

Carl Sandburg College

ILLINOIS COMMUNITY COLLEGE DISTRICT 518
GALESBURG, ILLINOIS

JULY 1, 2005 – JUNE 30, 2006
BUDGET



**Educational &
Financial Plan**

CARL SANDBURG COLLEGE

EXECUTIVE SUMMARY

TO: Board of Trustees, Carl Sandburg College
Community College District #518

FROM: Thomas A. Schmidt, President

SUBJECT: Budget for Fiscal Year 2006

Transmitted herewith is the budget for Carl Sandburg College District #518 for fiscal year 2006 (beginning July 1, 2005, and ending June 30, 2006). This budget reflects many of the significant components/implications contained within the Phenix Program, which was first introduced in September 2003. (See APPENDIX)

It maintains our commitment to operating the College as efficiently as possible in light of The Higher Learning Commission's recommendations to implement measures to avoid deficit spending and our long term goal of establishing (and maintaining) appropriate operating fund balances. It is recognized that adjustments to the FY-2006 budget may be necessary. The budget can be amended later in the fiscal year as deemed necessary.

FY-2006 marks the twelfth year that credit hour projections have been provided in greater detail, including details about our growing dual credit programs. Given that two (2) of our three (3) major funding sources are directly affected by the number of credit hours produced in each program, the College's Instructional Team placed a high priority on this aspect of our planning process.

The FY-2006 budget incorporates and reflects recognition of several significant factors:

1. The most financially challenging landscape ever faced by the State of Illinois. Despite the State's uncertainty, the College budget will be adopted in accordance with the timeline approved by the Board of Trustees in January 2005.
2. Implementation of the SMART Initiative (Strategic Management and Resources Together) – Phase V.
3. Consistent with the concepts of "Outcomes Assessment" and our Phenix Program, there is a commitment to look inward on the quality and efficiencies of current programs/activities with an eye towards asking the simple question, "If we were not already doing this today, would we begin doing it tomorrow?"

The FY-2006 budget was prepared in accordance with the following perspectives/expectations and assumptions:

1. CSC spent the decade of the 1990's simultaneously recovering from the 1980's and preparing for the new millennium.
2. The shadow for future programmatic and outcomes assessments, performance evaluations and incremental decision making is assumed to be cast forward over the next four (4) fiscal years (FY-2006 through FY-2009) ending June 30, 2009, now known as the Phenix Program.

During this period of extraordinary uncertainty the College must:

- A. Activate **M.A.S.H. Unit #518**, (**M**obile **A**cademic **S**ervice **H**abitat), if we are to lay legitimate claim to our district's inevitable economic revitalization.
 - B. Commit to our heritage of accommodating fundamental change.
 - C. **Remain a steadfast beacon of STABILITY.**
 - D. Commit to **RE-SHAPING** the College, in part, by launching "**Silos-of-Opportunity.**" The FY-2006 budget included efforts to initiate our EDUNET project, rejuvenate our Theatre Arts complex, expand our Allied Health programs, accommodate growth in our Adult Education program, and attack our support/operating costs.
3. In addition to challenges confronting the local economy, the State of Illinois budget woes will persist through FY-2009. Despite accommodating a 17% increase in credit hour production in FY-04 (which "drives" our FY-06 ICCB Grants), the College will enjoy negligible growth in state funding next year. FY-2006 marks the first time we will receive more equalization funding than base aid from the state. Inadequate state funding results in increased costs to our students, as reflected in higher tuition rates and new program fees. Our response to fiscal stress will be determined by these internal/external factors:

- A. EXPECTED DURATION OF FISCAL STRESS
- B. FINANCIAL MANAGEMENT FLEXIBILITY
- C. DIVERSIFICATION OF REVENUE SOURCES
- D. HISTORICAL LEVEL OF SUPPORT

Several initial budget control mechanisms have now been implemented, such as:

1. Adopting the State of Illinois employee reimbursement guidelines for Per Diem meal allowances.
2. Investigating cost saving measures related to the consumption of office supplies.
3. Expanding the capacity to go “paperless” across all operations, and investigating the option of duplexing all copied materials.
4. Together, with employee input and cooperation, intensifying mutual efforts to curtail the growth in health care related costs.

The college must use FY-2006:

1. As a launching pad for new “Silos of Opportunity.”
2. To accommodate strategic changes to the organizational structure.
3. To invigorate the College’s Citizens Advisory Committees in support of our occupational programs.
4. To prepare for changing demographics within/throughout the district.
5. To “prune-the-tree” of current programs/services to ensure the most prudent and efficient use of public resources.

Beginning with FY-2009, I anticipate that Carl Sandburg College (M.A.S.H. Unit #518) will have accommodated significant structural and programmatic changes and enhancements resulting in a “Re-shaped Institution.” I am extremely confident that Carl Sandburg College has the ability to respond to these challenges.

May 17, 2005

To the Carl Sandburg College Board of Trustees:

Presented in this document is the Budget for Carl Sandburg College for the fiscal year ending June 30, 2006. As prescribed by state law, the Tentative Budget is made conveniently available for public inspection for at least thirty days before the Board adopts the Final Budget for the fiscal year. Prior to adoption, a public hearing is also held to allow comments from members of the community. This budget presents the District's financial and operational plan, and includes all necessary disclosures.

The Annual Budget serves as the financial plan for all funds of the College. It has been developed utilizing a comprehensive, quality-enhancing approach designed to make the budget easily understood.

The revenue and expense summary for all funds is located on page 10 of the Introductory Section. Total budgeted revenues and other sources for FY 2006 are \$24,081,379 (including Transfers In of \$3,087,289) and total budgeted expenditures are \$26,162,794 (including Transfers Out of \$3,128,289). The \$41,000 difference between transfers in and transfers out is found in the Restricted Purposes Fund not shown in this budget. The Restricted Purposes Fund houses our grant revenues and expenditures and \$41,000 will come from this fund. This represents a 7% decrease from the FY 2005 expenditure budget of \$28,308,060.

Organizational Summary

Background

Carl Sandburg College was established by authority of the Illinois Community College Act of 1965 and was approved by voters in a September 1966 referendum. One year later, in September 1967, classes began at various locations in Galesburg, including the former Brown's Business College and the Central Congregational Church. Enrollment was approximately 350 students.

In 1969, most of the school's operations were moved to temporary buildings on its newly selected campus site at Lake Storey, north of Galesburg.

