services
- Corporate Education
- 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 ~ 2016)

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 ~ 2016)

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 ~ 2016)

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 ~ 2016)

JALC Department Examples:

- Athletic Programs
- Food Service, Bookstore
- Community Health Education Complex Facility
- Cosmetology Retail Sales
- Copy Center, Supply Room
- Auto Shop, Auto Pool
- Preschool

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 ~ 2016)

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 ~ 2016)

JALC Department Examples:

- Campus Police
- 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 yet have a Board Policy in place to define a balanced budget. The creation of formal policy is listed as an expected accomplishment during FY 2017. 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 2015 on page 59 that shows the tradition of past surplus results as compared to recent deficits.

For FY 2015, the College expended 88.50% of its budgeted expenditures. See past trends from many years of history on page 24. At the start of the FY 2017 budget process, an anticipated FY 2016 deficit of \$5.7m was estimated based on a reduction of budgeted state revenue of over \$7m. This would be by far the largest deficit in the history of the College.

Over the last five 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.

Without considering the prior accumulated fund balance, the FY 2017 operating revenue of \$28,804,820 reflects a decrease of \$5,524,480 or 16.09% compared to \$34,329,300 from the prior year. Total budgeted expenditures for FY 2017 are \$28,928,331 as compared to \$34,319,521. This is a decrease of \$5,391,190 or 15.71%. This resulted in a budgeted deficit of **\$123,511**. There are many variables in this budget. As always, one important factor is credit hour generation and consideration of a mid-year tuition increase which will determine whether tuition revenue materializes. The largest unknown this year is again state funding which was based on speculation rather than factual data. The College utilized the FY 2015 state allocation amount as a starting point and assumed of this amount it would receive 50% of Base Operating funds and 70% of Equalization funding for an average of 63% of what it would normally expect to see. If these funds are not fully received, the College's budgeted projections would be faulty. On the expenditure side, only time will determine if the College can maintain the degree of staff reductions it has been forced to implement.

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.

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.

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 fourth year, FY 2017 included a modified form of zero-based budgeting. For the third 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. It allows Budget Officers to include both line item detail and notes that are visible to approvers. In the software, there is access to data imported from the prior budget year and also actual expenditures from the most recently completed fiscal year. These two years of historical data are used for comparison purposes during budget development and assist with calculating variances both by dollar amount and by percentage. The software includes strong reporting tools that are very useful to everyone involved in the process. The list of steps completed during the budget preparation process are detailed below:

- Created a new FY 2017 budget version in the software and imported historical data from the two prior years: FY 2016 budget and FY 2015 actual expenditures
- Budgeting for salary and fringe benefits was performed and revised as needed throughout the budget process
- Revenue projections were performed based on FY 16 estimates, actual historical revenue data, enrollment trends, and assumptions that were developed concerning State funding levels and EAV's related to local property taxes
- Group meeting held by Vice-President of Business Services with College staff
- Refresher budget software trainings were held with Budget Officers and Assistants
- Discussions with Budget Officers regarding the need for a retrenchment budget and identifying basic operational needs
- Held discussions with Administration on their role and the review/approval process
- Detailed departmental budgets were developed by 54 Budget Officers across the campus with line item detail and notes incorporated
- Departmental budgets were reviewed first at the Dean's level and then by the Division Head
- Meetings between Division Heads and Dean for Financial Operations were held to review departmental units in comparison to the prior budget and spending
 - Deans and Directors also participated to discuss rationale for budget requests
- Resulting revisions were incorporated into departmental budgets
- Reports were generated
- A final meeting between the Vice-President for Business Services and the Dean for Financial Operations was held to review each budgeted accounting fund
- A tentative legal budget was prepared
- The budget was reviewed with Board Finance Committee on May 16, 2016
- Board of Trustees met to approve display of tentative budget on May 24, 2016
- Notification of this approval was published in a local newspaper
- The budget was put on public display for 30-day period of inspection
- A public budget hearing was held immediately prior to regular June Board meeting
- A final budget was submitted to the Board of Trustees June 28, 2016 and adopted

Budget Calendar – FY 2017

JANUARY to FEBRUARY

- New budget version created in budgeting software
- Historical data for FY 15 expenditures and FY 16 budget imported into budget software
 - Salary and fringe benefit projections developed

MARCH

- Refresher trainings held with staff on budget development
 - Perform revenue projections

APRIL

- Budget Officers work to build detailed departmental budgets and justify requests
 - Budget Officers submit departmental budgets to respective Deans
 - Deans submit departmental budgets to division heads
- Dean for Financial Operations meets with each division head and their Deans/Directors to review departmental requests
 - Revisions from resulting meetings are entered
 - Salary and fringe benefit projections are updated as necessary

MAY

- Utilize software reporting tools
- Legal budget preparation by the Dean for Financial Operations
- Budget meeting with Board Finance Committee May 16, 2016
- Tentative budget submitted to Board of Trustees May 24, 2016
 - Newspaper notification
 - Tentative budget put on public display

JUNE

- Additional budget analysis
 - Public budget hearing
- Proposed final budget submitted to the Board of Trustees June 28, 2016

BUDGET ADOPTION POLICY AND TRANSFERS

The budget is a controlled plan to be used in implementing the operational objectives of the College. The Board of Trustees shall adopt an annual budget within or before the first quarter of each fiscal year. The College adopts an expanded operational budget detailing anticipated revenue sources and anticipated expenditures by program with line item appropriation. A tentative legal budget must be on display for public inspection for at least 30 days prior to final approval by the Board of Trustees. Notification is given to the public of its availability for inspection through publication in a local newspaper and on the College's website. At least one public hearing must be held prior to the adoption of the budget. If there are any changes made between the tentative budget and the final budget brought for adoption, they must be fully presented at the public hearing.

The college may transfer among budgeted items in a fund, providing that all transfers do not exceed 10 percent of the total of such fund as set forth in the budget. The local board of trustees also may amend the budget by using the same procedure as the original adoption.

BUDGET CONTROL

The College utilizes an 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 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 with both budget and transaction data. The system will not allow any requested expenditures beyond the available departmental balance to 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, detailed Expenditure Report, and a Report of Purchasing Card transactions.

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, online courses, out-of-district students, out-of-state students, and international students. It also has a variable tuition rate for some high cost programs. For the fall of 2016, in-district tuition is \$109 per credit hour. In addition, a \$5 per credit hour fee is being assessed to support technology. As built into the current year budget, a tuition increase proposal for the spring 2017 term will be brought forward for consideration. All tuition increases are subject to approval by the Board of Trustees.

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 five 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 2017 to FY 2016 OPERATING FUNDS					
BY REVENUE SOURCE:	FY 2017 Budget	FY 2016 Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY17 Revenue
LOCAL PROPERTY TAXES	6,417,000	6,450,000	(33,000)	(0.51%)	22.28%
CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	532,000	550,000	(18,000)	(3.27%)	1.85%
CHARGEBACKS	20,000	20,000	-	0.00%	0.07%
ICCB BASE OPERATING GRANTS	1,961,470	3,740,000	(1,778,530)	(47.55%)	6.81%
ICCB EQUALIZATION GRANTS	5,154,850	7,115,000	(1,960,150)	(27.55%)	17.90%
ICCB VOCATIONAL GRANTS-INSTRUCTIONAL	-	400,000	(400,000)	(100.00%)	0.00%
ICCB PERFORMANCE ALLOCATION GRANT	-	10,000	(10,000)	(100.00%)	0.00%
ICCB VETERANS GRANT	-	53,400	(53,400)	(100.00%)	0.00%
STUDENT TUITION & FEES	14,500,000	15,355,500	(855,500)	(5.57%)	50.34%
SALES & SERVICE FEES	62,500	225,000	(162,500)	(72.22%)	0.22%
INTEREST ON INVESTMENTS	32,000	31,000	1,000	3.23%	0.11%
FACILITY USE	7,000	30,000	(23,000)	(76.67%)	0.01%
OTHER INCOME	118,000	349,400	(231,400)	(66.23%)	0.41%
TOTAL	\$ 28,804,820	\$ 34,329,300	\$ (5,524,480)	(16.09%)	100.00%

Note: Includes Education and Operations & Maintenance Funds.

**REVENUES, EXPENDITURES, TRANSFERS & CHANGES IN FUND BALANCE - ALL FUNDS
FY 2017 BUDGET**

	GENERAL FUND		SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUND	ENTERPRISE FUND	Total All Funds
	Education Fund	Operations & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection & Settlement Fund	Bond & Interest Fund	Operations & Maintenance Restricted Fund	Auxiliary Enterprises Fund	
FY 2017									
Revenues:									
Local Property Taxes	\$5,500,000	\$917,000	-	\$45,000	\$1,700,000	\$2,476,810	\$725,000	-	\$11,363,810
CPPRT	532,000	-	-	-	-	-	-	-	532,000
Other Local Revenues	20,000	-	-	-	-	-	-	-	20,000
State Government	4,981,424	2,134,896	4,473,930	-	-	-	-	-	11,590,250
Federal Government	-	-	16,950,000	-	-	-	-	-	16,950,000
Student Tuition & Fees	14,500,000	-	-	-	-	-	-	-	14,500,000
Sales & Service Fees	62,500	-	-	-	-	-	-	-	62,500
Facilities Rental	-	7,000	-	-	-	-	-	-	7,000
Interest Income	30,000	2,000	-	300	1,500	1,500	2,250	2,500	40,050
Non-Governmental Gifts, Grants	-	-	-	-	-	-	-	-	0
Other	116,000	2,000	-	-	-	-	71,666	1,057,226	1,246,892
Total Revenues	25,741,924	3,062,896	21,423,930	45,300	1,701,500	2,478,310	798,916	1,059,726	56,312,502
Expenditures:									
Instruction	9,371,274	-	1,195,000	-	-	-	-	-	10,566,274
Academic Support	2,046,446	-	720,000	-	-	-	-	2,000	2,768,446
Student Services	2,973,298	-	705,000	-	-	-	-	-	3,678,298
Public Service	854,091	-	2,725,000	-	-	-	-	693,004	4,272,095
Independent Operations	-	-	-	-	-	-	-	1,293,008	1,293,008
Operations & Maintenance	-	3,337,004	-	-	757,343	-	-	57,825	4,152,172
Institutional Support	5,154,664	180,423	1,995,930	44,700	1,357,226	2,766,220	1,316,898	80,100	12,896,161
Scholarships, Grants, Waivers	4,104,857	-	14,100,000	-	-	-	-	373,464	18,578,321
Total Expenditures	24,504,630	3,517,427	21,440,930	44,700	2,114,569	2,766,220	1,316,898	2,499,401	58,204,775
Excess (Deficiency) of Revenues Over Expenditures	1,237,294	(454,531)	(17,000)	600	(413,069)	(287,910)	(517,982)	(1,439,675)	(1,892,273)
Other Sources (Uses):									
Bond Proceeds	-	-	-	-	-	-	-	-	0
Transfers In (Out)	(906,274)	-	17,000	-	-	327,911	518,713	42,650	0
Total Other Financing Sources (Uses)	(906,274)	0	17,000	0	0	327,911	518,713	42,650	0
(Deficit) / Surplus	331,020	(454,531)	0	600	(413,069)	40,001	731	(1,397,025)	(1,892,273)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-	0
Net Change	331,020	(454,531)	0	600	(413,069)	40,001	731	(1,397,025)	(1,892,273)
Beginning Fund Balance	5,200,000	1,050,000	0	79,300	1,300,000	1,342,300	840,000	1,800,000	11,611,600
Use of Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	\$5,531,020	\$595,469	\$0	\$79,900	\$886,931	\$1,382,301	\$840,731	\$402,975	\$9,719,327

YEARLY COMPARISON



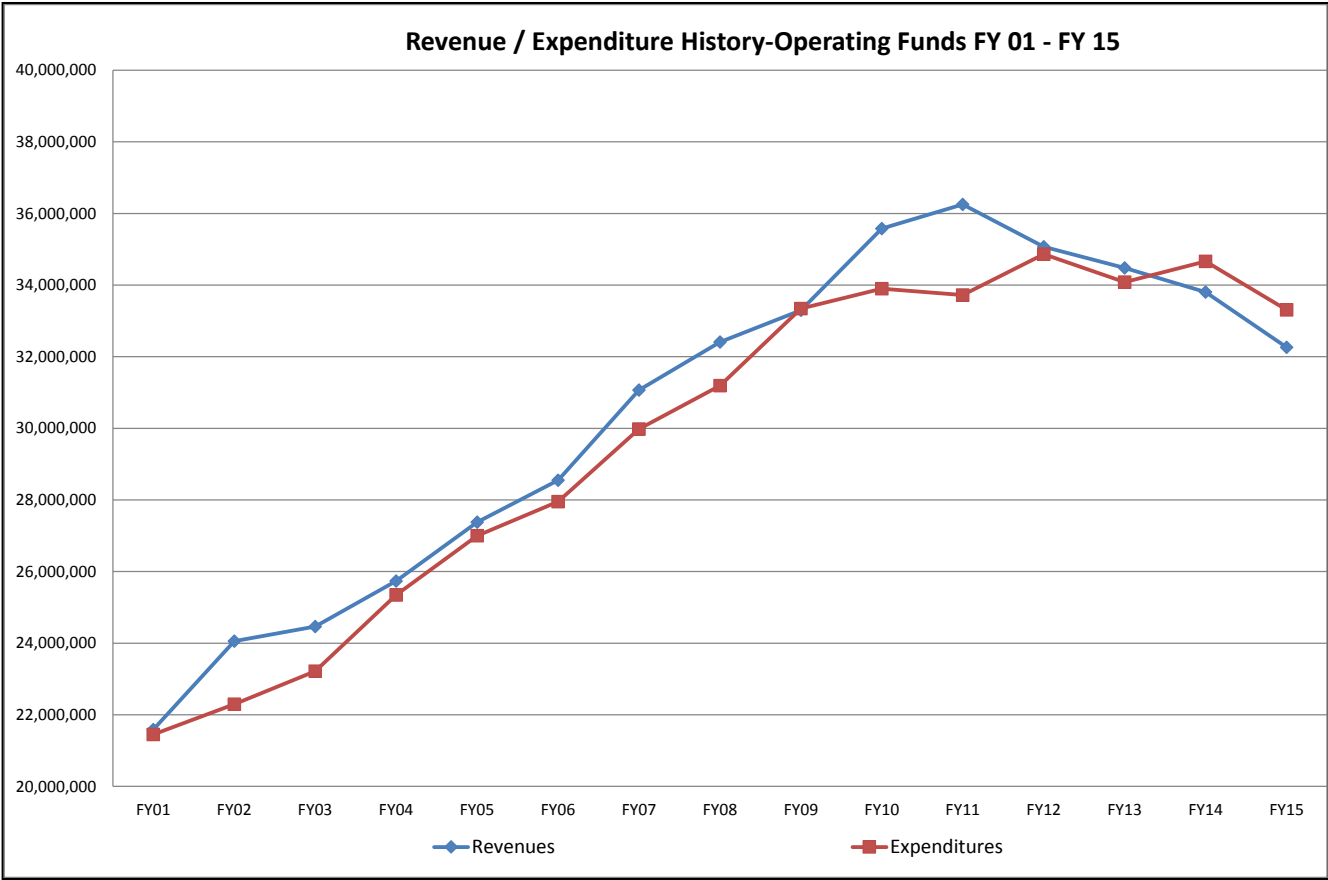
REVENUE / EXPENDITURE SUMMARY				
ALL FUNDS				
	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget
Revenues:				
Local Property Taxes	9,940,124	10,259,916	11,110,523	11,363,810
CPPRT	624,701	676,482	614,166	532,000
Other Local Revenues	24,687	25,873	7,233	20,000
State Government	13,406,806	13,886,925	4,798,540	11,590,250
Federal Government	10,448,691	10,253,291	8,619,686	16,950,000
Student Tuition & Fees	14,156,792	13,328,268	12,922,739	14,500,000
Sales & Service Fees	174,475	238,626	835,907	984,726
Facilities Rental	15,138	6,870	7,330	7,000
Interest Income	30,802	35,121	48,079	37,550
Non-Governmental Gifts, Grants	-	104,788	288,081	-
Other	3,200,102	2,158,768	2,530,708	327,166
Total Revenues	52,022,318	50,974,928	41,782,992	56,312,502
Expenditures:				
Instruction	12,780,333	13,052,933	11,998,753	10,566,274
Academic Support	2,602,584	2,486,362	2,172,394	2,768,446
Student Services	3,584,449	3,646,625	3,336,751	3,678,298
Public Service	3,545,648	3,142,775	3,498,445	4,272,095
Independent Operations	1,455,752	1,154,268	1,158,186	1,293,008
Operations & Maintenance	4,734,457	4,327,034	3,894,173	4,152,172
Institutional Support	12,686,079	11,681,698	11,015,823	12,896,161
Scholarships, Grants, Waivers	12,491,669	11,554,982	10,486,927	18,578,321
Total Expenditures	53,880,971	51,046,677	47,561,452	58,204,775
Excess (Deficiency) of Revenues Over Expenditures	(1,858,653)	(71,749)	(5,778,460)	(1,892,273)
Other Sources (Uses):				
Bond Proceeds	-	-	1,678	-
Principal Payment on Debt	-	(575,000)	(1,040,000)	-
Transfers In (Out)	-	-	-	-
Total Other Sources	0	(575,000)	(1,038,322)	0
(Deficit) / Surplus	(1,858,653)	(646,749)	(6,816,782)	(1,892,273)
Prior Yr Fund Balance Resource	-	-	-	-
Net Change	(1,858,653)	(646,749)	(6,816,782)	(1,892,273)
Beginning Fund Balance	20,933,784	19,075,131	18,428,382	11,611,600
Use of Prior Yr Fund Balance	-	-	-	-
Ending Fund Balance	\$19,075,131	\$18,428,382	\$11,611,600	\$9,719,327

GENERAL FUND MULTI-YEAR COMPARISON	EDUCATION FUND				OPERATIONS & MAINTENANCE FUND			
	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget
Revenues:								
Local Property Taxes	\$5,361,427	\$5,380,492	\$5,495,495	\$5,500,000	\$893,810	\$896,750	\$915,914	\$917,000
CPPRT	624,701	676,482	614,166	532,000	-	-	-	-
Other Local Revenues	24,687	25,873	7,233	20,000	-	-	-	-
State Government	9,351,972	8,757,952	3,003,351	4,981,424	2,958,052	2,758,263	1,001,117	2,134,896
Federal Government	27,415	-	-	-	-	-	-	-
Student Tuition & Fees	14,156,792	13,328,268	12,922,739	14,500,000	-	-	-	-
Sales & Service Fees	174,475	238,626	248,889	62,500	-	-	-	-
Facilities Rental	-	-	-	-	15,138	6,870	7,330	7,000
Interest Income	32,941	28,728	37,970	30,000	1,205	761	2,106	2,000
Other	168,629	159,809	569,014	116,000	14,887	3,612	1,422	2,000
Total Revenues	29,923,039	28,596,230	22,898,857	25,741,924	3,883,092	3,666,256	1,927,889	3,062,896
Expenditures:								
Instruction	11,857,847	12,063,157	11,368,871	9,371,274	-	-	-	-
Academic Support	2,499,506	2,348,485	2,004,518	2,046,446	-	-	-	-
Student Services	3,034,713	3,138,442	2,917,458	2,973,298	-	-	-	-
Public Service	1,589,938	1,036,139	1,078,735	854,091	-	-	-	-
Operations & Maintenance	-	-	-	-	4,092,466	3,642,705	3,195,045	3,337,004
Institutional Support	5,568,294	5,689,331	5,082,019	5,154,664	3,777	-	175,936	180,423
Scholarships, Grants, Waivers	4,447,899	3,776,765	3,606,225	4,104,857	-	-	-	-
Total Expenditures	28,998,197	28,052,319	26,057,826	24,504,630	4,096,243	3,642,705	3,370,981	3,517,427
Excess (Deficiency) of Revenues Over Expenditures	924,842	543,911	(3,158,969)	1,237,294	(213,151)	23,551	(1,443,092)	(454,531)
Other Financing Sources (Uses):								
Bond Proceeds	-	-	-	-	-	-	-	-
Transfers In (Out)	(1,568,968)	(1,616,252)	(1,104,911)	(906,274)	-	-	-	-
Total Other Financing	(1,568,968)	(1,616,252)	(1,104,911)	(906,274)	0	0	0	0
(Deficit) / Surplus	(644,126)	(1,072,341)	(4,263,880)	331,020	(213,151)	23,551	(1,443,092)	(454,531)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-
Net Change	(644,126)	(1,072,341)	(4,263,880)	331,020	(213,151)	23,551	(1,443,092)	(454,531)
Beginning Fund Balance	11,180,347	10,536,221	9,463,880	5,200,000	2,682,692	2,469,541	2,493,092	1,050,000
Use of Prior Year Fund Balance	-	-	-	-	-	-	-	-
Ending Fund Balance	\$10,536,221	\$9,463,880	\$5,200,000	\$5,531,020	\$2,469,541	\$2,493,092	\$1,050,000	\$595,469

SPECIAL REVENUE FUNDS									
Multi-Year Comparison	RESTRICTED PURPOSES FUND			AUDIT FUND			LIABILITY, PROTECTION & SETTLEMENT FUND		
	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget
Revenues:									
Local Property Taxes	-	-	-	\$40,123	\$43,506	\$45,000	\$1,577,011	\$1,634,096	\$1,700,000
CPPRT	-	-	-	-	-	-	-	-	-
State Government	1,820,652	773,203	4,473,930	-	-	-	-	-	-
Federal Government	10,253,291	8,619,686	16,950,000	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	-	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	\$84	\$232	-	303	351	300	1,260	1,984	1,500
Non-Governmental Gifts	\$104,788	\$133,315	-	-	-	-	-	-	-
Other	294,027	\$1,832,613	-	-	-	-	13,325	-	-
Total Revenues	12,472,842	11,359,049	21,423,930	40,426	43,857	45,300	1,591,596	1,636,080	1,701,500
Expenditures:									
Instruction	989,776	629,882	1,195,000	-	-	-	-	-	-
Academic Support	136,202	166,995	720,000	-	-	-	-	-	-
Student Services	508,183	419,293	705,000	-	-	-	-	-	-
Public Service	2,089,969	1,788,992	2,725,000	-	-	-	-	-	-
Operations & Maintenance	-	\$1,017	-	-	-	-	664,134	690,615	757,343
Institutional Support	1,302,441	1,821,264	1,995,930	38,695	42,717	44,700	960,261	1,068,844	1,357,226
Scholarships, Waivers	7,464,122	6,535,031	14,100,000	-	-	-	-	-	-
Total Expenditures	12,490,693	11,362,474	21,440,930	38,695	42,717	44,700	1,624,395	1,759,459	2,114,569
Excess (Deficiency) of Revenues Over Expend	(17,851)	(3,425)	(17,000)	1,731	1,140	600	(32,799)	(123,379)	(413,069)
Other Sources (Uses):									
Bond Proceeds	-	-	-	-	-	-	-	-	-
Transfers In (Out)	17,851	3,425	17,000	-	-	-	-	-	-
Total Other Sources	17,851	3,425	17,000	0	0	0	0	0	0
(Deficit) / Surplus	0	0	0	1,731	1,140	600	(32,799)	(123,379)	(413,069)
Prior Yr Fund Bal Resource	-	-	-	-	-	-	-	-	-
Net Change	0	0	0	1,731	1,140	600	(32,799)	(123,379)	(413,069)
Beginning Fund Balance	0	0	0	76,429	78,160	79,300	1,456,178	1,423,379	1,300,000
Use Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	\$0	\$0	\$0	\$78,160	\$79,300	\$79,900	\$1,423,379	\$1,300,000	\$886,931

DEBT SERVICE, CAPITAL PROJECTS, AND PROPRIETARY FUNDS									
	Debt Service			Capital Projects			Proprietary		
	Bond & Interest Fund			Operations & Maintenance Restricted Fund			Auxiliary Enterprises Fund		
	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget	FY 2015 Actual	FY 2016 Estimate	FY 2017 Budget
MULTI-YEAR COMPARISON									
Revenues:									
Local Property Taxes	1,593,088	2,310,815	2,476,810	772,452	710,697	725,000	-	-	-
CPPRT	-	-	-	-	-	-	-	-	-
State Government	-	-	-	550,058	20,869	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-	-
Student Tuition & Fees	-	-	-	-	-	-	-	-	-
Sales & Service Fees	-	-	-	-	-	-	-	587,018	-
Facilities Rental	-	-	-	-	-	-	-	-	-
Interest Income	1,043	1,350	1,500	2,942	4,086	2,250	-	-	-
Non-Governmental Gifts	-	-	-	-	154,766	-	-	-	-
Other	-	3,899	-	1,146,727	18,000	71,666	541,268	105,760	1,059,726
Total Revenues	1,594,131	2,316,064	2,478,310	2,472,179	908,418	798,916	541,268	692,778	1,059,726
Expenditures:									
Instruction	-	-	-	-	-	-	-	-	-
Academic Support	-	-	-	-	-	-	1,675	881	2,000
Student Services	-	-	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	16,667	630,718	693,004
Independent Operations	-	-	-	-	-	-	1,154,268	1,158,186	1,293,008
Operations & Maintenance	-	-	-	-	-	-	20,195	7,496	57,825
Institutional Support	838,993	925,871	2,766,220	2,792,763	1,843,930	1,316,898	59,214	55,242	80,100
Scholarships, Grants, Waivers	-	-	-	-	-	-	314,095	345,671	373,464
Total Expenditures	838,993	925,871	2,766,220	2,792,763	1,843,930	1,316,898	1,566,114	2,198,194	2,499,401
Excess (Deficiency) of Revenues Over Expenditures	755,138	1,390,193	(287,910)	(320,584)	(935,512)	(517,982)	(1,024,846)	(1,505,416)	(1,439,675)
Other Sources (Uses):									
Bond Proceeds	-	1,678	-	-	-	-	-	-	-
Principal Payment on Debt	(575,000)	(1,040,000)	-	-	-	-	-	-	-
Transfers In (Out)	-	-	327,911	598,401	500,738	518,713	1,000,000	600,748	42,650
Total Other Sources	(575,000)	(1,038,322)	327,911	598,401	500,738	518,713	1,000,000	600,748	42,650
(Deficit) / Surplus	180,138	351,871	40,001	277,817	(434,774)	731	(24,846)	(904,668)	(1,397,025)
Prior Yr Fund Balance Resource	-	-	-	-	-	-	-	-	-
Net Change	180,138	351,871	40,001	277,817	(434,774)	731	(24,846)	(904,668)	(1,397,025)
Beginning Fund Balance	810,291	990,429	1,342,300	996,957	1,274,774	840,000	2,729,514	2,704,668	1,800,000
Use of Prior Yr Fund Balance	-	-	-	-	-	-	-	-	-
Ending Fund Balance	\$990,429	\$1,342,300	\$1,382,301	\$1,274,774	\$840,000	\$840,731	\$2,704,668	\$1,800,000	\$402,975

Revenue / Expenditure Comparison Operating Funds FY 2001 - FY 2015			
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)
FY 15	32,262,486	33,311,276	(1,048,790)
Average	30,399,700	29,754,370	645,331

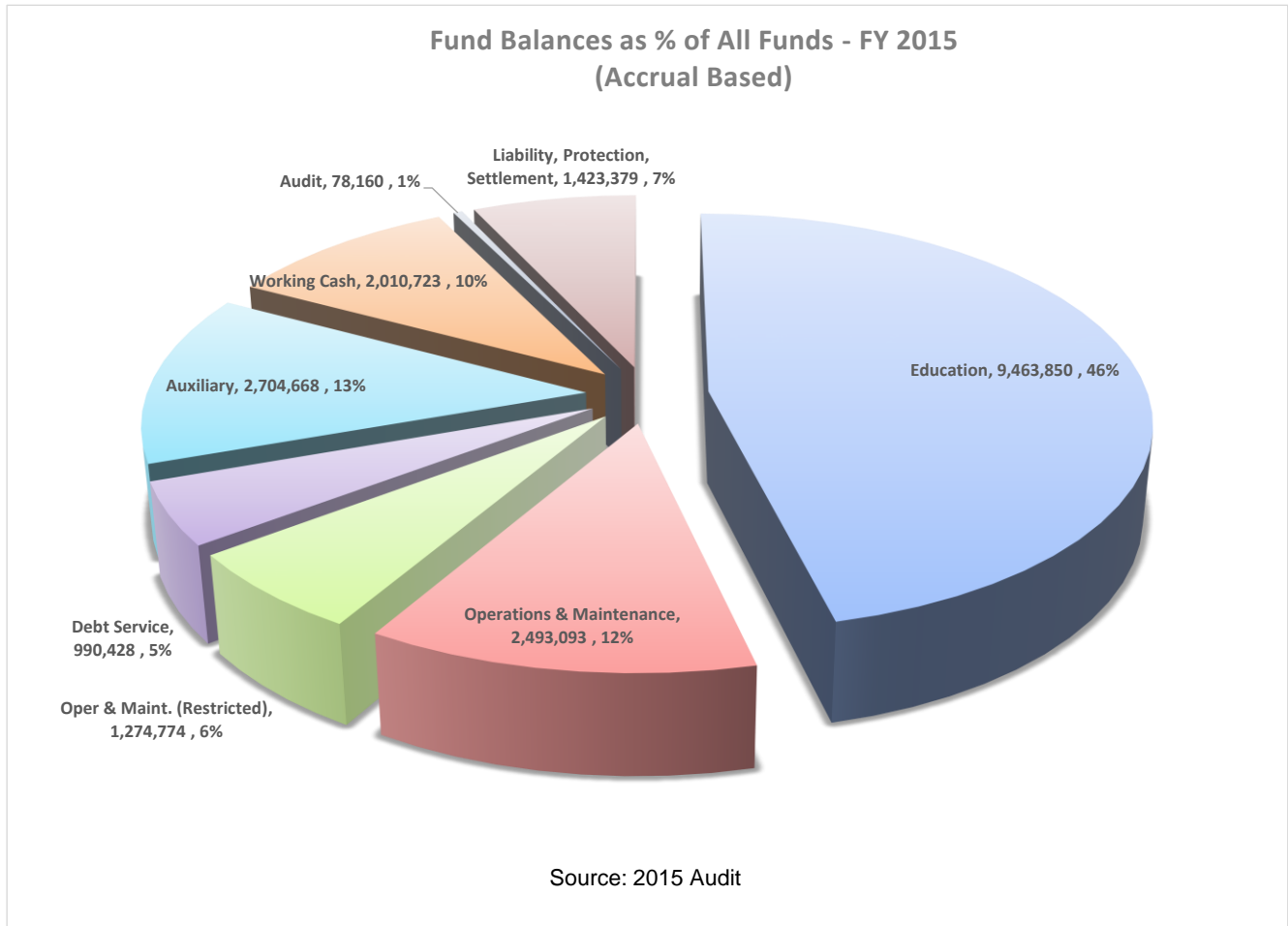


FUND BALANCE



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.



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 following plan developed the framework from which the College intended to 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.

Since FY 2007 the College's operating fund balances had exceeded the established target, which means that in the short-term, the College was 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. This is the situation the College finds itself in now due to consecutive deficits combined with another projected FY 2016 operating deficit of \$5.7m due to a state budget impasse. Operating fund balances will fall below the 25% target at the end of FY 2016 and revenues are very unpredictable for FY 2017.

In past years, focus was placed on building the Auxiliary Fund balance. This goal was being steadily attacked for several straight years and was close to its target at 8.9%. In 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. For FY 2015, a planned transfer of \$1,000,000 was carried out to attempt to maintain the stability of the Auxiliary fund balance which was held even at \$2.7m. For FY 2016, the College will again elect to reduce the budgeted transfer to the Auxiliary fund and projects a decline in the ending fund balance to \$1.8m. Unfortunately, the FY 2017 budget also relies on utilizing Auxiliary fund reserves of \$1.4m which would take the fund down to a projected ending balance of only \$400,000.

The current state funding crisis will call for more attention to be placed on the Working Cash fund balance. At the end of FY 2015, the balance was at \$2,010,723. With the addition of a small amount of interest, the estimated FY 2016 balance will only grow to around \$2,015,000. Discussions continue related to a possible debt issuance to be applied to the tax levy.

Throughout the process of building these fund balances, the College has maintained historical annual transfers to the Operations and Maintenance-Restricted building fund to enable its investment in facility renovations and has budgeted to do so in FY 2017. This will be examined for FY 2018.

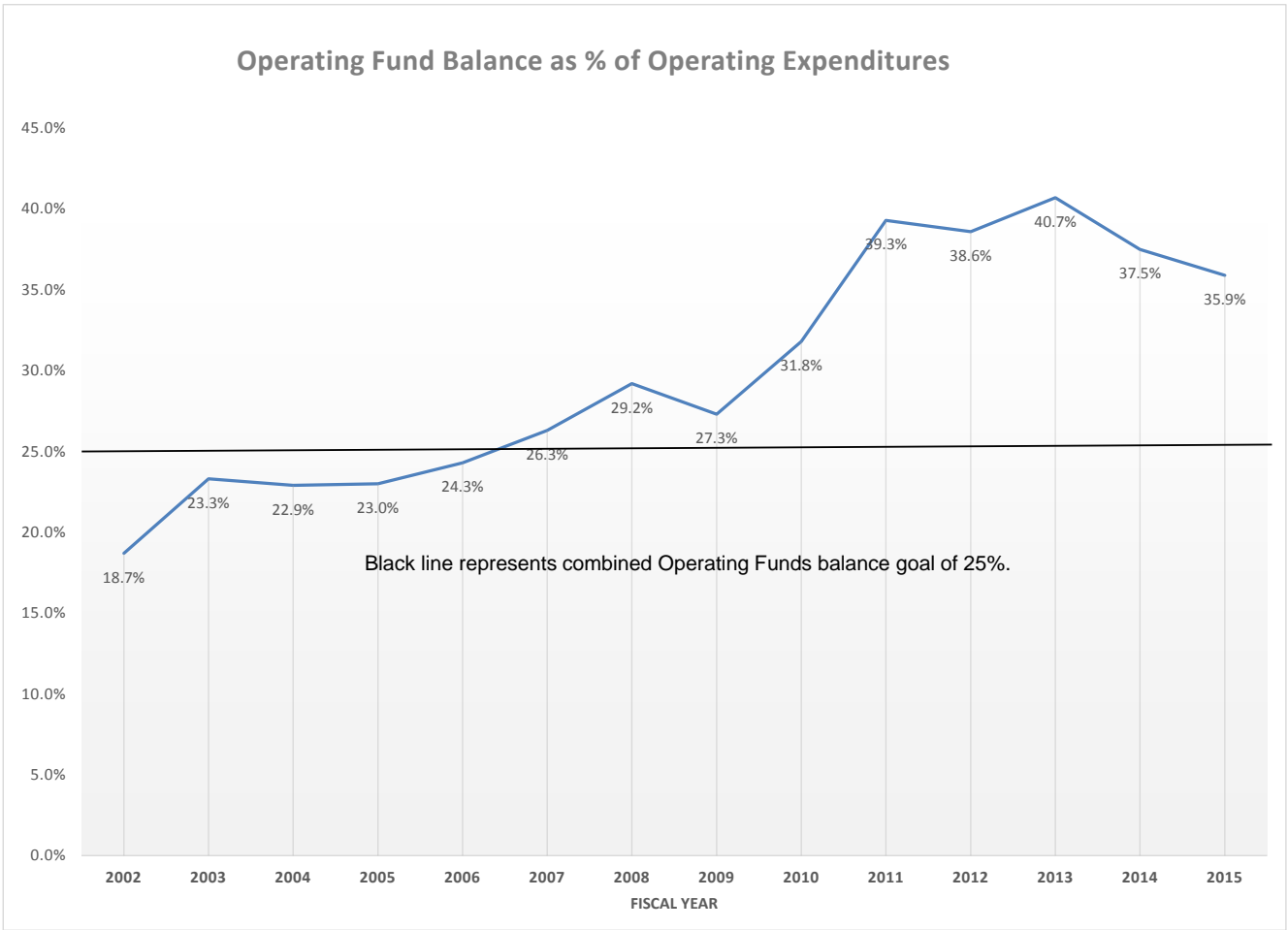
These goals were intended to establish a general direction and serve to inform the College on what to do during years in which extra resources are available or in years when finances are extra tight. When first established in 2008 the goals were high enough to ensure adequate stability. Because these goals were created prior to credit hour declines and the significant state cash flow problem that began in 2009 and has continued on, these fund balance goals will be re-examined in FY 2017 and a formal policy will be drafted for Board consideration.

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, FY 2014, and FY 2015, as well as projected ending fund balance amounts for FY 2016, and budgeted fund balance data for FY 2017. 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 Actual	FY 2016 Estimated	FY 2017 Budgeted	
Education Fund Balance	\$11,180,347	\$10,536,221	\$9,463,850	\$5,200,000	\$5,531,020	
Operations & Maintenance Fund Balance	2,682,692	2,469,541	2,493,093	1,050,000	595,469	
Combined Operating Fund Balance	13,863,039	13,005,762	11,956,943	6,250,000	6,126,489	
Auxiliary Fund Balance	3,046,785	2,729,513	2,704,668	1,800,000	402,975	
Working Cash Fund Balance	2,003,222	2,006,566	2,010,723	2,015,500	2,019,500	
Auxiliary+Working Cash Fund Balances	5,050,007	4,736,079	4,715,391	3,815,500	2,422,475	
Total Operating+Auxiliary & Working Cash	18,913,046	17,741,841	16,672,334	10,065,500	8,548,964	
Total Annual Operating Revenues	34,476,634	33,806,131	32,262,486	24,826,746	28,804,820	
Total Annual Operating Expenditures	34,083,984	34,663,408	33,311,276	30,533,718	28,928,331	
Operating Funds Surplus/Deficit	\$392,650	(\$857,277)	(\$1,048,790)	(\$5,706,972)	(\$123,511)	
% of Annual Operating Expenditures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimated	FY 2017 Budgeted	Goals
Education Fund	32.8%	30.4%	28.4%	17.0%	19.1%	
Operations & Maintenance Fund	7.9%	7.1%	7.5%	3.4%	2.1%	
Combined Operating Funds	40.7%	37.5%	35.9%	20.5%	21.2%	25.0%
Auxiliary Fund	8.9%	7.9%	8.1%	5.9%	1.4%	10.0%
Working Cash Fund	5.9%	5.8%	6.0%	6.6%	7.0%	15.0%
Auxiliary+Working Cash Funds	14.8%	13.7%	14.2%	12.5%	8.4%	25.0%
Total Operating+Auxiliary & Working Cash	55.5%	51.2%	50.1%	33.0%	29.6%	50.0%