District voters approved a \$42.5 million bond referendum in February 1971 to support the construction of permanent buildings at Lake Storey. In 1974, the 1,000 square mile college district was expanded to roughly 3,000 square miles. Ground was broken in December 1974 for 120,000 square feet of permanent buildings in Galesburg. In 1976, the 30,000 square foot John Lewis Gymnasium and Fine Arts building was constructed. From 1985-1990, a new physical plant facility and athletic fields were added to the Galesburg campus. In Carthage, a new building was constructed for college programs on

a lease agreement. This facility was purchased by the college and changed from an extension center to The Branch Campus in 1994. The college opened The Extension Center in Bushnell, Illinois in the summer of 1995. This facility was constructed to house college programs on a lease/purchase arrangement to serve Bushnell and the surrounding area. In 1995, CSC, Knox College and C.U.S.D. 205 developed a consortium and together established the Educational Technology Center in downtown Galesburg, featuring state-of-the-art technology offering computer training, distance learning instruction, meeting facilities, and satellite teleconferencing. In 1996, CSC signed a 10-year lease to house the Cosmetology/Nail Technology and Mortuary Science education centers in downtown Galesburg. This new, larger location enabled those programs to expand and serve more students. In 2001, the college purchased another downtown building which was renovated to house the new Dental Hygiene program and clinic. In 1998, CSC built the Education Commons in Carthage, Illinois. This facility is shared with the Carthage Middle School and features a cosmetology center, music room, art studio, darkroom and kiln as well as an interactive TV classroom and two state-of-the-art computer labs. With the start of the spring 2003 semester, the college began classes in the new Don Crist Student Center featuring a bookstore, cyber café, quiet lounge, computer classrooms and labs, and the Student Government Association. In 2004 and 2005, the college expanded the Adult Education facility by remodeling the previous maintenance building into classroom and office space. In the same time period, construction began on a new Allied Health building to house the Mortuary Science program previously housed in a leased facility. Cosmetology was moved from leased space to a newly remodeled area in the Annex. A Student Success Center was developed in the E Building for testing, tutoring, etc. The Fine Arts building will experience renovations and upgrades as well. In 2005, the Theater in this building will be remodeled.

Carl Sandburg College serves a diverse group of students. In the fall of 2004, the college enrolled 4,609 students with an average age of 30 years. Women represented 63% of the student body. Nearly 90% of the students were employed, and 69% were part-time students. Many students balance the demands of college with work and family responsibilities. The college continually explores new ways to meet the special needs of both current and prospective community college students.

Major Goals and Objectives

The college's Institutional Focal Points and Goals contain six main focal points which support and drive actions to achieve the college's Mission. Within each of these six areas, are goals to keep in mind in planning and implementing actions of the college.

We believe that these goals should drive all activities that are undertaken throughout the year. The Institutional Focal Points and Goals are included in the budget document, in every board packet and at the fingertips of each employee as a reminder of our effort to meet the ever changing needs of our community and to keep their best interests uppermost in our thoughts and decisions.

The Focal Points are:

Institutional Focal Points and Goals

- I. Learning
 - A. Promote and support student learning at the classroom, program, and school levels.
 - B. Provide and maintain resources, which enable and enhance student retention and learning.
 - C. Promote and support local research on the learning process.

- II. Caring Environment
 - A. Shape an environment that recognizes the need for diversity.
 - B. Create opportunities for all within the College community to interact with understanding, tolerance, and respect for others.
 - C. Promote sensitivity to individual needs and aspirations of those throughout the College community.
 - D. Promote organizational development as a long-range effort to improve the College's problem-solving and renewal process.

- III. Technology
 - A. Establish and maintain effective technology in academic programs and support functions.
 - B. Upgrade employee skills in use of technology.

- IV. Cooperative Alliances
 - A. Develop programs in cooperation with neighboring institutions.
 - B. Maintain and expand alliances within and beyond the College district.
 - C. Support economic development activities

- V. Stability
 - A. Establish/maintain an operating fund balance equal to 5-6 percent of the previous year's adopted budget.
 - B. Develop institutional shape/make-up that best addresses long-range fiscal concerns.
 - C. Maintain the College comprehensive Risk Management Program.
 - D. Maintain a competitive compensation program to enable the College to attract and retain a quality workforce.
 - E. Promote operating efficiencies to accommodate growth.
 - F. Promote the development of human resources.
 - G. Promote and develop information management systems that facilitate decision-making.

- VI. Assessment
 - A. Promote and support local research on the assessment process.
 - B. Promote student assessment at the course, program, and school levels.
 - C. Promote assessment as an institutional way of life.

The college's board lists which Focal Points and Goals are being achieved by each board agenda item. In making budget decisions, these focuses are kept at the forefront of decision making.

Budget Priorities (Highlights) for FY 2006

Budget priorities for fiscal year 2006 are guided by the six Focal Points identified above. Under each of these major focal points are goals which support specific activities that provide for the facilitation of that focal point. Budget dollar requests were considered based upon their support of the college's focal points and goals.

Each Cabinet member was provided the flexibility to support or direct funding toward the activities under their responsibility. By providing this flexibility, we feel that each Cabinet member can maximize the activities within given budget constraints, to achieve goals of the institution.

The most significant factor affecting the development of the fiscal year 2006 budget is the uncertainty in state funding. Some grants continue to not be funded by the state, therefore fiscal year 2004's decision to continue financial support from the operating funds of the district for the functions provided by those grants was continued rather than cutting those functions.

Another significant factor was the rising cost of all insurance coverage. With salaries increasing, so does the cost of benefits associated with those salaries. That fact compounded by increases in the dollar amount of employee health insurance claims made it necessary to increase the amount of operating funds used to support these expenditures.

The rolling salary agreement in effect through FY 2008 shows significant increases over the upcoming years. Carl Sandburg College has made a commitment to remain competitive in salaries we can offer to employees to keep up with the market. In a time of declining state funding and stable to low growth in the tax base, it is increasingly difficult to fund these salary increases.

Keeping all of this in mind and in keeping with the Focal Points and Goals of the college, the following are provided for in this budget:

Technology/Equipment for Teaching and Learning – This budget provides funding from operating dollars to replace those lost by state cuts in the Advanced Technology and Special Populations grants.

Program Growth and Development – In meeting the needs of our students and the community, the college will return to staffing the Art department with a full-time instructor.

Expanded Student Services – As a byproduct of the customer service renovation project included in this budget, students will enjoy enhanced workspace when dealing with advisors, counselors, registration staff, business office functions and financial aid staff. Bringing all programs to owned rather than leased facilities will eventually free up operating dollars for student services as well.

Facility Improvements – The College will wrap up construction of an Allied Health building on the main campus to house the Mortuary Science program as well as provide additional computer labs and classrooms for other Allied Health areas. Cosmetology will be relocated to renovated space currently unused at the Annex. The Theater will be remodeled to enhance programs and classes taught in that facility.

The Budget Process

It is the philosophy of the college that a balanced budget is a fundamental element of financial accountability. Expenditures for a given year should be no greater than projected resources available. Thus, the first step in the budgeting process is development of a comprehensive revenue estimate. This estimate is extracted from the most recent known data and projections from the five-year forecasting model of assumptions used by the budget committee. Revenue projections are refined as the college progresses through the budget process.