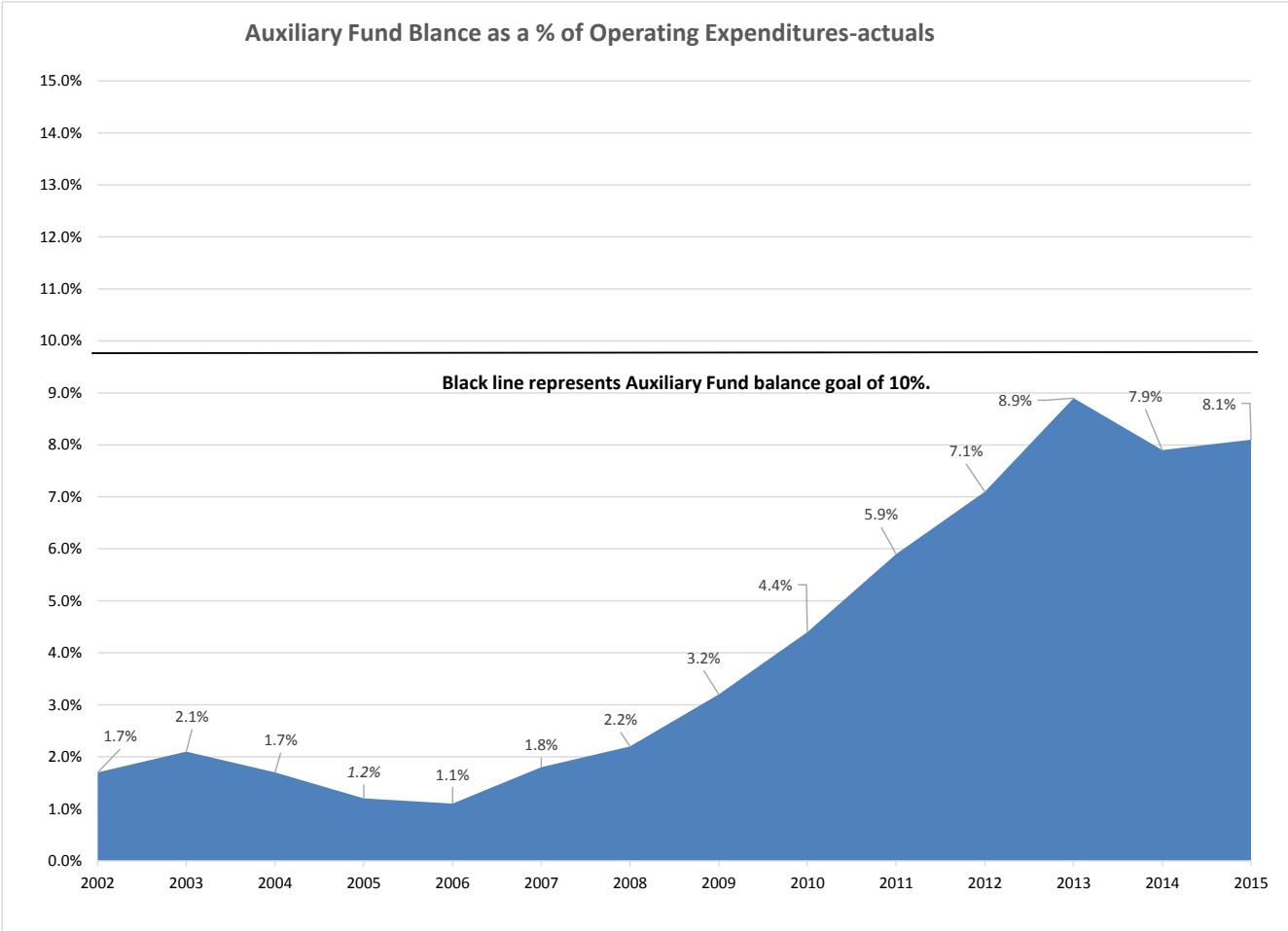
Goals-Operating Funds:

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 peaked well above this target at 40.7% of operating expenditures. The College ended FY 2014 with \$13,005,762 in operating fund balances, representing 37.5%. This was a result of an operating deficit of \$857,277. FY 2015 saw a further decline to 35.9% with a larger deficit of \$1,048,790. With a lack of an IL State budget and a shortfall of over \$7m in State revenue, FY 2016 is projected to finish with an operating deficit of \$5.7m resulting in an estimated fund balance of 20.5% of operating expenditures taking the College below its target for the first time since FY 2006. See the chart below detailing several years of ratios related to Operating funds.



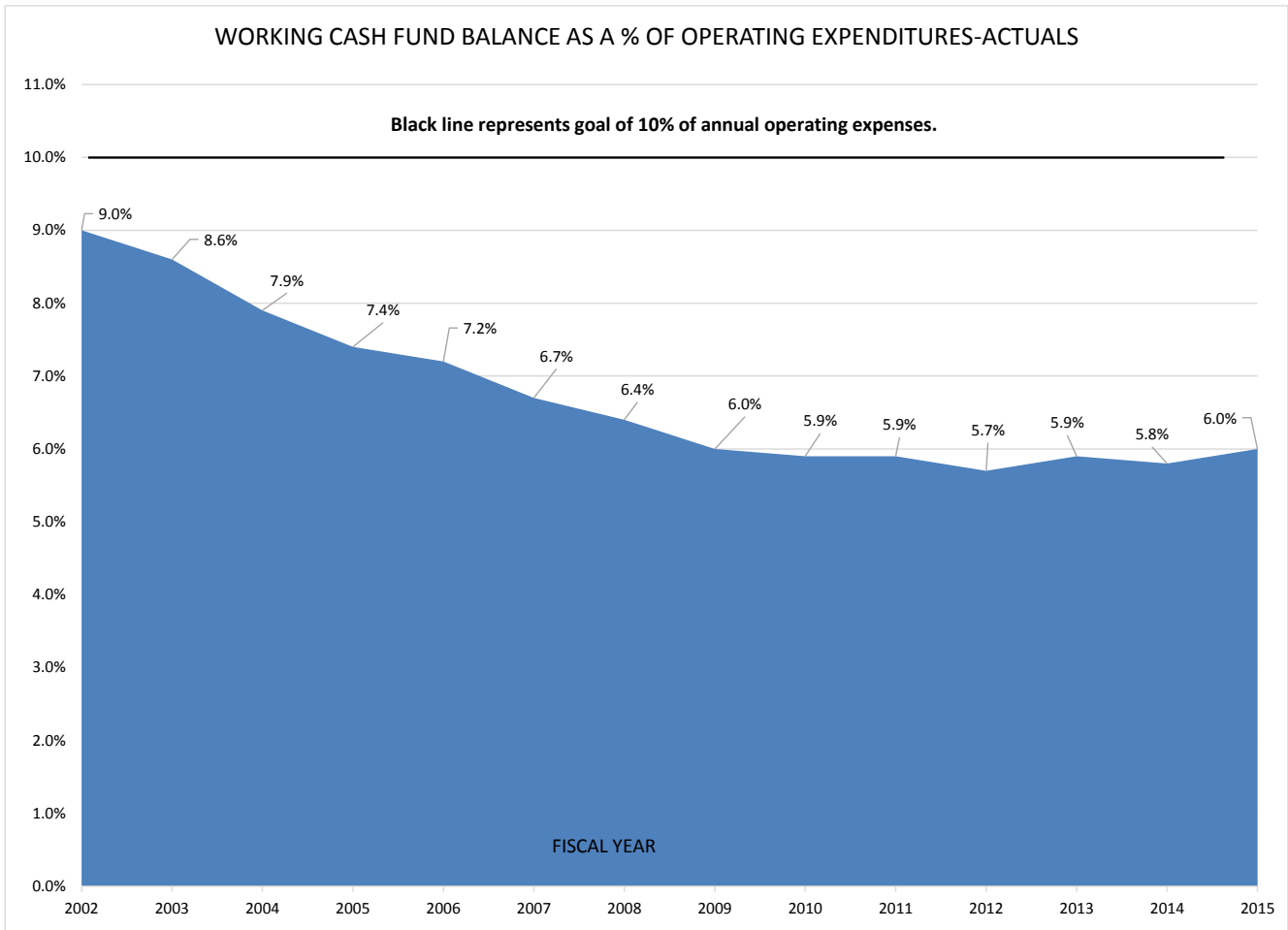
Goals-Auxiliary Fund:

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 held even at \$2.7m. For FY 2016, a pull back on the transfer from the Education fund causes the projected ending fund balance to be \$1.8m or a significant reduction to 5.9%. FY 2017 projects a further decline to only \$400,000 or a ratio of 1.4%. 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 2015, the College had a fund balance of \$2,010,723 representing 6.0% of annual operating expenditures. With only a minor accumulation of interest, FY 2016 and FY 2017 are estimated to be \$2,015,500 and \$2,019,500, respectively. Based on a decrease in projected operating expenditures, this represents an estimated 7.0% in FY 2017. See the chart below for the historical details of the Working Cash Fund



Projected Beginning Fund Balance vs. Projected Ending Fund Balance - FY 2017

Fund	Projected Beginning Fund Balance	Projected Ending Fund Balance	FY 2017 \$ Change in Fund Balance	FY 2017 Percent Change
Education Fund	\$5,200,000	\$5,531,020	\$331,020	6.37%
Operations & Maintenance Fund	1,050,000	595,469	(454,531)	(43.29%)
Restricted Purposes Fund	0	0	0	0.00%
Audit Fund	79,300	79,900	600	0.76%
Liability, Protection & Settlement Fund	1,300,000	886,931	(413,069)	(31.77%)
Bond & Interest Fund	1,342,300	1,382,301	40,001	2.98%
Operations & Maintenance (Restricted) Fund	840,000	840,731	731	0.09%
Auxiliary Fund	1,800,000	402,975	(1,397,025)	(77.61%)
Total All Funds	\$11,611,600	\$9,719,327	(\$1,892,273)	(16.30%)

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

Operations & Maintenance Fund - The Operations & Maintenance Fund has \$3,062,896 in projected revenue from a combination of the tax levy, state government, and other revenue sources. Budgeted expenditures are \$3,517,427 for FY 17, resulting in a projected decrease in fund balance of \$454,531. Budgeted revenue is a decrease \$586,854 due to a lack of state funding with expenditure reductions of \$153,845 compared to FY 16.

Liability, Protection & Settlement Fund - The Liability, Protection, & Settlement Fund budget contains \$2,114,569 in current year expenses and only \$1,701,500 in projected revenues. As the primary source of income are property taxes, revenues are relatively flat with only a \$65,420 increase. Expenditures were increased by \$355,110 due to expected increases in institutional insurances including workers compensation.

Auxiliary Fund - Including a transfer from the Education Fund, the Auxiliary fund has expected revenue of \$1,102,376 and expenditures of \$2,499,401. This is a budgeted deficit of \$1,397,025. The operations of the preschool facility previously under the Education fund were reclassified to this fund for FY 17. It is estimated the facility will operate at a deficit of \$110,000 for this year. In addition, the CHEC facility is expected to result in a deficit of \$217,000. The remaining portion of loss of fund balance is attributable to the College's seven Athletic programs which are also being reviewed. A student activity fee is being discussed to help this situation.

Actual Fund Balance (Adjusted for Accruals)										
Operating Funds										
FY 2000 - FY 2015										
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
2015	32,262,486	33,311,276	(1,048,790)	-3.15%	11,956,943	35.89%	6,748,537	4,033,409	9,241,815	27.74%
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: \$6,969,000 or 24.20% of Budgeted Operating Revenues:**

Property tax revenues are currently projected to be \$6,417,000 or 22.28% of operating revenues. This amount is a projected budgeted decrease of (\$33,000) or a (0.51%). The last audited EAV numbers for each county were utilized along with an assumed 1.00% growth for the next two tax years that are each allocated 50% towards the fiscal year. The maximum allowed tax rates of .30 and .05 were assumed for the Education fund and the Operations and Maintenance fund, respectively.

In other local sources, Corporate Personal Property Replacement Tax is budgeted at \$532,000 which is a decrease of (\$18,000) or (3.27%) as compared to the prior budget. This is based on the fact that Local governments across Illinois were notified by the IL Department of Revenue that due to an administrative error prior allocations of CPPRT have been overstated since 2014 and that reductions as well as a payback plan would be necessary. John A. Logan's estimated over payment is \$78,370. A repayment scheduled has not been determined yet. Chargeback revenue received from other Community Colleges for their district's students taking classes not offered at their College is budgeted at a flat amount of \$20,000.

STATE GOVERNMENTAL SOURCES: \$7,116,320 or 24.71% of Budgeted Operating Revenues:

State revenue sources reflect a major decline in budgeted revenue. Many different funding scenarios are being utilized by Community Colleges throughout the state, but the reality is with the lack of a FY 2016 IL budget, there is no solid information to go on. At this point, the only suggested method is to take FY 2015 numbers as originally allocated and make assumptions regarding a percentage of possible funding. For FY 2017, ICCB Base Operating grant funds were budgeted with an assumption of 50% funding. This is an estimate of \$1,961,470 which is a decrease of (\$1,778,530) or (47.55%) from the prior year's budget. Due to the makeup of the funding formula, Equalization grants were assumed at a higher level of 70% funding, and account for \$5,154,850 of expected revenue. This is an estimated decrease of (\$1,960,150) or (27.55%) from the prior year's budget. FY 2017 amounts for Base Operating and Equalization grants were allocated 70% to the Education fund and 30% to the Operations and Maintenance Fund.

ICCB Vocational grants were not budgeted for FY 2017. This funding represented \$400,000 in the prior FY 2016 budget, but to date no funds have been allocated for FY 2016 year. For the same reason, no funding assumptions were also used for Performance Based funding and any special designated grants such as the ICCB Veterans grant.

TUITION AND STUDENT FEES: \$14,500,000 or 50.34% 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. The summer and fall 2016 terms were held at the same tuition rate. However during budget preparations, plans were based on a future proposal being brought to the Board of Trustees for consideration of a \$10 per credit hour increase effective with spring of 2017. This increase would bring expected revenue of \$300,000.

Even with this proposal, student tuition and fees are anticipated at a total of \$14,500,000 as compared to \$15,355,500 budgeted for the prior year. This is a projected decrease of (\$855,500) or (5.57%) from the prior budget. Tuition calculations utilized actual revenue from FY 2015 as a starting basis and adjustments were made for current tuition rates, plus the proposed rate for spring of 2017. Calculations for various student fees were performed by looking at where FY 2016 numbers are expected to finish for the current year. The \$5 per hour technology fee revenue will again be dedicated to the network upgrade project. Discussion below talks about factors that led to using this more conservative approach.

Despite strong efforts in recruitment and student advisement, the Administration has to look at other factors that for now force more conservative tuition estimates. For multiple years, the College has experienced over \$300,000 in lost tuition revenue due to unfunded financial aid programs. With the uncertainty of any MAP funding related to the spring 2016 term, this could be doubled for FY 2016. The College fronted these funds to students to assist them with staying in the classroom. However, it would be difficult to continue this practice in FY 2017 if there is still no state budget to support the MAP grants. It is unknown how greatly this might impact retention in the coming year.

With the continued statewide and national trends of enrollment decline, the average credit hours per student continuing to be lower than in the past, and the College having to restructure several courses to a non-credit format, the stability of credit hour generation is much more uncertain than it has been in many years. With student tuition being the largest single source of revenue, it is important that estimates not be overstated.

These factors discussed above, combined with the projections of another significant revenue source, state funding, being so highly unpredictable led to using caution with tuition revenue projections.

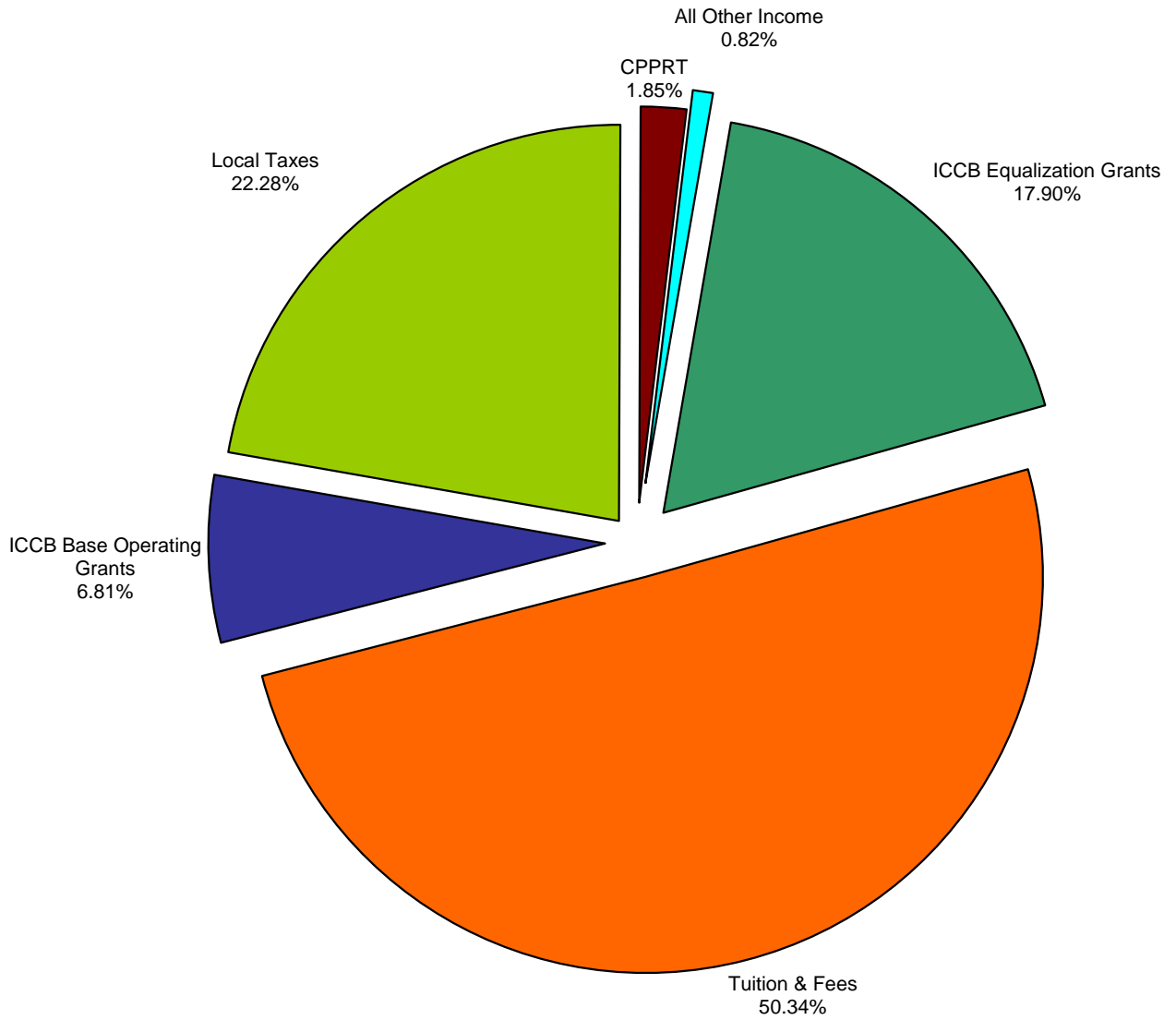
OTHER REVENUE SOURCES: \$219,500 or 0.76% of Budgeted Operating Revenues:

Remaining sources of budgeted operating revenue include Sales and Service Fees of \$62,500, interest income of \$32,000, facilities revenue of \$7,000, SICCM Admin fees for payroll processing of \$50,000, aid from the FWROE of \$60,000, and other nominal sources. FY 2016, included a refund of past SICCM assessment fees that will not be applicable to FY 2017. Therefore, this category of Other Revenue is reduced from the prior year's budget.

Summary of Fiscal Year 2017 Estimated Revenues

Operating Revenues By Source:	Education Fund	Operations and Maintenance Fund	Total Operating Funds	% of Total
Local Government Sources:				
Current Taxes	\$5,500,000	\$917,000	\$6,417,000	22.28%
Corporate Personal Property Replacement Tax	\$532,000		532,000	1.85%
Chargeback Revenue	20,000		20,000	0.07%
TOTAL LOCAL GOVERNMENT	\$6,052,000	\$917,000	\$6,969,000	24.20%
State Governmental Sources:				
ICCB Base Operating Grants	\$1,373,029	\$588,441	\$1,961,470	6.81%
ICCB Equalization Grants	3,608,395	1,546,455	5,154,850	17.90%
ICCB Performance Allocation Grant			0	0.00%
ICCB Veterans Grant			0	0.00%
Illinois Community College Board- Vocational Education			0	0.00%
TOTAL STATE GOVERNMENT	\$4,981,424	\$2,134,896	\$7,116,320	24.71%
Student Tuition and Fees:				
Tuition	\$13,000,000		\$13,000,000	45.13%
Fees	1,500,000		1,500,000	5.21%
TOTAL TUITION AND FEES	\$14,500,000	\$0	\$14,500,000	50.34%
Other Sources:				
Sales and Service Fees	\$62,500		\$62,500	0.22%
Facilities Revenue		\$7,000	7,000	0.02%
Investment Revenue	30,000	2,000	32,000	0.11%
Other Sources	116,000	2,000	118,000	0.41%
TOTAL OTHER SOURCES	\$208,500	\$11,000	\$219,500	0.76%
TOTAL FY 2017 BUDGETED REVENUE	\$25,741,924	\$3,062,896	\$28,804,820	100.00%
Less Nonoperating Items:				
Tuition Chargeback Revenue	\$20,000		\$20,000	
ADJUSTED REVENUE	\$25,721,924	\$3,062,896	\$28,784,820	

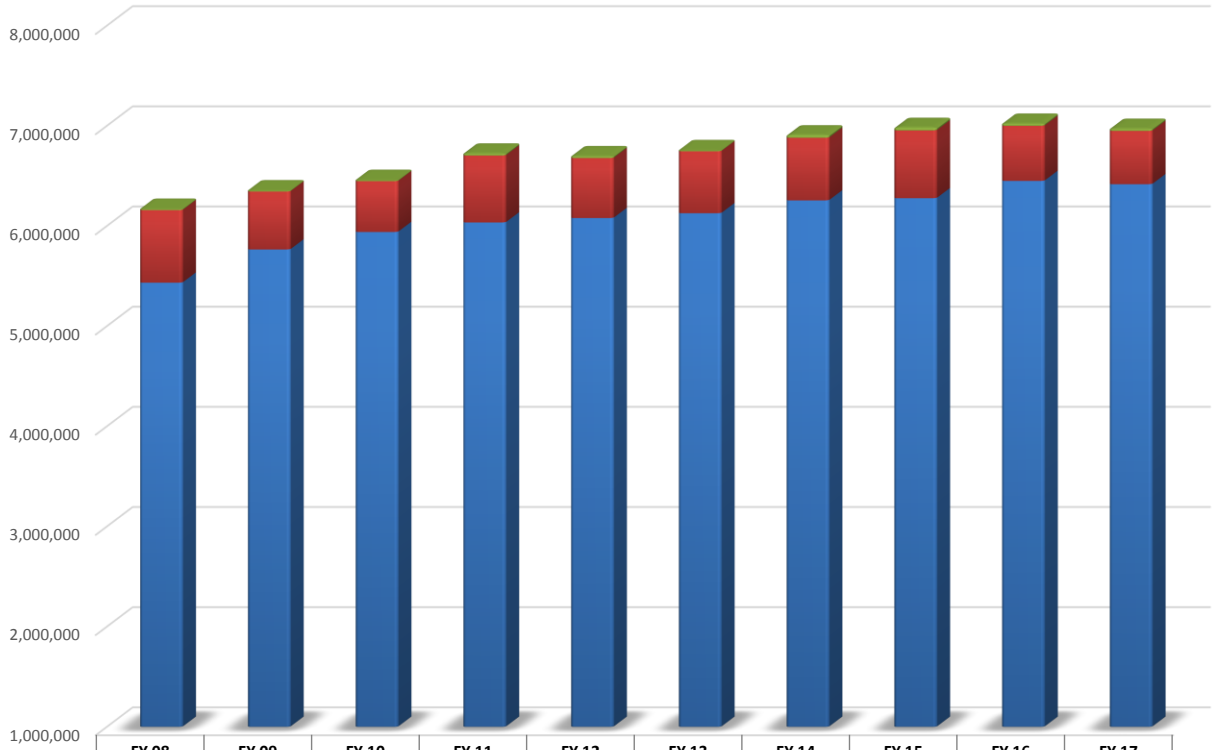
Revenues Operating Funds FY 2017



REVENUE BY SOURCE (OPERATING FUNDS)										
REVENUE SOURCE:	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16 Budget	FY 17 Budget
Property Taxes	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,277,241	6,450,000	6,417,000
CPPRT	724,054	578,248	507,424	668,441	598,509	617,785	624,701	676,482	550,000	532,000
Chargebacks	9,639	7,425	7,979	18,205	17,293	6,832	24,687	25,873	20,000	20,000
Local Revenue	6,167,586	6,350,865	6,455,265	6,721,541	6,694,916	6,752,032	6,904,625	6,979,596	7,020,000	6,969,000
% of Total	19.03%	19.07%	18.14%	18.54%	19.09%	19.58%	20.42%	21.63%	20.45%	24.19%
ICCB Base Operating	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,834,673	3,740,000	1,961,470
ICCB Equalization	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,198,380	7,115,000	5,154,850
ICCB Vocational Ed	260,639	287,755	486,091	471,462	428,343	413,863	410,285	429,763	400,000	0
ICCB Misc Grants	0	0	0	0	0	20,176	67,533	53,400	63,400	0
State Revenue	13,221,379	13,416,723	14,317,685	14,011,085	12,799,473	12,511,717	12,310,024	11,516,216	11,318,400	7,116,320
% of Total	40.79%	40.29%	40.24%	38.65%	36.50%	36.29%	36.41%	35.70%	32.97%	24.71%
Tuition	11,128,824	11,787,700	12,763,702	13,405,662	13,811,142	13,382,565	12,996,511	11,954,174	13,647,500	13,000,000
Fees	816,592	803,276	1,089,795	1,156,010	1,248,860	1,250,406	1,160,281	1,374,094	1,708,000	1,500,000
Tuition & Fees	11,945,416	12,590,976	13,853,497	14,561,672	15,060,002	14,632,971	14,156,792	13,328,268	15,355,500	14,500,000
% of Total	36.85%	37.81%	38.94%	40.17%	42.94%	42.44%	41.88%	41.31%	44.73%	50.34%
Sales & Service fees	250,044	228,343	228,645	250,647	229,544	293,713	174,476	238,626	225,000	62,500
Facilities Revenue	23,956	9,900	3,120	1,760	27,872	43,527	15,138	6,870	30,000	7,000
Investment Revenue	429,402	104,497	25,210	21,428	30,139	38,724	34,146	29,489	31,000	32,000
Other Sources	374,570	595,282	697,037	686,392	228,169	203,951	210,930	163,421	349,400	118,000
Other Revenue	1,077,972	938,022	954,012	960,227	515,724	579,915	434,690	438,406	635,400	219,500
% of Total	3.33%	2.83%	2.68%	2.64%	1.47%	1.69%	1.29%	1.36%	1.86%	0.77%
Total Operating Revenue	32,412,353	33,296,586	35,580,459	36,254,525	35,070,115	34,476,635	33,806,131	32,262,486	34,329,300	28,804,820
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

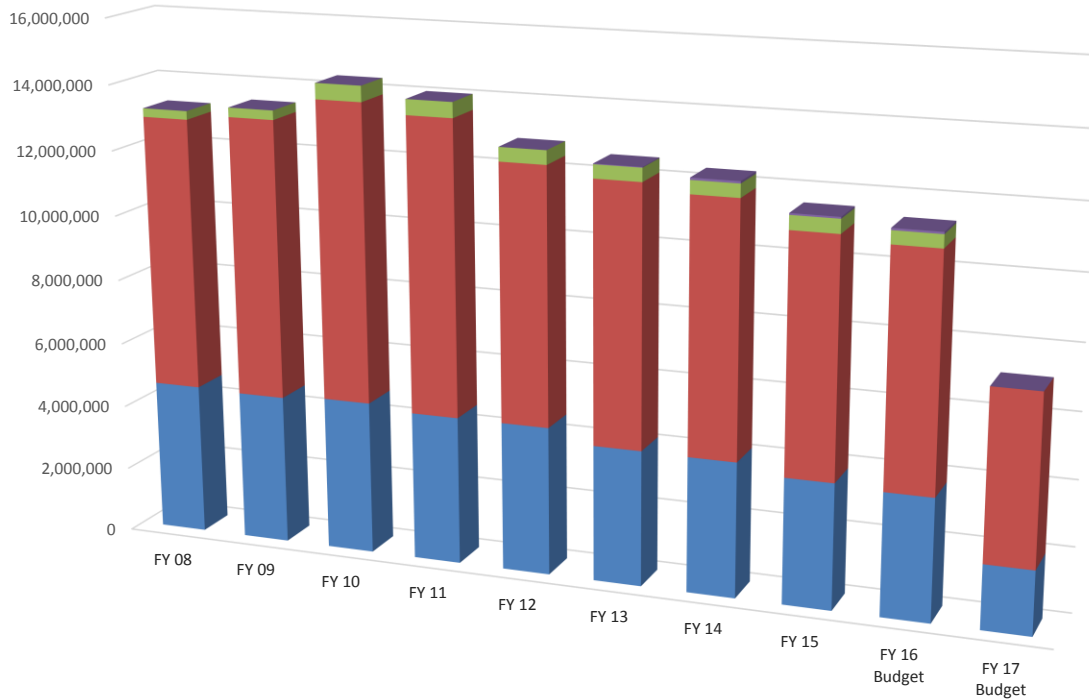
Note: Includes the Education Fund and the Operations and Maintenance Fund.

LOCAL SOURCES OF OPERATING REVENUE



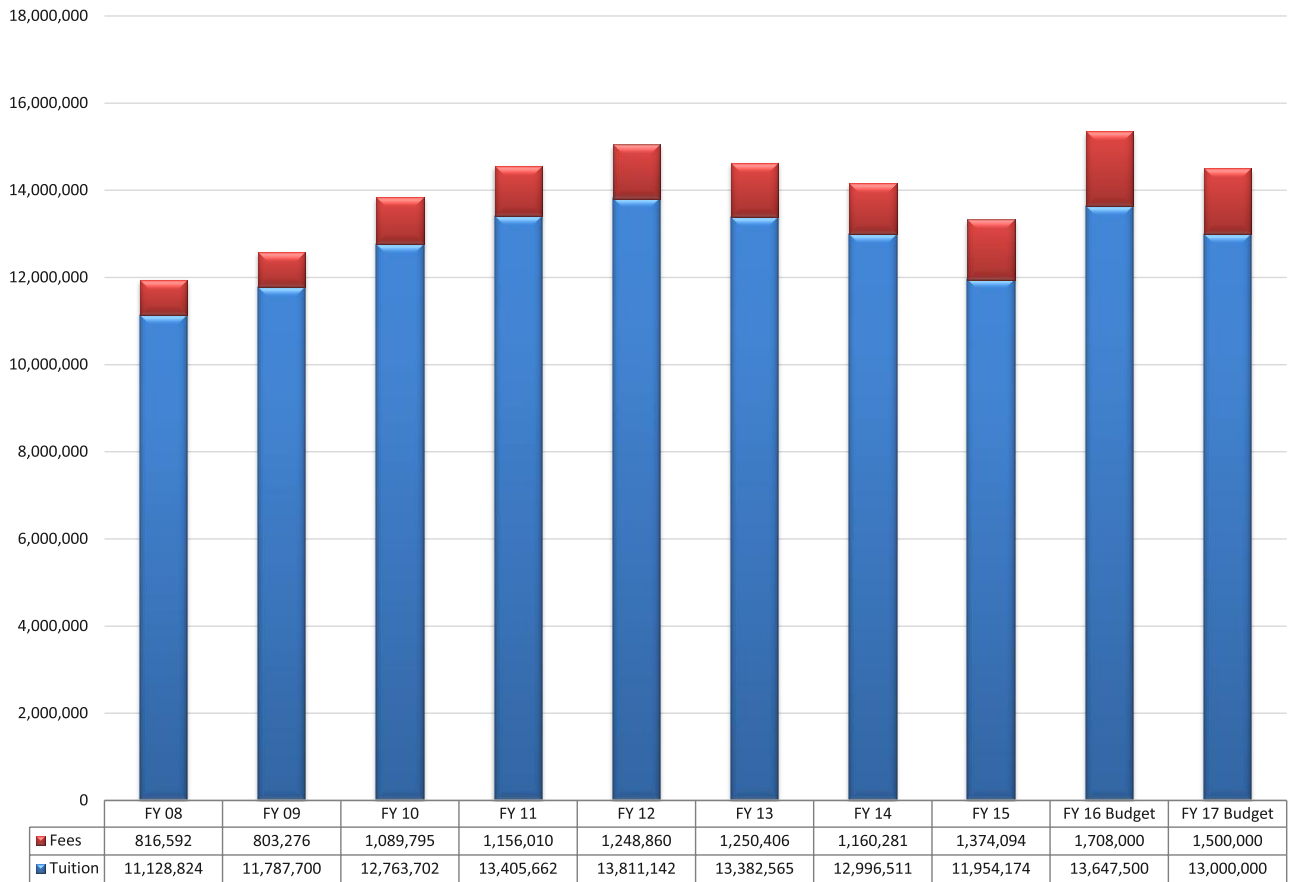
	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16 Budget	FY 17 Budget
Chargebacks	9,639	7,425	7,979	18,205	17,293	6,832	24,687	25,873	20,000	20,000
CPPRT	724,054	578,248	507,424	668,441	598,509	617,785	624,701	676,482	550,000	532,000
Property Taxes	5,433,893	5,765,192	5,939,862	6,034,895	6,079,114	6,127,415	6,255,237	6,277,241	6,450,000	6,417,000

STATE SOURCES OF OPERATING REVENUE



	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16 Budget	FY 17 Budget
ICCB Misc Grants	0	0	0	0	0	20,176	67,533	53,400	63,400	0
ICCB Vocational Ed	260,639	287,755	486,091	471,462	428,343	413,863	410,285	429,763	400,000	0
ICCB Equalization	8,328,148	8,544,955	9,129,564	8,995,423	7,826,930	7,926,808	7,702,797	7,198,380	7,115,000	5,154,850
ICCB Base Operating	4,632,592	4,584,013	4,702,030	4,544,200	4,544,200	4,150,870	4,129,409	3,834,673	3,740,000	1,961,470

STUDENT TUITION AND FEE REVENUE



**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.

FY 17 PROPERTY TAX ESTIMATES BASED ON EQUALIZED ASSESSED VALUATION

County	Average 2-Year EAV Related to FY 17	Estimated 2016 Payable in 2017	Estimated 2015 Payable in 2016	Actual EAV 2014 Payable in 2015	Actual EAV 2013 Payable in 2014
Williamson	\$964,868,787	\$969,669,130	\$960,068,445	\$950,562,817	\$946,400,403
Jackson	\$685,927,600	\$689,340,175	\$682,515,025	675,757,450	667,469,780
Perry	\$86,403,447	\$86,833,315	\$85,973,580	85,122,356	83,815,165
Randolph	\$11,221,417	\$11,277,245	\$11,165,589	11,055,039	10,198,758
Franklin	\$84,957,402	\$85,380,076	\$84,534,729	83,697,751	77,755,623
Total EAV	\$1,833,378,654	\$1,842,499,941	\$1,824,257,367	\$1,806,195,413	\$1,785,639,729
		1.00%	1.00%	1.15%	

	2-Year Average	Est. 16 Pay 17	Est. 15 Pay 16	Formula
Fund 01	\$5,500,136	\$5,527,500	\$5,472,772	EAV / 100 * \$.30 max rate Education
Fund 02	\$916,689	\$921,250	\$912,129	EAV / 100 * \$.05 max rate Oper Maint.

	100% Related to FY 17	50% 2nd half of FY 17	50% 1st half of FY 17
Fund 01	\$5,500,136	\$2,763,750	\$2,736,386
Fund 02	\$916,689	\$460,625	\$456,064

	Tax Revenue Budgeted FY 17	
Fund 01	5,500,000	Education Fund
Fund 02	917,000	Operation and Maintenance Fund
	6,417,000	Total Operating Funds

Note: 50% of the 2015 tax year levy and 50% of the 2016 tax year levy allocated to FY 17.

EXPENDITURE ALLOCATIONS-OPERATING FUNDS**INSTRUCTION: \$9,371,274 or 32.4% 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 20.73% or \$2,450,421. This include salary reductions of \$2,183,016 and benefit reductions of \$270,517. Reductions were also seen in contractual services, supplies, conference and meeting expenses, and capital outlay requests. There was an increase in the category of other instructional expenses related to SICCM seat assessment fees that were not applicable the prior year.

ACADEMIC SUPPORT: \$2,046,446 or 7.1% 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 4.42% or a \$94,554 decrease. Small decreases were seen across multiple areas of: salaries, contractual services, conference and meeting expenses, and capital outlay.

Budget requests in this area included \$20,000 to upgrade existing Smart classrooms. In addition, \$21,500 was budgeted to support computer labs. Funds were also budgeted to support the maintenance of the Desire2Learn LMS system and the EMS scheduling software that assists with classroom and facility scheduling.

STUDENT SERVICES: \$2,973,298 or 10.3% 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 an increase of 4.93% or \$139,634. Slight increases were seen in salaries, benefits, and supplies due to restructuring of staff assignments. However, contractual services and conference and meeting expenses were reduced.

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

PUBLIC SERVICES: \$854,091 or 3.0% of Budgeted Operating Expenditures

Public service consists of Community Education (non-credit) 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 18.34% or a \$191,863 decrease. Salaries and benefits were decreased in this area due to staff reductions. The item of contractual services was increased in this area.

INSTITUTIONAL SUPPORT: \$5,335,087 or 18.4% 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 21.50% or a \$1,461,421 decrease. This area experienced a \$906,330 decrease in salaries and a \$487,000 decrease in benefits due to staff reductions, attrition, and reorganization. Supplies and conference and meeting expenses were also reduced.

OPERATION & MAINT. OF PLANT: \$3,337,004 or 11.5% of Budgeted Operating Expenditures

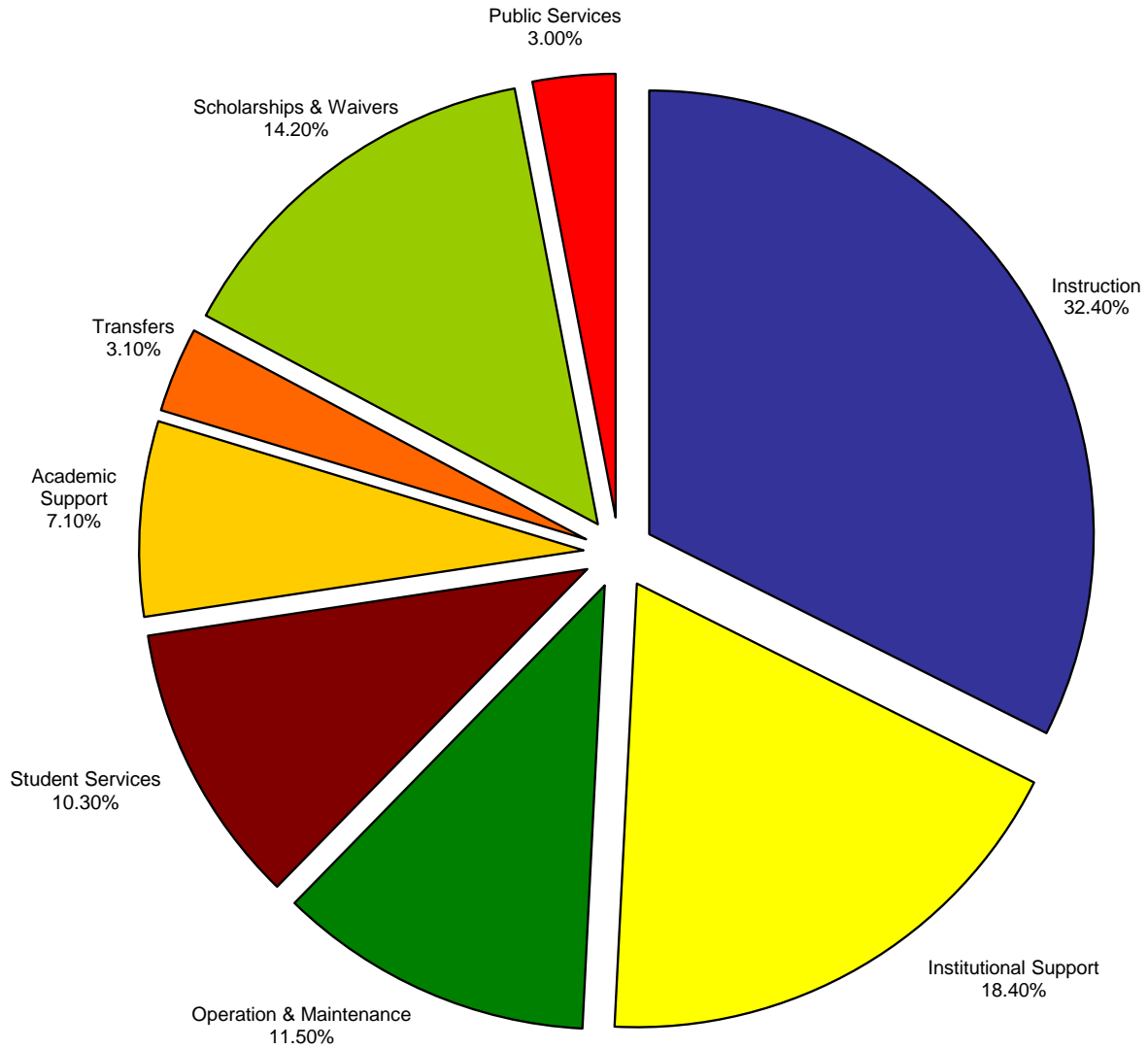
Operation and maintenance of plant consists of those activities necessary to keep the grounds, buildings, and equipment operating efficiently and ready for use. This function also provides for plant utilities, as well as equipment, materials, supplies, fire protection, and other costs necessary to support this function.