Once budget assumptions (salaries with increases, benefits and cost of living increases) for the upcoming year are set, the requests for budget dollars submitted by budget managers are reviewed by the budget committee. Budget managers have reviewed their areas to identify operating priorities. These requests are submitted to the appropriate cabinet officer for support at the meetings of the budget committee. Once priorities for on-going operations have been determined, new initiatives and expanded services are evaluated and prioritized. After evaluating and reviewing the priorities, adjustments are made and a Tentative Budget is made available for public inspection for thirty days. After a thirty day period, a public budget hearing is conducted and a Final Budget is recommended to the Board of Trustees for approval. This process meets the requirements established by State statute.

All college funds are budgeted at the line item level, although the legal adoption is by object and function within each fund. A detailed description of this process is included in the Organizational Section of this document.

Budget Process and Policy Changes

Each year improvements are made to streamline and automate the budget process further. Fully integrating budgeting with institutional planning has been an important issue for the college. Policies pertaining to budgeting are also discussed within this document.

The regulations and procedures of the college shall provide for a decision-making process involving employee consultation. Faculty shall be consulted in areas such as curriculum, subject matter, faculty evaluation, academic standards and student affairs relating to the aforementioned areas.

Over the last several years, an effort has been made to involve individuals from across the college in the annual planning and budgeting process. Budget managers are given shell budgets including certain assumptions then allowed to develop their specific requests. We have attempted to push the budget development process to the level where the individual planning and later making the expenditure would be the same person. This system provides ownership in the budget as well as accountability and responsibility. Budget managers are required to stay within their approved budgets. It is our belief that this system provides the flexibility to address program needs while assigning responsibility for accurate planning.

After the budget is developed and approved, it is posted to the general ledger, allowing the college to prepare for operation under the approved Final Budget as soon as possible. Budget overspending is not allowed on the computer system without an override from the Chief Financial Officer.

Allocation of Personnel Resources

Carl Sandburg College is committed to its employees. The college dedicates approximately 66% of the operating budget to salaries and benefits. Of this amount 44% is for direct instruction. Student Services personnel costs make up approximately 6% of the operating budget. This critical investment in people equates to a total of 72 full-time and 258 part-time faculty in FY 2005.

With the concentration on meeting the changing needs in our community for a trained workforce, the college continues to search for quality instructional staff. Addressing this need, this budget includes one new full-time faculty position in Art.

An annual salary increase of 4.5%, previously approved in the collective bargaining agreement, is included in this budget. The college will continue to bargain for a rolling contract two years out. The current agreement covers FY 2005-2008. The college will bargain in the fall of 2005 for FY 2009-2010.

**FY-2006
BUDGET COMPARISON**

REVENUE

FUND	FY-2006	FY-2005	CHANGE	%
Education	\$ 14,245,330	\$ 14,070,780	\$ 174,550	1.24%
O & M	\$ 1,463,055	\$ 1,389,520	\$ 73,535	5.29%
Sub-Total	\$ 15,708,385	\$ 15,460,300	\$ 248,085	1.60%
O & M Restricted	\$ 2,022,416	\$ 2,389,010	\$ (366,594)	-15.35%
Bond & Interest	\$ 2,388,125	\$ 1,860,060	\$ 528,065	28.39%
Working Cash	\$ 121,040	\$ 119,540	\$ 1,500	0.00%
Liab/Prot/Settlement	\$ 3,314,484	\$ 3,179,710	\$ 134,774	4.24%
Audit	\$ 65,567	\$ 52,110	\$ 13,457	25.82%
Sub-Total	\$ 7,911,632	\$ 7,600,430	\$ 311,202	4.09%
Auxiliary	\$ 1,022,545	\$ 826,000	\$ 196,545	23.79%
Quasi-Endowment	\$ 293,015	\$ 1,329,080	\$ (1,036,065)	-77.95%
Sub-Total	\$ 1,315,560	\$ 2,155,080	\$ (839,520)	-38.96%
Totals	\$ 24,935,577	\$ 25,215,810	\$ (280,233)	-1.11%

EXPENDITURES

FUND	FY-2006	FY-2005	CHANGE	%
Education	\$ 14,245,330	\$ 14,070,780	\$ 174,550	1.24%
O & M	\$ 1,463,055	\$ 1,389,520	\$ 73,535	5.29%
Sub-Total	\$ 15,708,385	\$ 15,460,300	\$ 248,085	1.60%
O & M Restricted	\$ 2,337,586	\$ 2,433,420	\$ (95,834)	-3.94%
Bond & Interest	\$ 3,735,732	\$ 6,124,430	\$ (2,388,698)	-39.00%
Working Cash	\$ 116,663	\$ 44,400	\$ 72,263	0.00%
Liab/Prot/Settlement	\$ 3,327,571	\$ 3,158,770	\$ 168,801	5.34%
Audit	\$ 75,510	\$ 66,890	\$ 8,620	12.89%
Sub-Total	\$ 9,593,062	\$ 11,827,910	\$ (2,234,848)	-18.89%
Auxiliary	\$ 999,743	\$ 782,330	\$ 217,413	27.79%
Quasi-Endowment	\$ 482,840	\$ 281,920	\$ 200,920	71.27%
Sub-Total	\$ 1,482,583	\$ 1,064,250	\$ 418,333	39.31%
Totals	\$ 26,784,030	\$ 28,352,460	\$ (1,568,430)	-5.53%

Financial Summary

Budget Overview

Budgets for all funds are included within the Financial Section. The budget includes total resources of \$24,935,577 and expenditures of \$26,784,030. The General Fund (Education and Operations & Maintenance Funds) includes a total budget of \$15,708,385. The Special Revenue Fund (Audit Fund and Liability, Protection and Settlement Fund) has a total expenditures budget of \$3,403,081. The Debt Service Fund (Bond and Interest Fund) budget is \$3,735,732. The Capital Projects Fund (Operations & Maintenance – Restricted Fund and Quasi-Endowment Fund) reflects a budget of \$2,820,426. Other Fund types (Auxiliary and Working Cash) have a total budget of \$1,116,406.