As compared to the prior year's budget, Operation and Maintenance of Plant experienced a decrease of 4.66% or a \$162,996 decrease. This was primarily related to a reduction in part-time Custodial positions and smaller decreases in supplies, conference and meeting expenses, capital outlay, and a nominal amount of utility savings.

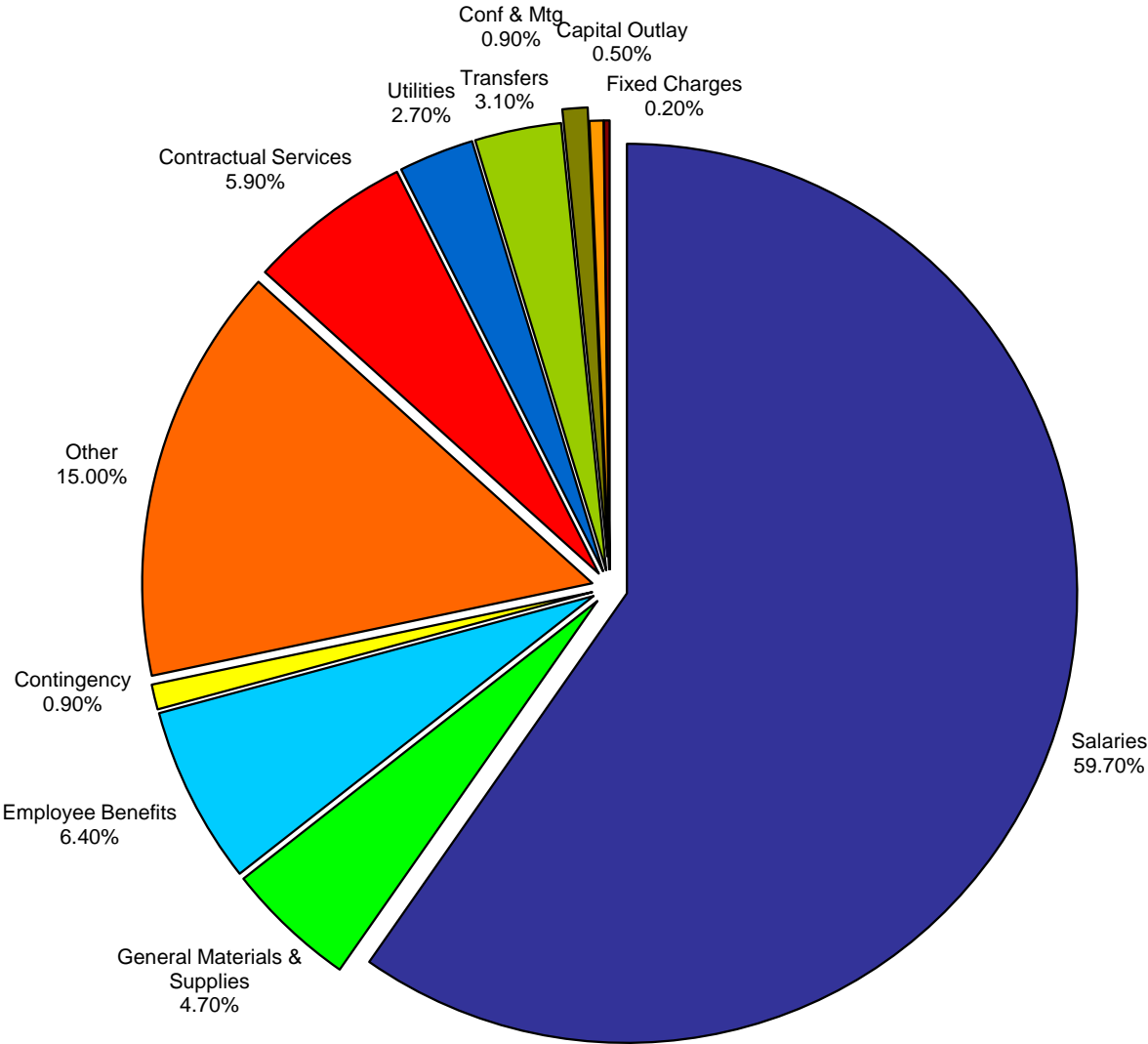
Summary of Fiscal Year 2017 Operating Budgeted Expenditures

	Education Fund	Operations and Maintenance Fund	Total Operating Funds	% of Total
<u>BY PROGRAM:</u>				
Instruction	\$9,371,274		\$9,371,274	32.4%
Academic Support	2,046,446		2,046,446	7.1%
Student Services	2,973,298		2,973,298	10.3%
Public Service	854,091		854,091	3.0%
Operation & Maintenance of Plant		\$3,337,004	3,337,004	11.5%
Institutional Support	5,154,664	180,423	5,335,087	18.4%
Scholarships, Student Grants, Waivers	4,104,857		4,104,857	14.2%
TRANSFERS	906,274		906,274	3.1%
Total FY 2017 Budgeted Expenditures	\$25,410,904	\$3,517,427	\$28,928,331	100.0%
Less Nonoperating Items:				
Tuition Chargeback	\$10,000		\$10,000	
ADJUSTED EXPENDITURES	\$25,400,904	\$3,517,427	\$28,918,331	
<u>BY OBJECT:</u>				
Salaries	\$15,332,905	\$1,948,158	\$17,281,063	59.7%
Employee Benefits	1,613,190	229,154	1,842,344	6.4%
Contractual Services	1,470,939	233,332	1,704,271	5.9%
General Materials & Supplies	1,140,842	232,195	1,373,037	4.7%
Conference & Meeting Expense	266,174	8,120	274,294	0.9%
Fixed Charges	12,690	2,000	14,690	0.2%
Utilities	5,000	784,468	789,468	2.7%
Capital Outlay	110,200	30,000	140,200	0.5%
Other	4,342,690		4,342,690	15.0%
Provision for Contingency	210,000	50,000	260,000	0.9%
TRANSFERS	906,274		906,274	3.1%
Total FY 2017 Budgeted Expenditures	\$25,410,904	\$3,517,427	\$28,928,331	100.0%
Less Nonoperating Items:				
Tuition Chargeback	\$10,000		\$10,000	
ADJUSTED EXPENDITURES	\$25,400,904	\$3,517,427	\$28,918,331	

Expenditures by Program Operating Funds FY 2017



Expenditures by Object Operating Funds FY 2017



EXPENDITURE COMPARISON - FY 2017 to FY 2016
OPERATING FUNDS (Education and Operations & Maintenance)

EXPENDITURES BY PROGRAM:	FY 2017 Budget	FY 2016 Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY17 Budget
INSTRUCTION	\$9,371,274	\$11,821,695	(\$2,450,421)	(20.73%)	32.4%
ACADEMIC SUPPORT	2,046,446	2,141,000	(94,554)	(4.42%)	7.1%
STUDENT SERVICES	2,973,298	2,833,664	139,634	4.93%	10.3%
PUBLIC SERVICES	854,091	1,045,954	(191,863)	(18.34%)	3.0%
OPERATION & MAINTENANCE	3,337,004	3,500,000	(162,996)	(4.66%)	11.5%
INSTITUTIONAL SUPPORT	5,335,087	6,796,508	(1,461,421)	(21.50%)	18.4%
SCHOLARSHIPS & WAIVERS	4,104,857	4,474,100	(369,243)	(8.25%)	14.2%
TRANSFERS	906,274	1,706,600	(800,326)	(46.90%)	3.1%
TOTALS	\$ 28,928,331	\$ 34,319,521	(\$5,391,190)	(15.71%)	100.0%

EXPENDITURES BY OBJECT:	FY 2017 Budget	FY 2016 Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY17 Budget
SALARIES	\$17,281,063	\$20,600,199	(\$3,319,136)	(16.11%)	59.7%
EMPLOYEE BENEFITS	1,842,344	2,639,584	(797,240)	(30.20%)	6.4%
CONTRACTUAL SERVICES	1,704,271	1,685,743	18,528	1.10%	5.9%
MATERIALS & SUPPLIES	1,373,037	1,588,116	(215,079)	(13.54%)	4.7%
CONFERENCE & MEETING	274,294	362,803	(88,509)	(24.40%)	0.9%
FIXED CHARGES	14,690	15,987	(1,297)	(8.11%)	0.2%
UTILITIES	789,468	803,554	(14,086)	(1.75%)	2.7%
CAPITAL OUTLAY	140,200	191,000	(50,800)	(26.60%)	0.5%
OTHER	4,342,690	4,535,935	(193,245)	(4.26%)	15.0%
CONTINGENCY	260,000	190,000	70,000	36.84%	0.9%
TRANSFERS	906,274	1,706,600	(800,326)	(46.90%)	3.1%
TOTALS	\$ 28,928,331	\$ 34,319,521	(\$5,391,190)	(15.71%)	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.

Budget Officers are 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. These areas are all still supported with FY 2017 budget dollars. Other projects have been slated in the strategic plan timeline 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 2017.

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 \$5,000 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
Building and Improvements	50 years
Equipment	8 years
Vehicles	5 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 2017, \$1,316,898 is budgeted in the Operations and Maintenance (Restricted) Fund for capital projects. Those projects make up a capital budget shown on the following page:

Breakdown of Operations and Maintenance-Restricted Fund projects:

CAPITAL PROJECTS BUDGETED				
FY 2017				
Project Description:	PHS Projects	Other O&M (Restricted)	Grant Funds	Total Cost
O'Neil Auditorium Lighting, Structural Replacements	150,000			150,000
HVAC & Water Heating Misc. (Buildings A, C, & G)	549,143			549,143
Grounds Storage Roof & Electrical Replacements	99,042			99,042
Dell Lease-Network Upgrade (year 3 of 5)		199,713		199,713
Exterior Maintenance - Old E Wing Exterior Wall, Courtyard Walls, & Road Repairs		60,000		60,000
Flooring Replacement		30,000		30,000
Student Services Renovations		100,000		100,000
Striping of Parking Lots/Roadways		75,000		75,000
Historical Village Outdoor Lighting		25,000	25,000	50,000
Architectural & Engineering Services		29,000	2,500	31,500
Totals-FY 2017	\$798,185	\$518,713	\$27,500	\$1,344,398
				Budget
Operations & Maintenance (Restricted) Fund 03				\$1,316,898
Restricted Purposes Grant Fund 06				\$27,500

Current year capital project descriptions are contained on the subsequent pages:

CAPITAL PROJECT DESCRIPTIONS-FY 2017**Flooring Replacement**

The College is budgeting \$30,000 to replace floor coverings in corridors and public spaces with possible classroom(s) as last priority. The first priority is to address spaces where "curb appeal" is most important with potential student recruitment.

O'Neill Auditorium Lighting & Structural Replacements**ICCB Project #530-T-2414-1015**

The scope of this project is to deconstruct the existing acoustical clouds in O'Neill Auditorium removing them, as well as, the lighting fixtures from the ceiling structure. The existing supports shall be retained as will the lighting wiring and controls. New acoustical clouds will be constructed, matching the style, size and acoustical properties of the existing. The new lighting fixtures will be LED, and will provide more light, with fewer fixtures, at a lesser costs that the existing lighting. They will be connected to the existing lighting control system and will provide varying levels of lighting for the multi-purpose auditorium. The project will address the obvious safety hazards of failing acoustical clouds and remove the hazard of flickering lights that bring risk of seizure.

Exterior Maintenance - Old E Wing Exterior Wall, Courtyard Walls, & Road Repairs

Maintenance is necessary to repair leaking windows and related wall damage to the exterior wall along "Old E". This will be a temporary repair with an anticipated PHS project to follow in the next year. In the courtyard outside the conference center, several of the brick/concrete planters are damaged due to freezing water and need repaired before the damage worsens. Finally, numerous places on our roadways and parking lots must be repaired.

HVAC & Water Heating BLDG C, A, & G**ICCB Project #530-T-2415-1015****Building "C" and Gymnasium**

Primarily affected is the Original structure known as "C" building and the Donald Brewer Gymnasium. These were designed in 1971 and constructed in 1973. The eight HVAC units serving the gymnasium and the Air Handling Unit serving the second floor of the "C" building, which houses Admissions; Veteran's Offices; Lounge areas, Advisements; Assessments, Scheduling, are original to the construction and are therefore 43 years old. They have long out lived their service life and in the case of the gym only six are functioning. The failing systems are not adequately controlling the temperature and humidity levels in the buildings and spaces, affecting the interior finishes, materials, and sensitive systems. This condition can lead to the increased chance of mold growth. The proposed newer units, higher-efficiency, will meet the requirements of the 2012 Illinois Energy Conservation Code. The new units will be provided with new digital control systems and will be tied to the BAS, helping them to function more efficiently and giving the staff greater control of the systems.

Building "A" Administration

The units serving the Administration Building are an air handler and a roof top mounted condensing unit. The condensing was likely installed in 1992, and the air handler appears to be original to the construction which is 1981. The existing system uses R22 refrigerant, making replacement of only the older, air handling unit a problem. The existing system, relying on the failing, 34 year old air handler, is problematic in its inefficiency, and maintenance. This project proposes to replace both the air handler and the roof top condensing unit with new, higher efficiency, matched units, using R410-A refrigerant. In addition, the new units will be provided with new digital control systems and will be tied to the BAS, helping them to function more efficiently and giving the staff greater control.

Building "G" Domestic Water Heater

This water heater is an 80,000 BTU input, 75 gallon water heater with estimated efficiency of -80%. The water heater and Class B flue are corroding and failing, caused a backdraft of gases and combustion. This project proposes to remove the existing water heater and flue piping and installing a new water heater of similar size, with greater efficiency. We also propose to install a new closed combustion flue for the new water heater.

Grounds Storage Roof & Electrical Replacements

530-T-2416-1015

The existing storage building is a 48' x 88' x 14' timber frame (pole barn) structure built in 1985. The roof structure is comprised of 2 x 4 trusses at 8' on center spanning the 48' span. The gussets have failed at the center spans of the trusses and the metal corrugated roofing system is leaking. The shifting of the roof system due to the under sized roof structure has caused leaking and damage to the purlins and trusses causing further issues and concerns. The proposed project will remove the existing roofing system, roofing structure, and will install new trusses at the existing posts meeting the IBC 2003. A new metal roofing system will be installed to make the building weather tight and a new 200A panel board load center will be installed with the distribution wiring replaced to existing electrical devices and new lighting. This project will ensure our employees are not exposed to safety hazards.

Historical Village Outdoor Lighting

Exterior sidewalk lighting is needed in the historical village for safety reasons. It is anticipated this project can be partially funded through a grant with the remainder to be funded through funds donated. This project is needed to increase the safety of the community members and college staff that use the facilities.

Student Services Renovations

Renovations in the 2nd floor of C-Wing over the past few years are to be continued with a focus on financial aid and admissions, if funding allows. The overall goal of renovations is to make spaces more student friendly, accessible, and operationally efficient. This project is intended to address Strategic Objective 16, specifically capital project #8, titled Student Services Renovations and Expansion. This was originally intended to be a renovation and expansion that would impact the whole of the 2nd floor of C-wing that encompasses Student Services. However, given the shortage of funding from the state, it was determined that the most pressing needs should be addressed in an abbreviated fashion now. This is intended to benefit students by creating a better service atmosphere.

Striping of Parking Lots/Roadways

Campus roadways and parking lot striping is faded causing safety concerns. The Campus Police Department and the Facilities Department have worked together on striping and directional messages to be included. While striping the parking lots, restricted employee parking will be removed and the practice of issuing employee parking tags will be eliminated. This is an intention effort to send a message to our students that the students are our first priority and that employees are here to serve them. The removal of employee designation does not increase the cost of this project and is not the cause of the project. Faded or absent striping and the needed for directional messages on pavement is the need. The fading stripes are causing a safety hazard.

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.

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 2017, identified PHS projects are budgeted at \$798,185. These projects will improve the campus environment by addressing safety hazards, replacing worn out HVAC equipment, and improving student service spaces.

The impact on the FY 2017 operating budget as a result of capital projects includes a direct transfer from the Education Fund of \$319,000 to support construction projects not funded through the tax levy. In addition, a transfer of \$199,713 is budgeted into the Operations and Maintenance (restricted) fund in relation to the second year of a five year lease with Dell to support a major network upgrade. This revenue is generated by a \$5 per credit hour student technology fee budgeted in the Education fund.

DEBT



General John Alexander Logan Statue

CURRENT DEBT LEVELS

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. In 2016, the College issued debt Series 2016A in the amount of \$1,500,000 to fund continued technology improvements. In addition, debt Series 2016B was issued to include \$5,035,000 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.

Current debt is \$27,483,274 and is comprised of bonds and debt certificates payable of \$26,884,137 and a lease purchase agreement in the amount of \$599,137. Payments for long-term debt in total for fiscal year 2016 are \$3,163,426.

With the ongoing IL State budget impasse, the College is aware of a potential need to increase its working cash fund to assist in meeting cash flow needs. The accumulated fund balance is presently only \$2 million, plus a small amount of accumulated interest. The only way to increase the fund would be to issue working cash fund bonds. To help offset the impact to district taxpayers, up to \$10,000,000 of the Series 2007 bonds may be refinanced to capture interest rate savings available.

LEGAL DEBT LIMITS

Community College District 530 has a legal debt limit of \$51,928,118, which is equal to the 2.875% of \$1,806,195,413 which is the assessed property valuation in the district. The College has used 52% of its legal debt capacity leaving a legal debt margin of \$25,043,981.