The following tables compare FY 2006 and FY 2005 revenue and expenditure budgets for each fund:

Fund	Current Revenue FY 2006 Budget	Prior Revenue FY 2005 Budget	Current vs. prior increase/(decrease)
Education	\$14,245,330	\$14,070,780	\$174,550
Operations & Maintenance	1,463,055	1,389,520	73,535
Operations & Maintenance (Restricted)	2,022,416	2,389,010	(366,594)
Bond & Interest	2,388,125	1,860,060	528,065
Auxiliary Enterprises	1,022,545	826,000	196,545
Working Cash	121,040	119,540	1,500
Audit	65,567	52,110	13,457
Liability, Protection & Settlement	3,314,484	3,179,710	134,774
Quasi-Endowment	293,015	1,329,080	(1,036,065)
Total All Funds	\$24,935,577	\$25,215,810	\$(280,233)

Fund	Current Expenses FY 2006 Budget	Prior Expenses FY 2005 Budget	Current vs. Prior Increase/(Decrease)
Education	\$14,245,330	\$14,070,780	\$174,550
Operations & Maintenance	1,463,055	1,389,520	73,535
Operations & Maintenance (Restricted)	2,337,586	2,433,420	(95,834)
Bond & Interest	3,735,732	6,124,430	(2,388,698)
Auxiliary Enterprises	999,743	782,330	217,413
Working Cash	116,663	44,400	72,263
Audit	75,510	66,890	8,620
Liability, Protection & Settlement	3,327,571	3,158,770	168,801
Quasi-Endowment	482,840	281,920	200,920
Total All Funds	\$26,784,030	\$28,352,460	(\$1,568,430)

Fund	Current Fund Balance FY 2006 Estimated	Prior Fund Balance FY 2005 Estimated	Current vs. Prior Increase/(Decrease)
Education	\$468,176	\$468,176	\$0
Operations & Maintenance	336,104	336,104	0
Operations & Maintenance (Restricted)	(1,340,083)	(994,913)	(345,170)
Bond & Interest	1,769,341	3,116,948	(1,347,607)
Auxiliary Enterprises	9,524	(13,278)	22,802
Working Cash	4,028,742	4,024,365	4,377
Audit	(43,248)	(33,305)	(9,943)
Liability, Protection & Settlement	3,866,775	3,789,809	76,966
Quasi-Endowment	6,111,983	6,594,823	(482,840)
Total All Funds	\$15,207,314	\$17,288,729	(\$2,081,415)

As stated earlier, the total expenditure budget remains somewhat consistent with the prior year. Changes in the Education and Operations & Maintenance Funds are discussed beginning on page 15. Changes in the other funds are discussed in the Financial Section but highlights are as follows:

The increased expenditures in the Education Fund are the result of regular salary increases of 4.5%, in addition to adding one new full-time faculty position. The SURS on-behalf payment has increased in direct correlation with salaries. The administration, in an effort to fully fund the employee health insurance costs increased their support by \$289,983. Medical insurance costs are budgeted to slightly increase. We've included \$100,000 as a contingency expense.

The decrease in expenditures in the Operations and Maintenance Fund (Restricted) is a reflection of several renovation projects in FY 2005 that will be completed in FY 2006 as well as the FY 2006 renovation of the Theater.

Bond and Interest Fund expenditures are lower resulting from the refinancing of and paying off of bonds.

Revenue within each fund is classified according to source: Local Sources, State Sources, Tuition and Fees, and Other Sources (includes Transfers In). The table below illustrates revenue sources by fund for the FY 2006 Budget. Fund balance appropriations are not included.

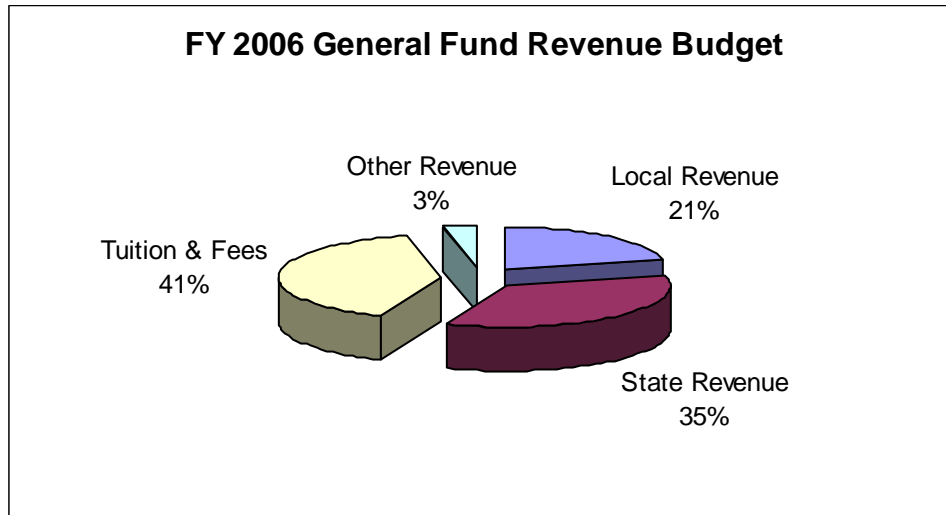
Fund	Local Govt. Sources	State Govt. Sources	Federal Govt. Sources	Tuition And Fees	Other Sources	Total
Education	\$2,674,089	\$5,196,683		\$5,969,975	\$404,583	\$14,245,330
Operations & Maint.	660,266	287,413		411,766	103,610	1,463,055
Operations & Maint. (Restricted)					2,022,416	2,022,416
Bond & Interest	2,268,485				119,640	2,388,125
Auxiliary Enterprises			13,500	258,450	750,595	1,022,545
Working Cash					121,040	121,040
Audit	65,337				230	65,567
Liability, Protection & Settlement	1,419,111				1,895,373	3,314,484
Quasi-Endowment					293,015	293,015
Total	\$7,087,288	\$5,484,096	\$13,500	\$6,640,191	\$5,710,502	\$24,935,577

General Fund Revenue Budget

The General Fund consists of two individual “sub-funds” – the Education Fund and the Operations & Maintenance Fund. These funds are used to account for all revenues and expenditures related to the educational functions of the college. Revenue for the General Fund is derived from the following sources: Local Government, State Government, Tuition and Fees, and Other Sources of Revenue.

As illustrated below, the FY 2006 revenue budget of \$15,708,385 represents an increase of 1.6%, or \$248,085 over the FY 2005 budget.

Source	Current FY 2006 Budget	Prior FY2005 Budget	Increase/(Decrease)
Local Revenue	\$3,334,355	\$3,387,000	\$(52,645)
State Revenue	5,484,096	5,562,880	(78,784)
Tuition & Fees	6,381,741	5,461,370	920,371
Other Revenue	508,193	1,049,050	(540,857)
Total	\$15,708,385	\$15,460,300	\$248,085



General Fund Revenue Budget: Education Fund

Activities of the Education Fund are financed through four sources of revenue: Local Sources, State Sources, Tuition and Fees and Other Sources. Budgeted in the Education Fund for FY 2006 are total revenues and Transfers In of \$14,245,330, an increase of \$174,550 (1.24%) from the prior year budget.

Student Tuition and Fees revenue constitutes the largest single source of revenue in FY 2006. Tuition and Fees revenue makes up 41% of the total Education Fund revenues at \$920,371 over last year. Tuition and Fees includes tuition for credit and some non-credit classes as well as course, deferment, additional technology, program and late fees. Included in this budget is a tuition increase of \$5.00 per credit hour to \$71.50. In the Education Fund, tuition for credit classes is budgeted at \$5,130,350, an increase of 13% over the FY 2005 budget. This increase reflects an increase in Talent Grants which will be offset with the writing off of that tuition in the form of Talent Grant expense. These numbers reflect the shifting of dollars between the Education and the O & M Funds as well. The FY 2006 split is budgeted at 92.32/7.68%, whereas the prior year was budgeted with a 94/6 split. Tuition revenues are based on projected enrollments, which are forecasted to decrease 1.0% from FY 2005.

State Revenue is the second highest source of revenue at 35% of total revenue. State sources of funding include the ICCB Grants, CTE Formula Grant, Department of Corrections funding and Corporate Personal Property Replacement Taxes. The Base Operating Grant reflects a decrease of \$337,398 as a result of decreasing rates of reimbursement. CTE Formula and Replacement Tax funding is anticipated to be the same as in the previous year. Replacement Taxes “replace” the personal property tax previously paid by businesses and are 2.5% of the net income of corporations, and 1.5% on partnerships, trusts, and subchapter S corporations.

Local sources of revenue include Property Taxes and Chargebacks. The 2004 equalized assessed valuation (EAV) for the district is approximately \$1,233,728,849; a decrease of 5% over 2003. FY 2006 budgeted property tax revenue for the Education Fund is \$2,599,089, a decrease of \$64,511 primarily resulting from the decrease in the tax base. The tax rate declined from 20.54 cents per \$100 of EAV to 19.89 cents. Chargeback revenue is received from other community college districts for out-of-district tuition.

Other sources of revenue include interest income, transfers in and other minor sources of revenue. Investments are managed according to the Board Investment Policy, with funds being invested in short-term, fully collateralized instruments as well as long-term less liquid investments not to exceed ten years to maturity. A significant decline in the market’s interest rates are reflected in earnings budgeted at \$9,300, the same as the previous year’s budget. Also included are the transfers in of \$301,793 which represents funding from SMART V, Working Cash interest and STEF.

General Fund Revenue Budget: Operations & Maintenance Fund

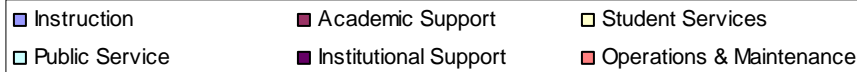
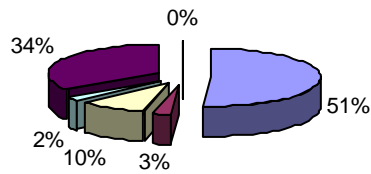
The Operations & Maintenance (O & M) Fund is used to account for transactions related to the improvement, maintenance, repair, or benefit of buildings and property, utilities, supplies, equipment, and staffing related to those activities. The O & M Fund received revenue from three major sources: property taxes, state funding and student tuition and fees. The property tax rate for this fund is fixed at .05 cents per \$100 in EAV. For FY 2006, revenue from property taxes is budgeted at \$653,366. Revenue from ICCB grants as well as the Personal Property Replacement Tax is \$294,313. Tuition revenue \$411,766 is also allocated to this fund to meet ongoing building maintenance and operation needs.

General Fund Expenditure Budget

Budgeted expenditures for the General Fund for FY 2006 are \$15,708,835. Of this amount, \$14,245,330 is represented in the Education Fund, and \$1,463,055 in the Operations & Maintenance Fund. Expenditure information is presented for both the Education and Operations and Maintenance Fund in two formats. Expenditures are classified by Function (Instruction, Academic Support, Student Services, Public Service/Continuing Education, Institutional Support, and Operations & Maintenance), and by Object (Salaries, Benefits, Contractual, Materials, Conference & Meeting, Fixed Charges, Utilities, Capital Outlay and Other). The following table details the budgeted expenditures.

Function	Education Fund	Operations & Maintenance Fund	Total General Fund
Instruction	\$7,282,363		\$7,282,363
Academic Support	361,260		361,260
Student Services	1,464,246		1,464,246
Public Service	232,816		232,816
Institutional Support	4,904,645	164,809	5,069,454
Operations & Maintenance		1,298,246	1,298,246
Total	\$14,245,330	\$1,463,055	\$15,708,385

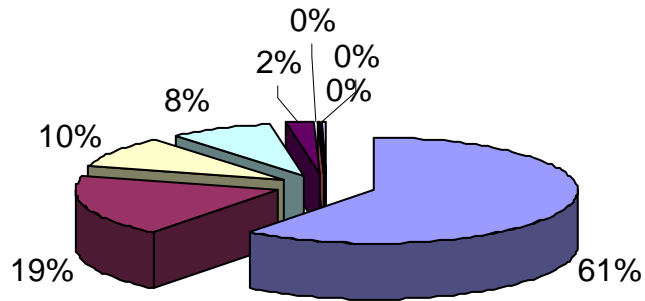
FY 2006 General Fund Expenditures By Function



Instruction represents 51% of the General Fund budget. This proportion is slightly above the state average of 46%. The second largest category, Institutional Support, represents 34% of the budget compared to 23% for the statewide average. (Source: ICCB FY 2004 Audited Operating Expenditures by Function Table in the Data & Characteristics Report).

Object	Education Fund	Operations & Maint. Fund	Total General Fund
Salaries	\$8,223,488	\$511,196	\$8,734,684
Benefits	2,528,578		2,528,578
Contractual Services	1,340,978	53,090	1,394,068
Materials & Supplies	1,115,770	65,150	1,180,920
Travel & Conferences	266,759	7,600	274,359
Fixed Charges	66,466	68,860	135,326
Utilities	2,560	533,330	535,890
Capital Outlay	23,263	82,000	105,263
Other	677,468	141,829	819,297
Total	\$14,245,330	\$1,463,055	\$15,708,385

FY 2006 General Fund Expenditures By Object



- | | | |
|----------------------|----------------------|----------------------|
| Salaries | Benefits | Contractual Services |
| Materials & Supplies | Travel & Conferences | Fixed Charges |
| Utilities | Capital Outlay | |

Salaries and benefits represent 61% of the General Fund budget, compared with a statewide average of 77% (Source: FY 2004 ICCB Audited Operating Expenditures by Object Table in the Data & Characteristics Report).

General Fund Expenditure Budget: Education Fund

A detailed analysis of the proposed Education Fund expenditures is included in the Financial Section of this report. As mentioned earlier, several new initiatives are included within this proposal. In summary, the following are reflected in the Education Fund budget:

- One full-time Art Instructor
- Adjustment for a substantial increase in health insurance

General Fund Expenditure Budget: Operations & Maintenance Fund

Expenditures within this fund include salaries for the maintenance staff, supervisors, and appropriate support staff. Major expense items include salaries and benefits, security, custodial, maintenance supplies, and utilities.

Debt Administration

By law, the debt limit of the college is 2.875% of the District EAV, or an estimated \$35,469,704. Since the college currently holds \$27,755,838 of outstanding debt, the legal debt margin, or unused bonding power is projected to be \$8,817,033.

During the next year, it is anticipated that the college will issue no new debt.