The anticipated working cash fund debt issuance in 2017 will reduce debt capacity, but not significantly. If all debt issuance plans materialize in 2017, the College will still retain 39% 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 2017. Adequate debt margin exists to enable 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	FY 17
Campus Police / Safety	8	8	8	7	8	7	7	6
Custodial/Maintenance/Grounds	36	33	32	33	34	34	30	28
Faculty	106	102	98	95	96	98	91	61
Operational (Clerical)	78	74	80	78	80	78	70	66
Operational-Grant	9	9	8	7	7	7	7	7
Professional	95	96	95	93	99	100	92	83
Professional-Grant	32	32	31	33	33	28	22	19
Subtotal-Full-Time	364	354	352	346	357	352	319	270
Employee Group (Part-Time):	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
ABE/GED/ASE Instructors	13	14	13	13	15	15	13	12
Campus Police / Safety	14	12	8	10	12	12	11	11
Continuing Education Instructors	66	61	62	62	65	55	55	59
Custodial	0	0	4	5	5	5	5	2
Operational (Clerical)	11	10	9	11	11	7	10	14
Operational-Grant	1	1	1	1	1	1	1	0
Professional	10	9	9	9	14	19	16	15
Professional-Grant	7	6	8	4	5	5	7	2
Student Workers	125	107	98	99	104	111	83	100
Term Faculty (Adjunct)	183	167	172	162	173	157	139	166
Trainers	9	6	12	7	10	11	10	7
Subtotal-Part-Time	439	393	396	383	415	398	350	388
John A. Logan Employees	803	747	748	729	772	750	669	658

Full-Time Faculty Position Counts										
Instructional Department	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	Net Change	Comments
Social Science	10.00	10.00	10.00	10.00	10.00	10.00	10.00	6.00	(4.00)	Staff Reductions
Life Science	8.80	8.80	8.80	7.80	8.80	8.80	7.80	5.80	(3.00)	Retirements, Staff Reductions
Physical Science	6.50	6.50	6.50	6.50	6.00	6.00	6.00	5.00	(1.50)	Retirements
Humanities / Theatre	9.00	9.00	7.00	7.00	8.00	7.00	6.00	4.00	(5.00)	Position Eliminated, Vacancy, Staff Reductions
English	11.00	10.00	9.00	8.00	8.00	8.00	6.00	3.00	(8.00)	Retirements, Staff Reductions
Math	7.50	6.50	7.50	7.50	7.00	7.00	7.00	4.00	(3.50)	Retirements, Staff Reductions
Business	9.00	9.00	9.00	8.00	7.00	7.00	5.50	3.00	(6.00)	Retirements, Staff Reductions
Data Processing	4.00	4.00	4.00	4.00	3.00	3.00	2.00	2.00	(2.00)	Retirement, Vacancy
Health Information Tech.	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.00	1.00	New Program, Staff Reduction
Automotive	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	(1.00)	Retirement
Auto Body	1.00	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	0.00	(0.50)	Staff Reduction
Machinist	0.50	0.50	0.00	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	1.00		
Electronics	2.00	2.00	1.00	1.00	1.00	2.00	2.00	2.00		
Emergency Medical Svcs	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00		New Position, Position Eliminated
Heating & Air Cond	1.00	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	1.00	New Position
Computer Integrated Mfg.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00	(0.50)	Retirement
Tool & Die	0.50	0.50	0.00	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	2.00	(1.00)	Position Eliminated
Associate Degree Nursing	4.00	3.00	3.00	3.00	4.00	4.00	4.00	3.00	(1.00)	Vacancy
Child Care	1.00	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	(2.00)	Vacancy, Staff Reduction
Nursing Assistant	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	(1.00)	Department Transfer
Practical Nursing	6.00	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	1.00	(1.00)	New Position, Retirement, Staff Reduction
Dental Hygiene	4.00	4.00	4.00	4.00	3.50	4.50	4.50	1.00	(3.00)	Vacancy, New Position, Staff Reductions
Sonography	1.00	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	1.00		
Interpreter Prep Training	2.00	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	0.00	(1.00)	New Position, Staff Reduction, Retirement
International Education	0.20	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	1.00		
Total	106	102	98	95	96	98	91	62	(44.00)	Net Change FY10 compared to FY17

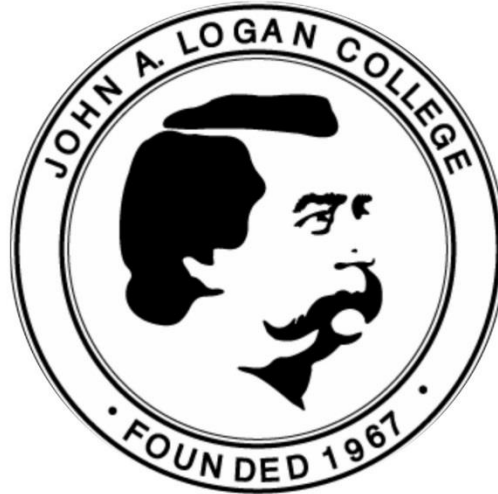
CHANGES IN STAFF LEVELS

Full-Time Faculty positions have been dramatically reduced over the last seven years either through attrition, elimination of some low enrollment programs, and most recently a major staff reduction in force in preparation for the upcoming FY 2017 funding crisis. Adjunct Faculty members are being utilized as needed, but overall there is still a slight decline in the actual number of part-time faculty members as compared to peak times such as FY 2010. This trend has been in line with recent enrollment declines and a corresponding decline in the average number of credit hours taken per student. The fall of 2015 showed a slight recovery in the average number of credit hours per student. With funding reductions, the College began hiring additional adjunct faculty in preparation for the fall 2016 term. See the Supplemental Material section at the end of the document for enrollment data trends from fall 2010 through fall of 2015.

The number of professional and administrative positions were also affected by the reduction in force. The responsibilities of the Dean for Career and Technical Education, Director of Literacy, Coordinator of Deaf and Hard of Hearing Services, Coordinator of Custodial Services, Coordinator of Student Financial Assistance, Coordinator of Media Relations, Assistant Coordinator for the Center for Business and Industry were all reassigned to other staff members. Other professional positions have been left vacant through attrition. The College has also altered its divisional structure to eliminate one Vice-President and reassign Administrative Services responsibilities to the other two Vice-Presidents and the President.

Through attrition, the total number of full-time Custodial positions have been reduced and initially replaced with the addition of newly created part-time positions. However, in the recent reduction in force, three of the five part-time Custodial positions were eliminated. 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. However, for the FY 2017 budget year, there was an attempt to recover a portion of the lost Student Worker positions to assist other staff now handling additional responsibilities and to aid in institutional retention efforts. 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. Current full-time operational positions have declined to 66 from 80 as recent as FY 2014.

ORGANIZATIONAL UNITS / DIVISIONS

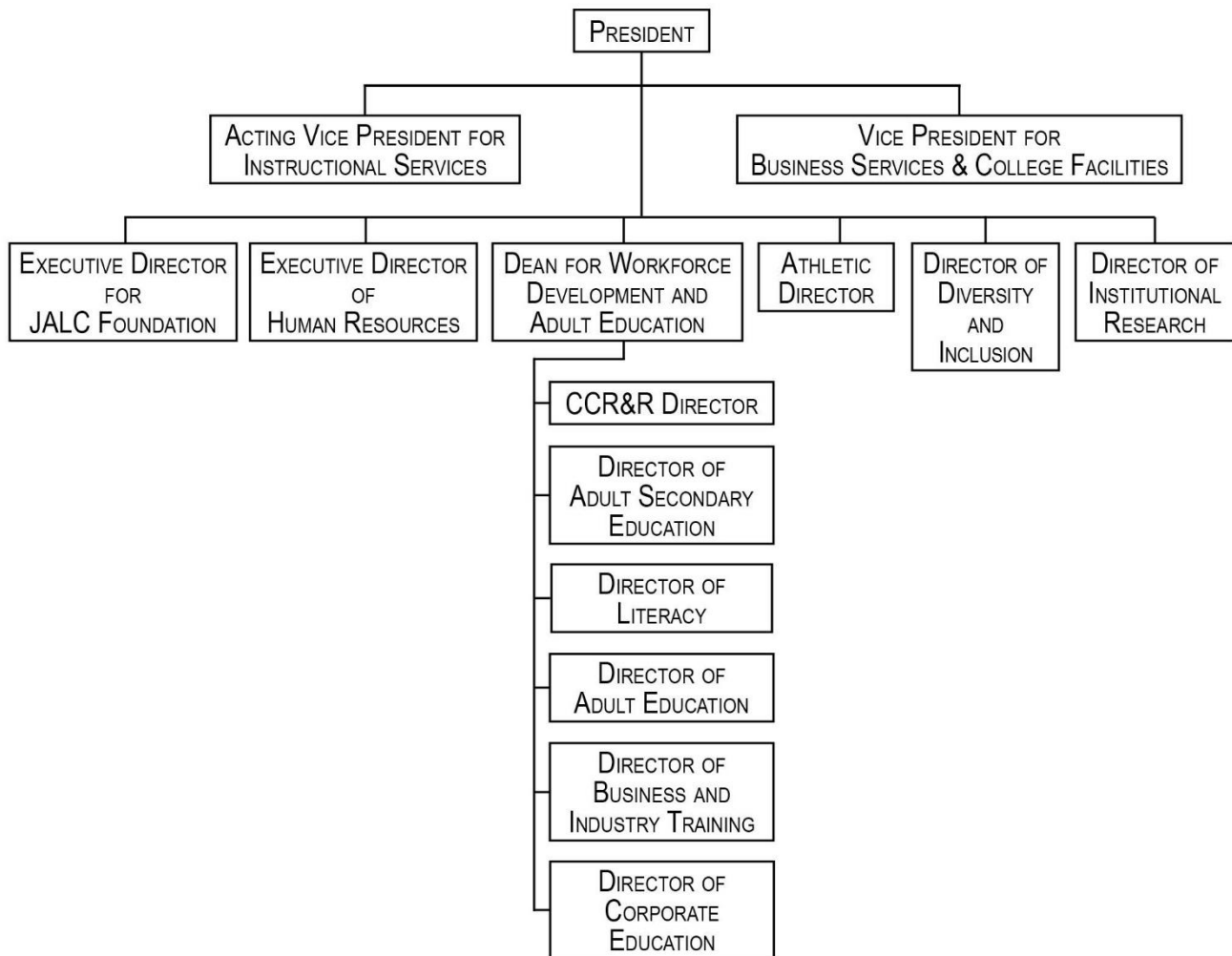


FUNCTIONS – PRESIDENT’S DIVISION

The President serves as the College’s chief executive officer and reports directly to the Board of Trustees. Two 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 Executive Director of the Foundation and the College’s Athletic programs also report up to 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.
- **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.
- **Adult Education** - Provides high school equivalency 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.
- **Family Literacy Program** – Serving families whose parents have an adult education need and children under the age of 16. Adult Education, Parent and Child Together Activities, Library Activities, and childhood education programming is provided.
- **Workforce Development** - Serving the area’s employers and workforce with customized, short-term training, conferences, seminars, and workshops. Training needs for emerging occupations are identified and programming is developed.

JOHN A. LOGAN COLLEGE 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, the Library and Media Services, Student Services, and various Academic Support areas. Critical functions 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. A dedicated articulation specialist provides assurance that courses and transfer degree programs meet articulation requirements with universities and the Illinois Articulation Initiative. Articulation requirements are communicated 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.

College Relations - The Vice-President for Instructional Services is responsible for providing leadership in media relations including advertising, updating the College *Catalog*, and its website.

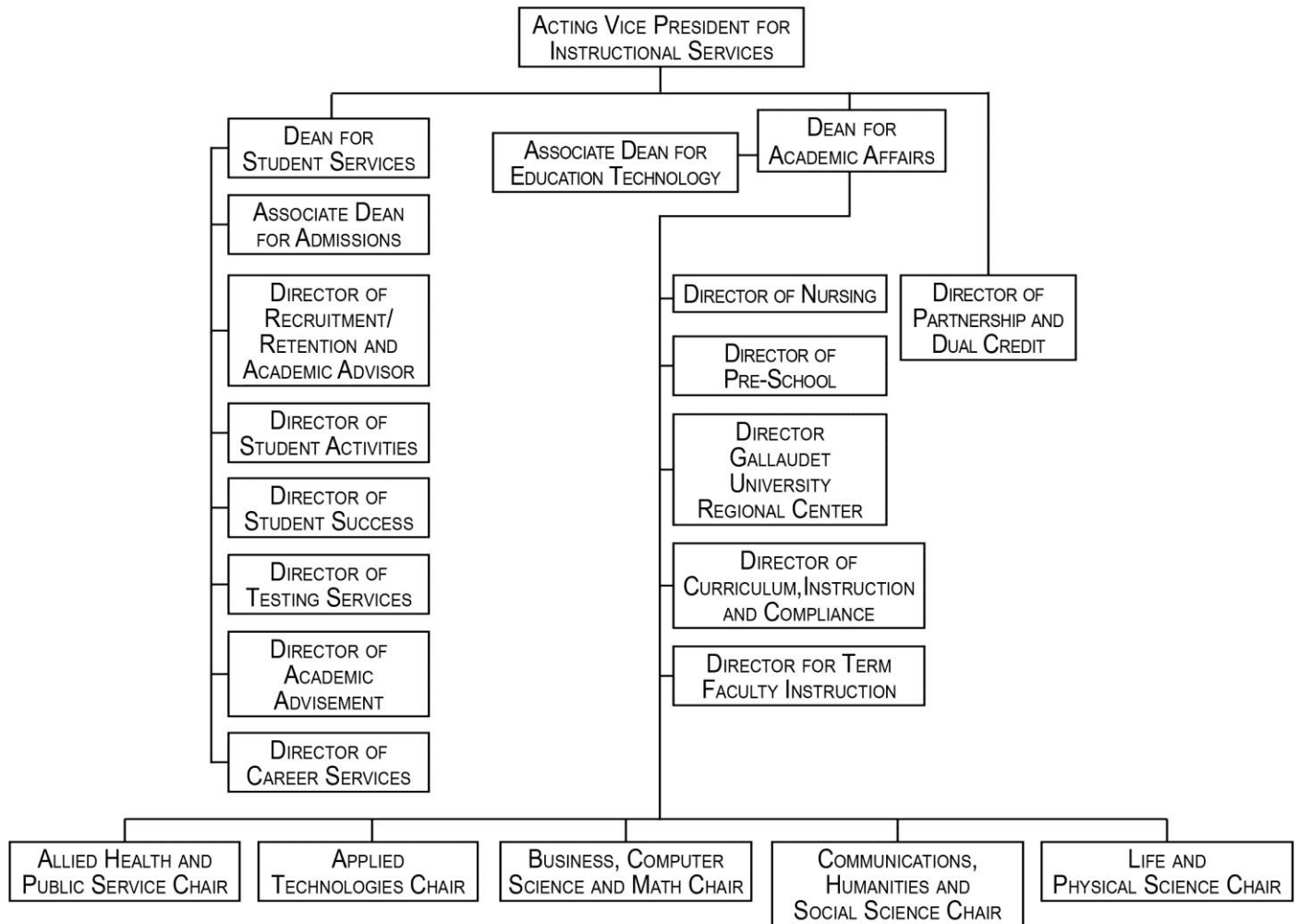
Office of Student Activities - Coordinates campus clubs and organizations, the performing arts series, special events, museum exhibits, and events with area K-12 school districts.

Career Services / Development - This office provides placement services to assist all students, graduates, and alumni in securing employment in positions directly related to their academic areas. The center also assists students in clarifying goals that are related to their work values and interests.

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 the College and a Department of Education TRiO grant. The Student Success Center maintains tutoring services for various subjects.

JOHN A. LOGAN COLLEGE INSTRUCTIONAL SERVICES 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, Campus Police, Community (Continuing) Education, and the College's operations that are under contract, such as food services and the bookstore. The position will also assume responsibilities of the President in his absence.

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
- Oversight of the Community Education department and the Health Complex
- 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.

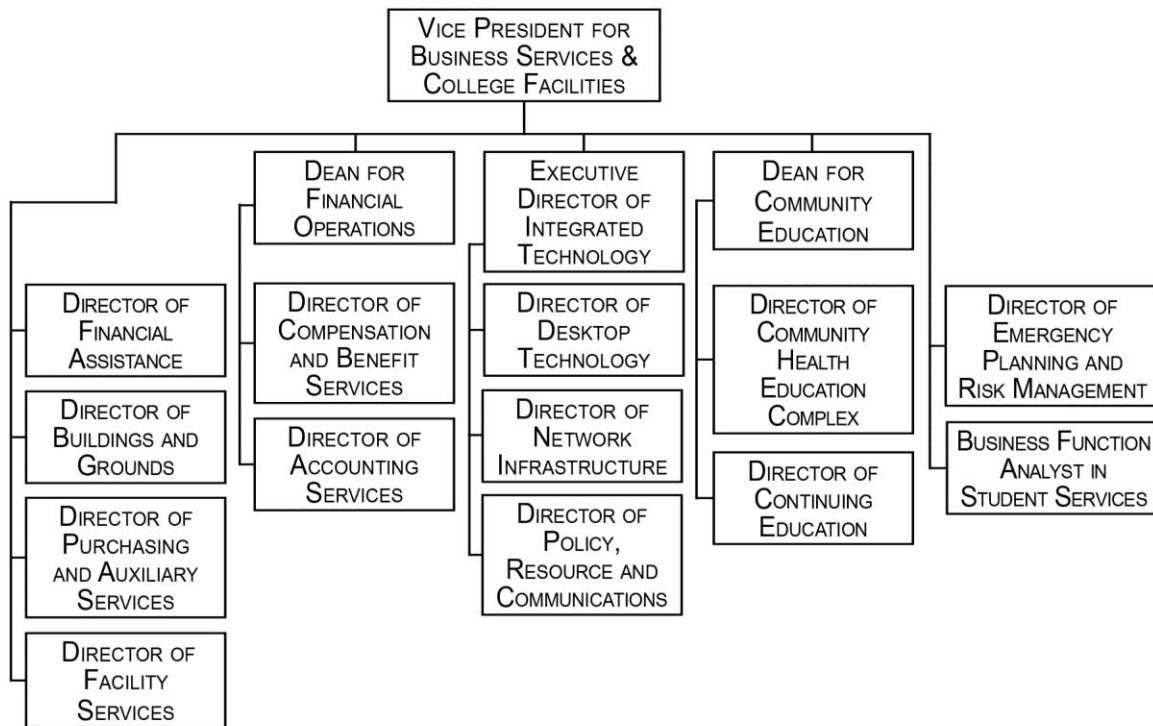
Information Technology - Responsible for management of the College's phone services, computer networks, computer program development, software support, email services, system security, and performs maintenance on and replacement of College computers.

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.

JOHN A. LOGAN COLLEGE BUSINESS SERVICES DIVISION ORGANIZATIONAL CHART



PERFORMANCE MEASURES



Nursing graduates participate in the lighting of the candles at a pinning ceremony. Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Friday Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Friday Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Friday Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Friday Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony. Friday Nursing graduates participate in the lighting of the candles followed by the recitation of the Florence Nightingale Pledge at the conclusion of the pinning ceremony.

INSTITUTIONAL ACCOMPLISHMENTS- EXPECTED DURING FY 2017

- Completion of Community Health Education Complex (CHEC) mechanical system replacement
- Continued capital investment in facilities by replacement of building A and building C mechanical systems
- Reclassification of the Preschool operations as an auxiliary enterprise as an initial step to become self-supporting
- Proposal for consideration of a tuition increase for the spring of 2017 term
- Develop a plan to bring the Community Health Education Complex (CHEC) out of a deficit situation; discussion with the Student Senate concerning a possible Student Activity fee has taken place, a formal proposal would require Board consideration and approval
- Implementation of a new Information Technology Help Desk contract to assist students
- Develop formal board policies related to balanced budgets, debt management, and fund balance goals
- Partial refinancing of 2007 general obligation bonds for interest savings
- Discussions with the Board concerning a potential working cash fund bond issue

SUPPLEMENTAL MATERIAL



**Accredited – Higher Learning Commission;
Member – North Central Association**

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 \$2,500 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

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.