Operations & Maintenance Fund (Restricted): Capital Budget

Carl Sandburg College is located in a heavily rural area with some industrialization. Manufacturers and employers need a qualified and well-trained workforce. Providing necessary training to adequately service the needs of the district is an integral part of the college's mission.

Carl Sandburg College is committed to maintaining a leadership role in the community as the provider of workforce training. In keeping with the college's focal points and goals, we have continued to build partnerships and relationships within the communities of the district. The college must ensure that students are prepared and equipped to participate as part of a well-trained workforce.

Areas of need identified by the college include, but are not limited to, industrial and mechanical skills, health care services, technology and education programs and transfer degrees. Recently the college worked alongside the Foundation and the manufacturing community to build the Center for Manufacturing Excellence. We worked with the dental community to launch the Dental Hygiene program in the new Annex facility. To meet the ever-increasing technological needs of the students, we recently built the new Don Crist Instructional Computing Student Center. The Education Commons in Carthage as well as the expansion of the Bushnell site are both responses to needs of the community. The College has made efforts to move from leased facilities off campus to owned facilities on campus.

The college's effort to provide a workforce that meets the needs of our community includes the construction of new buildings and additions to provide the laboratory, clinic and classroom space for programs with the highest enrollment and growth.

The college has a continuing project which was funded in FY 2003 to be completed in FY 2006. The Customer Service Renovation Project was begun in FY 2004 with the relocation of the testing center, the mailroom and technical services. These projects were performed by maintenance staff and internally funded. The mailroom has yet to be moved. The second phase will be the gutting and remodeling of the Customer Service area. This phase will be funded with accumulated Repairs and Renovation grant dollars when released by the state.

In FY 2005, proceeds of the SMART V bond issuance in June of FY 2004 were used to expand the Adult Education and Family Literacy Area. The Cosmetology operation will be moved from leased to owned space. Construction of a new Allied Health Building on the main campus began in FY 2005.

In FY 2006, the Theater will be renovated.

No Life, Health and Safety funding was sought for FY 2006.

The college will construct a Wireless Wide Area Network in FY 2006.

Significant Financial and Demographic Changes

The most critical issues facing the college in the near future are enrollment, property tax base changes and state budget cuts. With the significant changes in unemployment rates from plant closings the past two years, we anticipate a flat enrollment in FY 2006 and 2007 and declines in FY 2008 and beyond. The property tax base is anticipated to drop off as plant closings effect the housing market. This compounds the already present 10% per year annual decline in farmland assessments expected to continue for at least the next year. Add to this the fact that the state anticipates a deficit over the next fiscal year and you have the third component of significant financial and demographic changes.

Future Outlook

The college is financially stable and fiscally sound. We have done the right things at the right times. We've refunded long-term debt to take advantage of the lowest interest rate in decades. We've placed significant Working Cash Fund bond proceeds in investments to earn interest available to other funds for cash flow needs. We've implemented a policy whereby all funds short of cash for operations will borrow from the Working Cash Fund. We've placed \$5 million in the Strategic Technology Endowment Fund (STEF) to refresh technology and implement the conversion to the new Access software environment. SMART V bond proceeds adds \$682,300 additional funds to the STEF fund for future Acces software and Xerox costs as well as to grow the fund with interest on these additional deposits.

College staff members are working to look inward at efficiencies. The College contracted with Bridger to look at the efficiencies of our indirect costs in FY 2005. We are working on five-year assumptions in long-range planning. The college updates the facilities Master Plan every five years. The Master Plan was last completed in 2003 by Phillip Swager and Associates. It is one of the tools the college uses to grow and assess its facilities in an orderly manner as part of a comprehensive planning process.

Informational Summary

This section includes a compilation of charts and graphs that provide a projection of future revenues and expenditures as well as a historical view of Carl Sandburg College's financial position. The focus of this section is specific to the College's Operating or General Funds (Education and Operations and Maintenance Funds).

The projections have been developed from historical trends and conservative assumptions developed by college staff. Revenue projections are based on known student enrollments and take into consideration current economic factors and enrollment management activities designed to increase enrollments. Tax revenues are based on the most recent tax levies derived from known equalized assessed valuations. The assessed valuations are projected on historic trends as adjusted for local economic conditions. Other state revenue is projected to decrease and/or flatten over the near future.

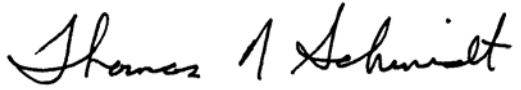
Expenditures shown for the college's General Fund are presented by program area and by object. Projections are based on the current collective bargaining agreement; historical trends adjusted for inflation and anticipated economic forces. Expenditure increases have an effective 2% increase annually.

Additional narratives are presented within the Information Section.


Acknowledgments:

We would like to express our appreciation to the Board of Trustees for their continued interest in planning and conducting the fiscal operations of the college in a responsible and accountable manner.

Respectfully submitted,

Handwritten signature of Thomas A. Schmidt in cursive script, followed by a vertical red line.

Thomas A. Schmidt, President

Handwritten signature of Lora L. Wright in cursive script, followed by a vertical red line.

Lora L. Wright, Chief Financial Officer

CARL SANDBURG COLLEGE

Board of Trustees Meeting

Regular Meeting - May 24, 2005

Item Adoption of Tentative 2006 Budget

Institutional Focal Points/Goals

I-A, II-D, III-A, V-A

Background

The tentative FY-2006 budget is proposed for Board adoption at the May 24, 2005 meeting. According to statutes, the tentative budget must be available for public inspection for thirty days before the final adoption. The law also requires that a legal notice be published stating the budget's availability for examination and the time of the public hearing on the budget. The hearing is scheduled for 6:30 p.m., Thursday, June 23, 2005, at the A. Lewis Long Board Room, Galesburg, Illinois.

To allow maximum time for its development, we will deliver the tentative FY-2006 budget booklet to the Board at your meeting scheduled for May 24, 2005.

Recommended Action

Adoption of the FY-2006 tentative budget is recommended.

CARL SANDBURG COLLEGE

Board of Trustees Meeting

Regular Meeting – June 23, 2005

Item FY – 2006 Final Budget

Institutional Focal Points/Goals

I-A, II-A, II-B, III-A, IV-A, V-A, VI-C

Background

The tentative FY-2006 budget has been reviewed by the Board of Trustees, faculty, students, support staff and administration. It has also been on public display for the required number of days in accordance with State law.

The final budget document incorporates a summary of the budget as required by the ICCB Fiscal Management Manual. It also incorporates provisions for recognizing the State of Illinois SURS *on-behalf* payments in accordance with recommendations of the college's external auditors.

Recommended Action

The administration recommends approval of the attached resolution for adoption for the FY-2006 budget for Carl Sandburg College.

CARL SANDBURG COLLEGE
Illinois Community College District No. 518
FY 2005-2006

Principal Officials as of June 30, 2005

Board of Trustees

	Position	Term Expires
Dr. D. Wayne Green	Chairperson	2009
Mr. John A. Kraus	Vice Chairperson	2007
Mr. Bruce A. Lauerman	Secretary	2007
Mr. Jack P. Ball	Trustee	2011
Mr. Thomas H. Colclasure	Trustee	2009
Mr. John T. Huston	Trustee	2011
Mr. William C. Robinson	Trustee	2011
Ms. Kathryn Miller	Student Representative	2006
Ms. Kim Norris	Faculty Representative	2006
Ms. Angela Strom	Staff Representative	2005

Officers of the College

Mr. Thomas A. Schmidt	President
Mr. Larry Benne	Vice President of Academic Services
Mr. Steven Norton	Vice President of Student Services
Mr. Samuel Sudhakar	Vice President of Technology Services
Dr. Lori Sundberg	Dean of Human Resources/Organizational Development

Administrative Staff

Ms. Gena Alcorn	Director of Foundation
Mr. Dennis Anderson	Director of the Center for Manufacturing Excellence
Ms. Sherry Berg	Dean of Community & Extension Services
Mr. Larry Byrne	Director of Business Services
Ms. Sally Day	Director of Nursing
Ms. Robin DeMott	Director of Marketing & Public Relations
Ms. Lisa Hanson	Director of Financial Aid
Mr. Jon Jackson	WIA Planner/Grant Writer
Ms. Jill Johnson	Director of TRIO Upward Bound
Ms. Gwendolyn Koehler	Dean of Adult & Developmental Education
Ms. Carol Kreider	Director of Admissions & Records
Ms. Misty Lewis	Director of TRIO Student Support Services
Ms. Elaine Long	Dean of Allied Health
Ms. Debra Miller	Director of the Branch Campus
Ms. Beverly Naslund	Director of the Extension Center
Mr. Mark Pfeleger	Dean of Occupational Programs
Ms. Marg Rogers	Director of Educational Program at HC Hill
Ms. Blanche Shoup	WIA Director
Mr. Michael Walters	Dean of Learning Resource Services/Evening Administrator
Ms. Lora L. Wright	Chief Financial Officer/Treasurer

Official Issuing Report

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

Finance Office

Association of School Business Officials International®



This Meritorious Budget Award is presented to

Carl Sandburg College District 518

For excellence in the preparation and issuance
of its school system budget
for the Fiscal Year 2004-2005.

The budget is judged to conform
to the principles and standards of the
ASBO International® Meritorious Budget Awards
Program.

A handwritten signature in cursive script, appearing to read "James Tombari".

President

A handwritten signature in cursive script, appearing to read "Anne L. Miller".

Executive Director

II. Organizational Section

The Mission of Carl Sandburg College

Mission Statement

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

Institutional Focal Points and Goals

- I. Learning
 - A. Promote and support student learning at the classroom, program, and school levels.
 - B. Provide and maintain resources, which enable and enhance student retention and learning.
 - C. Promote and support local research on the learning process.
- II. Caring Environment
 - A. Shape an environment that recognizes the need for diversity.
 - B. Create opportunities for all within the College community to interact with understanding, tolerance, and respect for others.
 - C. Promote sensitivity to individual needs and aspirations of those throughout the College community.
 - D. Promote organizational development as a long-range effort to improve the College's problem-solving and renewal process.
- III. Technology
 - A. Establish and maintain effective technology in academic programs and support functions.
 - B. Upgrade employee skills in use of technology.
- IV. Cooperative Alliances
 - A. Develop programs in cooperation with neighboring institutions.
 - B. Maintain and expand alliances within and beyond the College district.
 - C. Support economic development activities
- V. Stability
 - A. Establish/maintain an operating fund balance equal to 5-6 percent of the previous year's adopted budget.
 - B. Develop institutional shape/make-up that best addresses long-range fiscal concerns.
 - C. Maintain the College comprehensive Risk Management Program.
 - D. Maintain a competitive compensation program to enable the College to attract and retain a quality workforce.
 - E. Promote operating efficiencies to accommodate growth.
 - F. Promote the development of human resources.

G. Promote and develop information management systems that facilitate decision-making.

VI. Assessment

A. Promote and support local research on the assessment process.

B. Promote student assessment at the course, program, and school levels.

C. Promote assessment as an institutional way of life.

NOTE: Institutional Focal Points are indicated by Roman numerals. Their accompanying Institutional Goals are noted by capital letters.

Degrees and Programs Offered

Associate in Arts Degree

Associate in Science Degree

Associate in Fine Arts Degree

Associate in General Education Degree

Vocational Program Offerings:

Industrial

Automotive Body Repair

Automotive Technology

Basic Automotive Repair

Computer Aided Drafting/Design

Construction Engineering Technology

Engine Performance

Industrial Electricity

Machine Drafting & Design

Machine Tool

Manufacturing Processes

Numerical Control

Allied Health

Computed Tomography

Cosmetology

Cosmetology Teacher

Dental Hygiene

Diagnostic Medical Sonography

Emergency Medical-Paramedic

Limited Radiography

Magnetic Resonance Imaging

Mortuary Science

Nail Technology

Nursing

Nursing Assistant/Aide

Practical Nursing

Radiologic Technology

Registered Respiratory Therapy

Business

- Accounting
- Administrative Assistant
- Administrative Office Manager
- Computer Information Systems Specialist
 - Application Development Option
 - System Support Option
- Computer Networking Specialist
- Desktop Publishing
- Food Marketing Management
- Information Processing
- Legal Secretary
- Marketing/Mid-Management
- Medical Secretary
- Microcomputer Applications Specialist
- Office Services
- Organizational Management & Supervision

Social Science Division

- Child Development
- Criminal Justice
- Human Services Assistant

Budget Objectives and the Institutional Focal Points and Goals

In the early stages of the budgeting process, budget managers are asked to review the shell budget and focal points and goals and recommend budget requests needed for the coming year. These requests can include new programs, new equipment, new staffing or additional budget adjustments. By prioritizing these requests, the link between planning and budgeting is reinforced. Each request is reviewed by the budget committee and considered based on its fulfillment of the Institutional Focal Points and Goals.

Budget and Financial Policies

The official budget adopted by the Board of Trustees is the same as the operating budget in total. In other words, the law requires the Board to adopt a budget that specifies expenditures by object and function (purpose). The college actually operates with a budget that is far more detailed to better control expenditures. Within each fund, budgets are adopted for each fiscal year.

The budgeting process begins in January of each year for the following fiscal year. The Tentative Budget is presented to the Board of Trustees in May and approved for public display for at least thirty days prior to a public hearing and final adoption. Notice of the public display is published in a local newspaper. The public hearing and adoption of the Final Budget take place at the June Board meeting.

Once the Final Budget is adopted, copies are filed with the Illinois Community College Board (ICCB) by October 15.