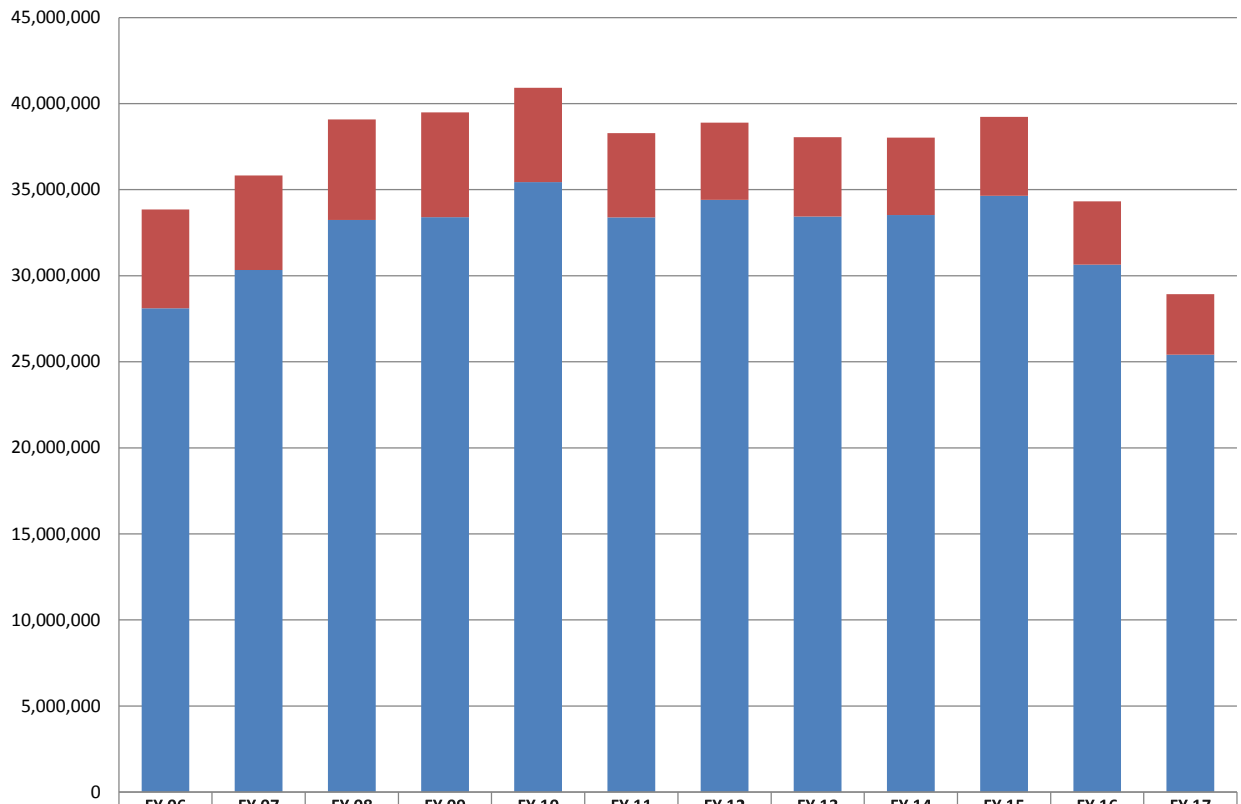
When any student owes money to the College for any reason, including, but not limited to tuition, laboratory fees, and library charges, and does not pay the debt by the prescribed time, the College will not release the student's official transcript. The student may, however, view his/her own educational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

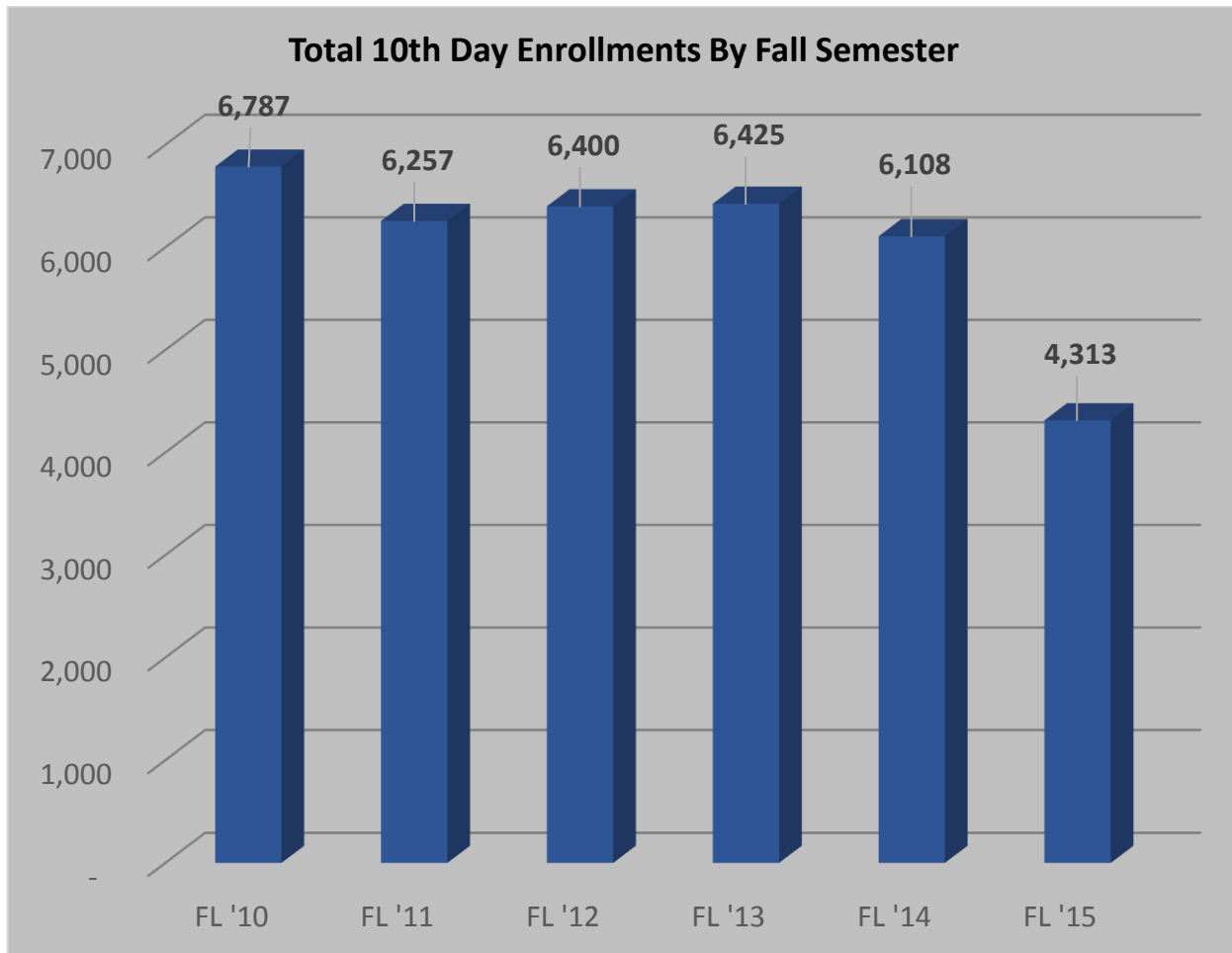
Adopted Budget History Operating Fund Expenditures FY 2000 - FY 2017				
Fiscal Year	Education	Operations & Maintenance	Total Operating Funds	Increase (Decrease) From Prior Year
FY 00	19,046,734	2,737,552	21,784,286	
FY 01	20,297,130	3,672,809	23,969,939	10.03%
FY 02	21,918,087	3,600,289	25,518,376	6.46%
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 17	25,410,904	3,517,427	28,928,331	(15.71%)

Adopted Budget History-Operating Expenditures FY 06 to FY 17



ENROLLMENT STATISTICS / DEMOGRAPHICS

John A. Logan College enrolled 4,313 students in baccalaureate-transfer and career education programs fall semester, 2015 with 56.0% of those students being female and the average age being 25.0 years old. For the same semester, 7,000 Continuing Education students were enrolled in credit and non-credit classes. In addition, the Center for Business and Industry trained over 21,000 (duplicated count) persons during FY 15. Full-Time Equivalency (FTE) was 2,813 for fall 2015. Students from over 400 high schools in Illinois, 40 states and over 30 countries currently enroll at the College.

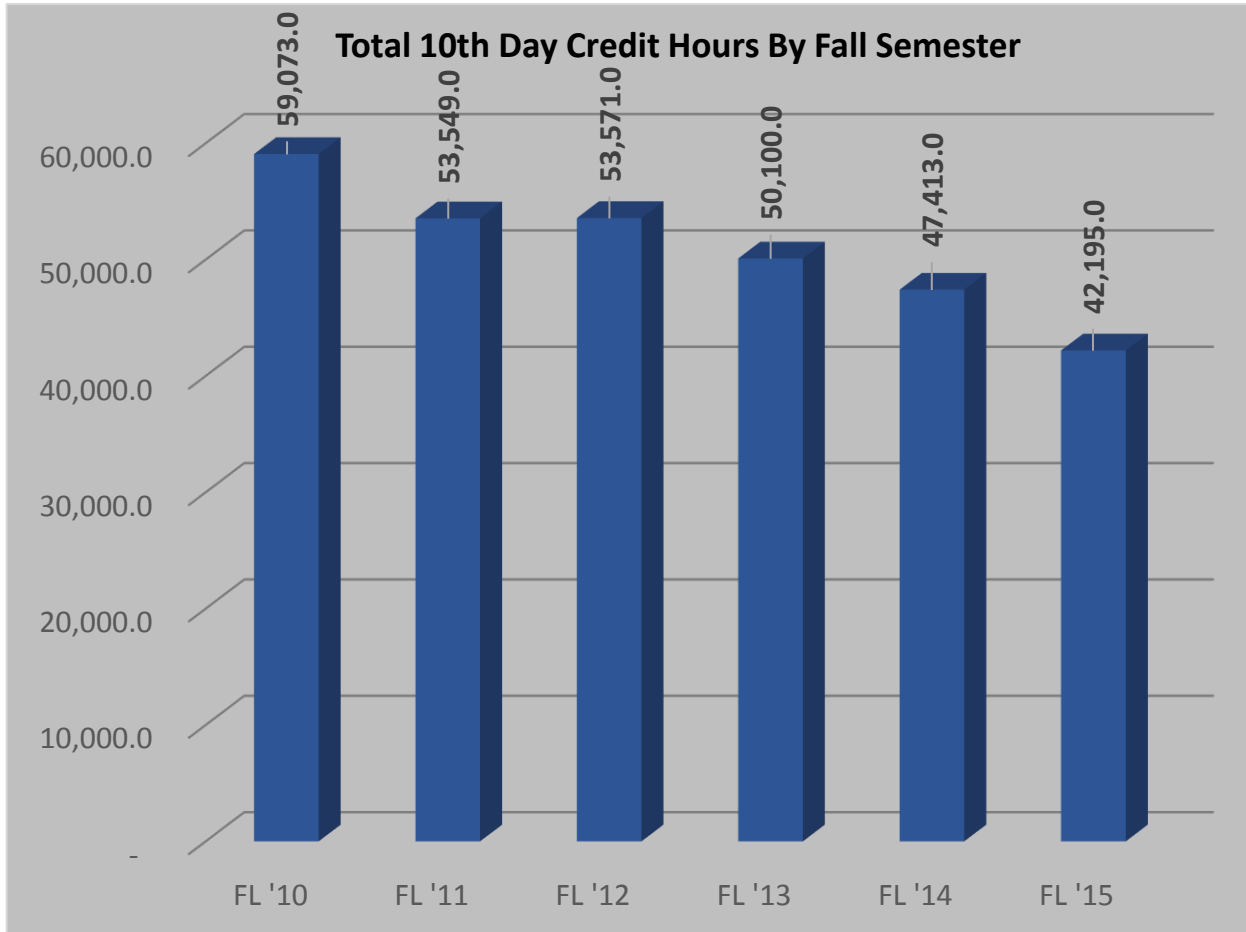


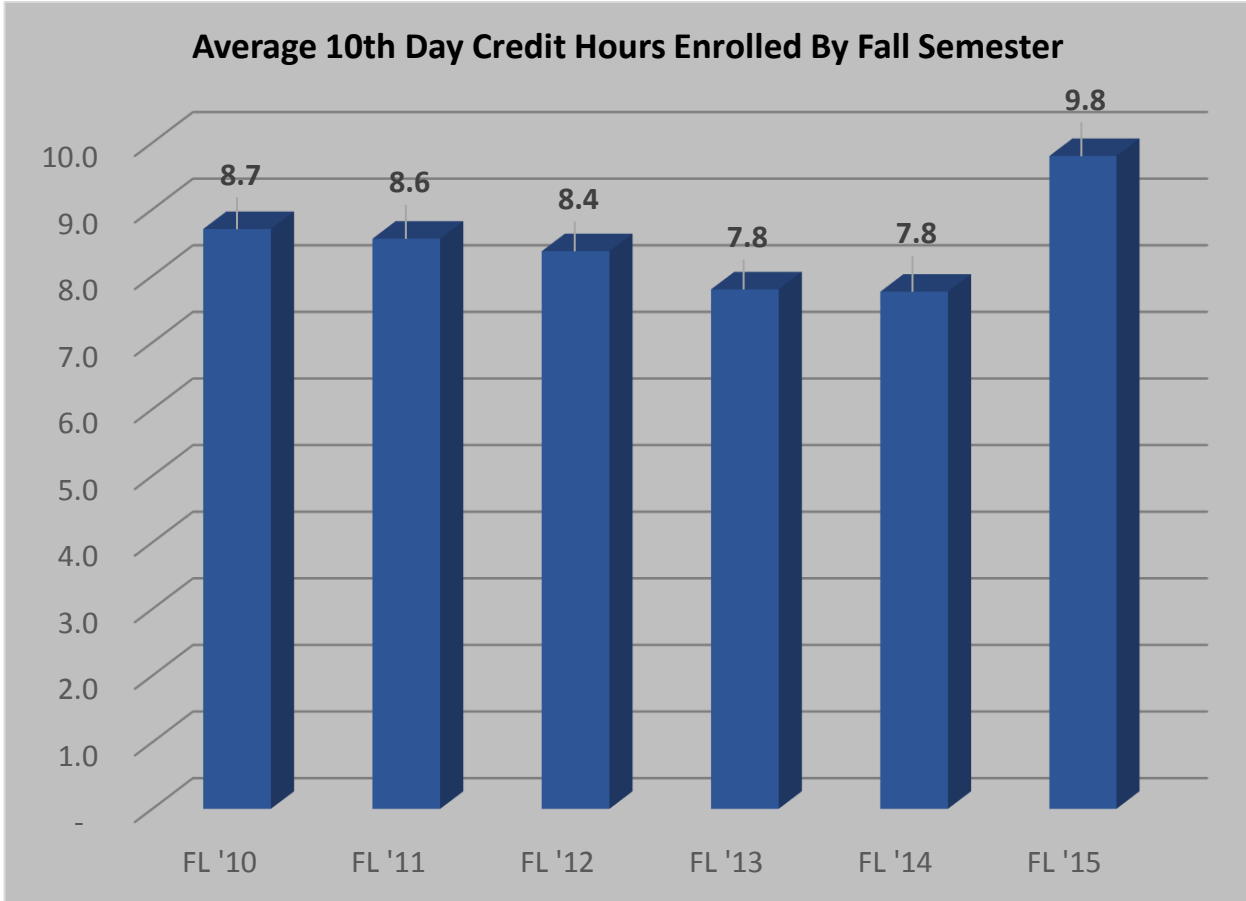
Student Age, Ethnicity, and Gender Information
Fall 10th Day Enrollments – FL 10 to FL 15

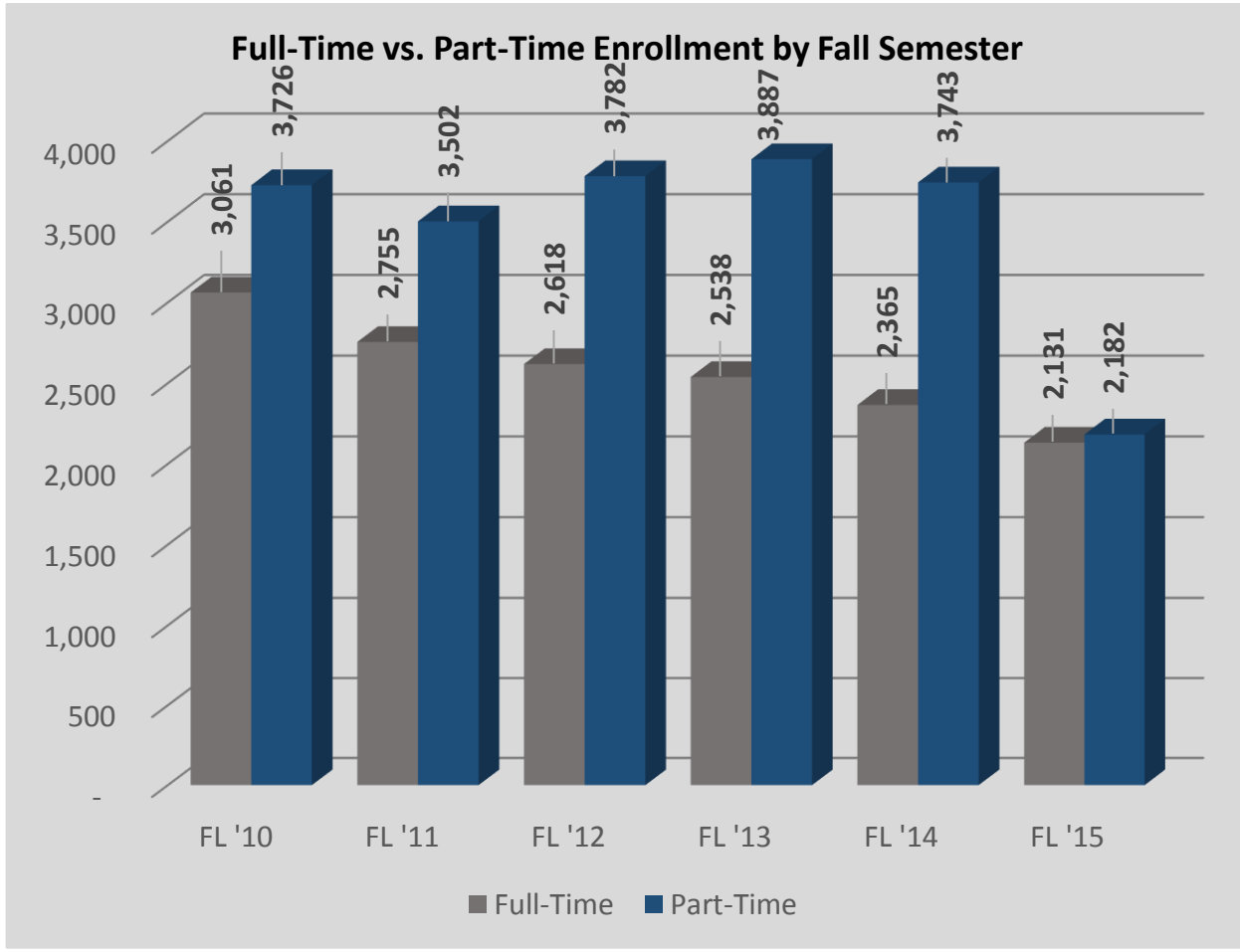
Age Information	FL 10	FL 11	FL 12	FL 13	FL 14	FL 15
17 & under	333	336	340	464	437	454
18-20	1,896	1,709	1,739	1,609	1,685	1,582
21-25	1,437	1,307	1,297	1,343	1,157	1,086
26-30	559	591	503	505	458	405
31-40	603	499	519	512	476	375
41-50	411	346	370	370	337	204
51-60	374	344	358	355	318	108
61-70	708	700	758	699	706	73
71-80	377	341	412	462	447	25
81-90	84	76	100	102	82	1
91 & over	5	8	4	4	5	0
Total	6,787	6,257	6,400	6,425	6,108	4,313
Average Age	34.0	34.1	35.1	34.9	34.9	25.0
Under 21	2,229	2,015	2,079	2,073	2,122	2,036
Age 17-22	2,838	2,604	2,612	2,525	2,475	2,486
25 and over	3,283	3,067	3,186	3,157	2,990	1,350
60 and over	1,225	1,174	1,324	1,317	1,287	108

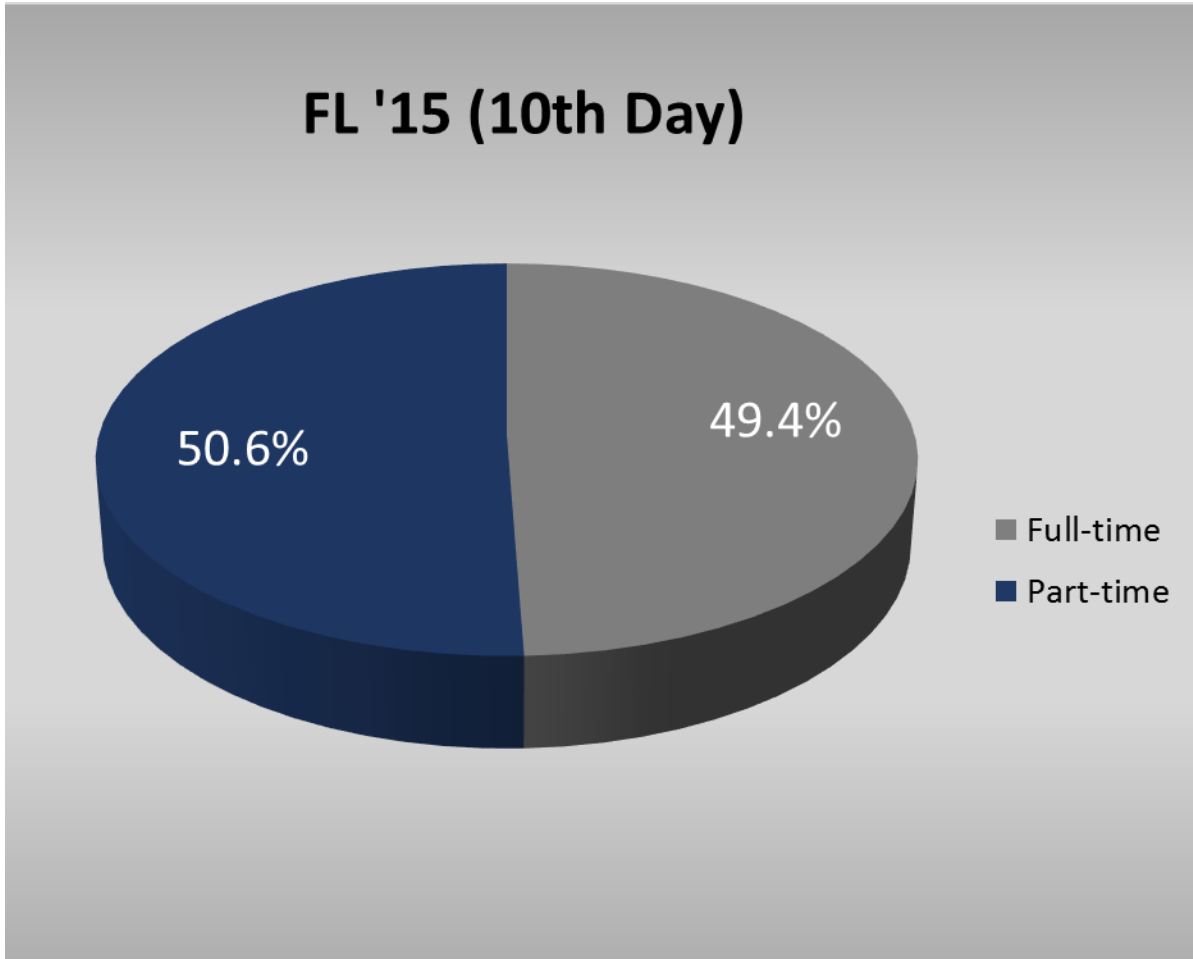
Ethnicity	FL 10	FL 11	FL 12	FL 13	FL 14	FL 15
American Indian or Alaskan Native	32	30	30	20	20	12
Asian	77	74	74	77	67	45
Black or African American	522	467	518	526	543	327
Hispanics of any race	108	112	104	101	136	91
Native Hawaiian or Other Pacific Islander	0	0	0	21	24	0
White	6,047	5,433	5,401	5,282	4,842	2,814
Non-Resident Alien	0	10	0	0	0	0
Unknown	1	131	273	398	476	1,024
Total	6,787	6,257	6,400	6,425	6,108	4,313
Total Minority	739	683	726	745	790	475

Gender	FL 10	FL 11	FL 12	FL 13	FL 14	FL 15
Female	4,020	3,787	3,733	3,694	3,465	2,415
Male	2,767	2,470	2,667	2,731	2,643	1,898
Total	6,787	6,257	6,400	6,425	6,108	4,313









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 220,708. The total land area of the counties (combined) is 2,430.5 square miles leaving the total persons per square mile at 90.8.

Population	Franklin	Jackson	Perry	Randolph	Williamson
Total population	39,485	59,362	21,543	32,852	67,466
Percent population change, April 1, 2010 to July 1, 2015	-1.3%	-1.4%	-3.6%	-1.9%	1.7%
Land area in square miles	408.9	584.1	441.8	575.5	420.2
Population per square mile	96.6	101.6	48.8	57.1	160.6

The ethnic breakdown of the population of the five counties the College serves follows (U.S. Census 2015 data):

Ethnicity	Franklin	Jackson	Perry	Randolph	Williamson
White	97.2%	77.4%	88.5%	87.5%	77.1%
Black	0.6%	15.0%	8.7%	10.6%	13.3%
American Indian and Alaska Native	0.4%	0.6%	0.4%	0.2%	0.4%
Asian	0.5%	4.0%	0.5%	0.4%	1.0%
Native Hawaiian and Other Pacific Islander	Z	0.1%	0.1%	0.2%	Z
Hispanic or Latino Origin	1.6%	4.2%	3.1%	2.9%	2.0%
Persons reporting two or more races	1.2%	3.0%	1.9%	1.1%	1.6%

Age and gender data (U.S. Census 2015 data) also follow:

Age/Gender Information	Franklin	Jackson	Perry	Randolph	Williamson
Persons under 5 years	6.1%	5.1%	5.1%	5.0%	5.8%
Persons under 18 years	22.3%	17.9%	19.7%	19.2%	21.9%
Persons age 18 to 64 years	58.0%	68.6%	62.7%	63.2%	60.2%
Persons 65 years and over	19.7%	13.5%	17.6%	17.6%	17.9%
Females	50.8%	49.8%	45.7%	44.7%	50.8%

Housing and income information for the counties follow: (U.S. Census 2015 data):

Housing/Income Information	Franklin	Jackson	Perry	Randolph	Williamson
Housing units (2015)	18,503	28,692	9,490	13,797	30,858
Owner-occupied housing rate (2010-2014)	74.5%	52.9%	75.2%	77.0%	72.2%
Households (2010-2014)	16,243	23,471	8,048	12,050	26,758
Persons per household (2010-2014)	2.42	2.36	2.48	2.46	2.42
Median household income (2010-2014)	\$37,333	\$32,681	\$40,532	\$48,901	\$43,855
Per capita income in past 12 months – in 2014 dollars (2010-2014)	\$20,591	\$20,729	\$19,999	\$22,771	\$24,096
Persons below poverty level (2010-2014)	19.9%	30.4%	16.7%	13.8%	15.8%

Educational attainment information for the populations of the five counties follows (U.S. Census 2010-2014 data):

Education Information	Franklin	Jackson	Perry	Randolph	Williamson
Language other than English spoken at home, percent of persons age 5 years+ (2010-2014)	2.3%	9.2%	2.9%	2.8%	3.1%
High school graduates (persons age 25 and over – 2010-2014)	86.4%	90.6%	85.0%	83.7%	88.8%
Bachelor’s degree or higher (persons age 25 and over – 2010-2014)	12.7%	33.8%	13.3%	12.3%	22.1%

The following table contains labor force information for the five counties (U.S. Census 2015 data):

Labor Force Information	Franklin	Jackson	Perry	Randolph	Williamson
In civilian labor force, total, percent of population age 16 years+ (2010-2014)	54.1%	56.4%	51.4%	55.1%	58.7%
In civilian labor force, female, percent of population age 16 years+ (2010-2014)	48.3%	56.8%	50.7%	55.5%	56.0%

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 sixteen in Illinois with Franklin actually ranking seventh highest in terms of unemployment. Illinois Department of Employment Security data showed current rates for the College's five counties as follows:

Franklin	8.0
Jackson	5.5
Perry	6.9
Randolph	4.8
Williamson	6.2

Major employers in the region include the following:

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

Some of the major industries in the area include:

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

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

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

In addition, the southern Illinois region is famous for tourism with 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. The Crab Orchard National Wildlife Refuge has 44,000 acres of land and water containing 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.

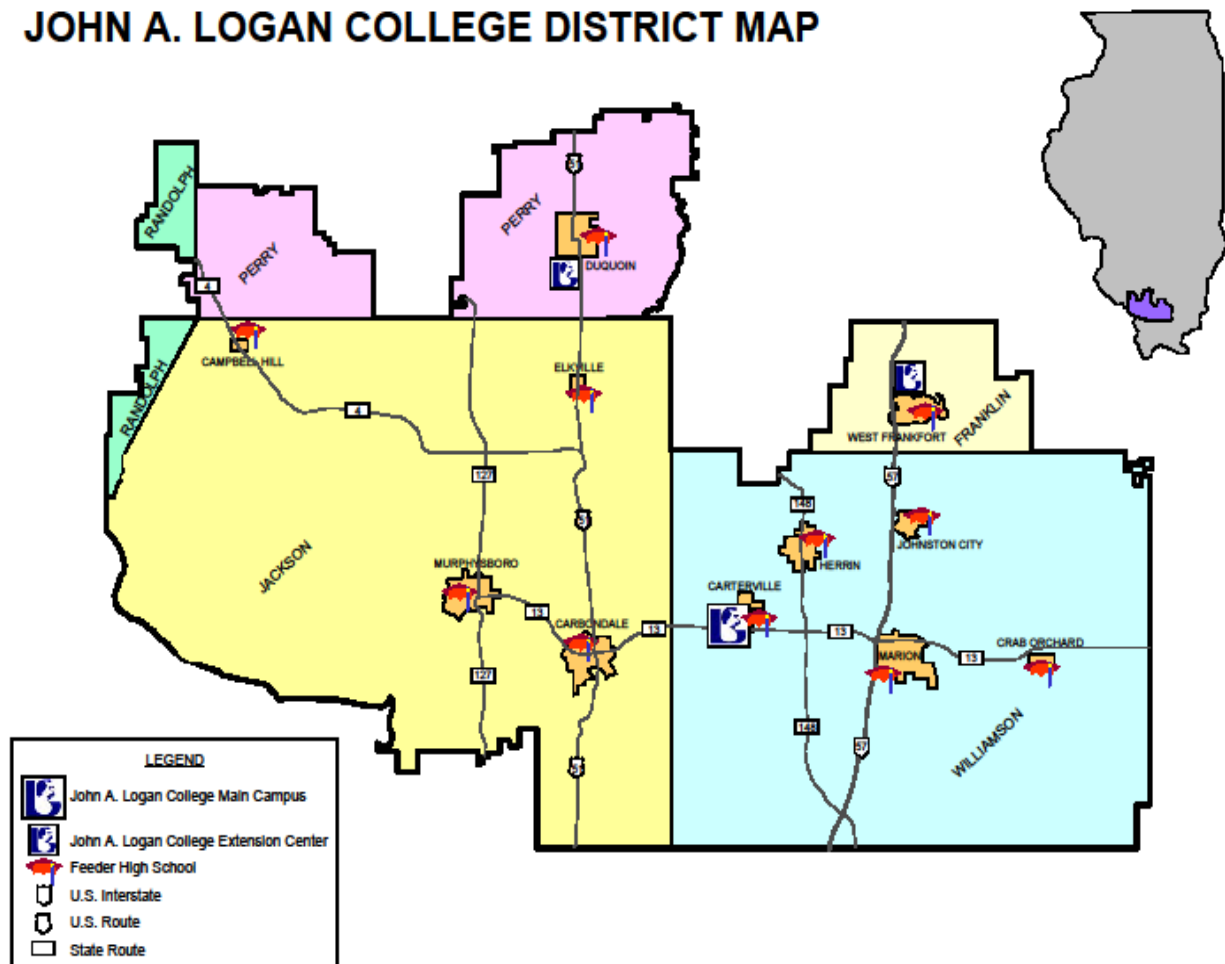
Southern Illinois University at Carbondale (SIU-C) is the state's second teachers college - founded in 1869. The University now ranks among Illinois' most comprehensive public universities.

Each year, SIU-C 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						
FY2017 Tuition and Universal Fees						
	Fall FY 2017 (calendar 2016)					
COMMUNITY COLLEGE:	In-District			Online In-District		
	Tuition	Fee	Total	Tuition	Fee	Total
BLACK HAWK	\$147.00	\$0.00	\$147.00	\$147.00	\$0.00	\$147.00
DANVILLE	\$125.00	\$15.00	\$140.00	\$125.00	\$15.00	\$140.00
DUPAGE	\$102.15	\$32.85	\$135.00	\$102.15	\$32.85	\$135.00
ELGIN	\$125.00	\$0.00	\$125.00	\$125.00	\$20.00	\$145.00
HARPER	\$119.25	\$16.00	\$135.25	\$119.50	\$16.00	\$135.50
HEARTLAND	\$135.00	\$9.00	\$144.00	\$135.00	\$9.00	\$144.00
HIGHLAND	\$129.00	\$23.00	\$152.00	\$129.00	\$23.00	\$152.00
ILLINOIS CENTRAL	\$140.00	\$0.00	\$140.00	\$155.00	\$0.00	\$155.00
ILLINOIS EASTERN	\$83.00	\$25.00	\$108.00	\$83.00	\$25.00	\$108.00
ILLINOIS VALLEY	\$116.60	\$7.40	\$124.00	\$116.60	\$7.40	\$124.00
JOLIET	\$94.00	\$31.00	\$125.00	\$94.00	\$31.00	\$125.00
KANKAKEE	\$129.00	\$13.00	\$142.00	\$129.00	\$13.00	\$142.00
KASKASKIA	\$133.00	\$16.00	\$149.00	\$133.00	\$20.00	\$153.00
KISHWAUKEE	\$129.00	\$12.00	\$141.00	\$129.00	\$12.00	\$141.00
LAKE COUNTY	\$112.00	\$23.00	\$135.00	\$112.00	\$28.00	\$140.00
LAKE LAND	\$102.50	\$23.80	\$126.30	\$102.50	\$23.80	\$126.30
LEWIS & CLARK	\$113.00	\$23.00	\$136.00	\$134.00	\$23.00	\$157.00
LINCOLN LAND	\$115.00	\$11.00	\$126.00	\$115.00	\$45.00	\$160.00
LOGAN	\$109.00	\$5.00	\$114.00	\$120.00	\$5.00	\$125.00
MC HENRY	\$104.00	\$9.00	\$113.00	\$104.00	\$15.00	\$119.00
MORAIN VALLEY	\$119.00	\$20.00	\$139.00	\$119.00	\$20.00	\$139.00
MORTON	\$88.00	\$33.00	\$121.00	\$88.00	\$33.00	\$121.00
OAKTON	\$123.25	\$5.00	\$128.25	\$123.25	\$5.00	\$128.25
PARKLAND	\$136.50	\$20.50	\$157.00	\$136.50	\$20.50	\$157.00
PRAIRIE STATE	\$133.00	\$25.50	\$158.50	\$133.00	\$25.50	\$158.50
REND LAKE	\$110.00	\$15.00	\$125.00	\$110.00	\$35.00	\$145.00
RICHLAND	\$129.00	\$12.00	\$141.00	\$163.00	\$12.00	\$175.00
ROCK VALLEY	\$100.00	\$10.00	\$110.00	\$110.00	\$60.00	\$170.00
SANDBURG	\$155.00	\$0.00	\$155.00	\$155.00	\$0.00	\$155.00
SAUK VALLEY	\$114.00	\$8.00	\$122.00	\$114.00	\$8.00	\$122.00
SHAWNEE	\$109.00	\$5.00	\$114.00	\$109.00	\$30.00	\$139.00
SOUTH SUBURBAN	\$135.00	\$17.75	\$152.75	\$145.00	\$17.75	\$162.75
SOUTHEASTERN	\$99.00	\$14.00	\$113.00	\$99.00	\$39.00	\$138.00
SOUTHWESTERN	\$109.00	\$5.00	\$114.00	\$109.00	\$30.00	\$139.00
SPOON RIVER	\$125.00	\$25.00	\$150.00	\$180.00	\$0.00	\$180.00
TRITON	\$113.00	\$16.00	\$129.00	\$113.00	\$41.00	\$154.00
WAUBONSEE	\$118.00	\$8.00	\$126.00	\$118.00	\$8.00	\$126.00
WOOD	\$139.00	\$18.00	\$157.00	\$139.00	\$48.00	\$187.00
State Average	\$118.88	\$14.55	\$133.42	\$122.99	\$20.97	\$143.96

*Standard fees paid by all students per credit hour

JOHN A. LOGAN COLLEGE DISTRICT MAP



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

JOHN A. LOGAN COLLEGE

Carterville, IL 62918

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 **\$5,635,000** be levied as a tax for educational purposes; that **\$939,000** be levied as a tax for operations and maintenance purposes; that **\$1,350,000** be levied as a special tax for purposes of the Local Governmental and Governmental Employees Tort Immunity Act; that **\$300,000** be levied as a special tax for Social Security and Medicare insurance purposes; that **\$40,000** be levied as a special tax for audit purposes; and that **\$798,185** be levied as a special tax for protection, health, and safety purposes, for a total of **\$9,062,185** on an equalized assessed valuation of **the taxable properties of said District for the year 2015 to be collected in the year 2016; and that the levy for the year 2015 be allocated 50% for Fiscal Year 2016 and 50% for Fiscal Year 2017.** This represents a **4.42% 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 2015 are \$2,453,912.** The estimated total property taxes to be levied **for 2015 are \$11,516,097.**

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 24, 2015. FURTHERMORE, I CERTIFY that all provisions of Public Act 82-102 have been met, particularly Sections 4 through 7 of Public Act 82-102.

Don Brewer, 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 \$ 5,635,000 to be levied as a tax for educational purposes (110 ILCS 805/3-1), and
the sum of \$ 939,000 to be levied as a tax for operations and maintenance purposes (110 ILCS 805/3-1), and
the sum of \$ to be levied as an additional tax for educational and operations and maintenance purposes (110 ILCS 805/3-14.3), and
the sum of \$ 1,350,000 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 \$ 300,000 to be levied as a special tax for Social Security and Medicare Insurance purposes (40 ILCS 5/21-110 and 5/21-110.1), and
the sum of \$ 40,000 to be levied as a special tax for financial audit purposed (50 ILCS 310/9), and
the sum of \$ 798,185 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 24th day of November, 2015

Donald S. Brews Chairman of the Board of Said Community College District
[Signature] 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 3

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

(DETACH AND RETURN TO COMMUNITY COLLEGE DISTRICT)

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

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

Date County Clerk and County

JOHN A. LOGAN COLLEGE
CARTERVILLE, ILLINOIS

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 June 28, 2016, commencing at 7:00 p.m.

The tentative budget for the 2016-2017 academic year was approved at the May meeting and a public meeting will be held at 6:30 p.m., June 28, 2016, in the Administration Board Room, John A. Logan College, 700 Logan College Road, Carterville, IL. Based on the results of the hearing, I would recommend 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 June, 2016. 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, 2016, and ending June 30, 2017, 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.

CLOSED SESSION

Ray Hancock and Cheryl Graff moved and seconded that the Board of Trustees adopt the 2016-2017 budget as recommended and that the administration be authorized to implement this budget effective July 1, 2016.

Upon roll call, all members present voted yes. Motion carried.
(Resolution #16-3356)

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.

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

Assessed Valuation - Value on each unit of property for which a prescribed amount must be paid as property taxes.

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).

Budget - A controlled plan detailing revenue and expenditure estimates to be used in implementing the mission and the operational objectives of the institution for one accounting cycle. An expanded budget includes appropriations by program with line item detail.

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 \$5,000 or greater with a useful life of at least one year.

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.

Expenditure - The total charges incurred by the college regardless of time of payment.

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.

Full-Time Equivalency - The statistical student unit calculated by dividing all credit hours (both certificate and degree) generated at the college by 15 credit hours for any term. To determine the annual FTE student, divide all credit hours for that year by 30 semester hours for colleges on the semester system.

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.

Fund Balance - The amount by which the value of the assets of a fund exceeds the value of the liabilities of that fund.

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

Measurement Focus and Bases of Accounting for Revenues and Expenditures -

Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities resulting from non-exchange transactions should be recognized in accordance with GASB statements 33 and 34.

Object – Expenditures classifications grouped by the type of services provided or materials purchased utilized for cost accounting and control purposes.

Pell – Federal Student Aid Awards

Revenue – Additions to assets which do not increase any liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

Tuition – A revenue source in which charges are assessed against students for educational and instructional purposes. Amounts are commonly assessed per credit hour or per course and can vary in amount based upon residency types.



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