Mr. Scott Erickson	Knox County Courthouse	200 S. Cherry St.	Galesburg, IL 61401
Mr. Randal L. Rumler	Fulton County Courthouse	200 N. Main St.	Lewistown, IL 61542
Ms. Marcella Cisna	Henderson County Courthouse	PO Box 308	Oquawka, IL 61469
Mr. Kerry Asbridge	Hancock County Courthouse	PO Box 39	Carthage, IL 62469
Ms. Barbara Link	Henry County Courthouse	307 W. Center St.	Cambridge, IL 61238
Ms. Florine Miller	McDonough County Courthouse	1 Courthouse Square	Macomb, IL 61455
Mr. Tom Hanson	Mercer County Courthouse	PO Box 66	Aledo, IL 61231
Ms Linda Ward	Schuylar County Courthouse	PO Box 200	Rushville, IL 62681
Ms. Linda Pyell	Stark County Courthouse	PO Box 97	Toulon, IL 61483
Ms. Tina Conard	Warren County Courthouse	100 W. Broadway	Monmouth, IL 61462

The District observes laws and policies as set forth by the State of Illinois, the Illinois Community College Board and the District’s Board of Trustees.

Illinois Statutes

Major aspects of budgeting and finance are prescribed by the Illinois Public Community College Act. This section summarizes the major provisions of the Act which address finance and budgeting.

805/3-20.1. Adoption of annual budget; contents; fiscal year

The board of each community college district shall within or before the first quarter of each fiscal year, adopt an annual budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed for each object or purpose.

The budget shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in the Section shall be construed as requiring any district to change or preventing any district from changing its system of accounting.

The board of each community college district shall fix a fiscal year.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days prior to final action thereon. At least one public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing.

The board may make transfers between the items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may amend the budget by the same procedure as provided for in its original adoption.

805/3-20.3. Expenses payable from taxes for operation and maintenance of facilities purposes and for purchase of college grounds; educational fund

This section specifies expenditures that must be paid from the amount levied for Operations and Maintenance purposes. Included are "...obligations incurred 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, for the rental of buildings and property for community college purposes..." Other expenditures are to be paid from the Educational Fund.

805/3-20.5. Determination of amount to be raised by tax for educational purposes and for operations and maintenance of facilities purposes; certificate of tax levy

Each year, the community college must determine the amount of funds to be raised by the tax levy for the ensuing year. These amounts must be certified by the board and submitted to the county clerk before the last Tuesday in December each year. Suggested language for the Certificate of Tax Levy is also included in this section.

805/3-20.6. Districts in two or more counties; determination of amounts; certificates of tax levy

If a college district lies in two or more counties, the certificate of tax levy must be filed with each of the county clerks within the district. Each county clerk is then to determine the portion of the district valuation that lies within the county, and provide this information to the county clerk where the institution is located. Based on the levy certification, the county clerk will determine the tax rates for all of the counties.

805/3-27. Payment of orders and bills; revolving funds; collection of funds

It is lawful for the Board to create a revolving cash fund provided such funds are in the custody of an employee who shall be bonded and who shall be responsible to the Board and the treasurer, and that such funds are subject to regular annual audit by licensed public accountants. A monthly report and annual summary of all receipts and expenditures of the revolving cash fund shall be submitted to the Board and the treasurer.

805/3-27.1. Contracts

Contracts for the purchase of supplies, materials, or work exceeding \$10,000 are awarded to the lowest responsible bidder considering conformity with specifications, terms of delivery, quality, and serviceability. Several exceptions to this rule are noted in this section, including (1) services of individuals possessing a high degree of professional skill, (2) contracts for printing financial reports, (3) contracts for printing or engraving bonds or other debt instruments, (4) and many others as outlined in the statute. This section also includes procedures for awarding contracts through the sealed bid process.

805/3-33.5. Working Cash Fund; monies derived from bonds; state and federal funds

Funds raised by the sale of Working Cash bonds must be maintained in a separate fund, and they are not to be appropriated in the annual budget. The Board may appropriate to the maximum amount allowable in the fund. The Board may transfer from the Working Cash Fund in anticipation of the receipt of federal or state funds, but the debt to the Working Cash Fund must be satisfied.

805/3-33.6. Working cash fund; transfers of monies; abolition of fund

Transfers from the Working Cash Fund to the Education or Operations & Maintenance Fund may be made only by board resolution. This section specifies the terms of such a resolution. The Board may also issue a resolution to abolish the Working Cash Fund and direct the Treasurer as to directing the transfer. If it is abolished, a district may not establish another Working Cash Fund without voter approval. Interest earned by the Fund may be transferred to the Education or Operations and Maintenance Fund by board resolution.

Carl Sandburg College Board of Trustees Policies

This section includes policies of the Carl Sandburg College Board of Trustees that pertain to fiscal and budgetary issues.

1.12 Duties and Responsibilities of the Governing Board

While duties of the College Board are set forth in the Public Community College Act, the details of which are heretofore set out, more specifically the duties of the Board will be as follows:

...4. To approve the annual budget, etc. ...

13. To provide for an annual audit of all funds handled under the authority of the college in accordance with law and generally accepted accounting procedure...

Illinois Community College Board Regulations

Financial Reporting requirements are summarized in Subpart E of ICCB rules.

Annual Budget

The budget is a controlled plan to be used in implementing the philosophy and the objectives of the college. Its development should involve maximum participation and, therefore, the aims and objectives of the college should be reflected at each level.

Colleges are encouraged to use either of the following budgetary formats: line-item appropriation or program budgeting in conjunction with program performance budgeting (PPB), or zero-based budgeting (ZBB). However, a budgetary crosswalk may be necessary to complete the line-item appropriation by function budget required by the ICCB.

Each local Board of Trustees must adopt a budget for each fiscal year within or before the first quarter of each fiscal year. Moreover, a tentative budget must be available for public inspection for at least 30 days, or ten days for community college districts in cities of over 500,000 inhabitants, prior to final adoption; and at least one public hearing must be held on the tentative budget.

It is anticipated that each district will develop an expanded operational budget that is more detailed than the budget required by the ICCB. Care should be taken that any budget adopted by the local board of trustees meets the requirements of Section 3-20.1 of the *Public Community College Act* for community college districts in cities with less than 500,000 inhabitants or Sections 7-8 through 7-16 for other community college districts.

The budget shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. (Section 3-20.1)

The budget shall set forth estimates, by classes, of all current assets and liabilities of each fund of the board as of the beginning of the fiscal year, and the amounts of those assets estimated to be available for appropriation in that year, either for expenditures or charges to be made or incurred during that year or for liabilities unpaid at the beginning thereof. Estimates of taxes to be received from the levies of prior years shall be net, after deducting amounts estimated to be sufficient to cover the loss and cost of collecting those taxes and also deferred collections thereof and abatements in the amount of those taxes extended or to be extended upon the collector's books. (section 7-9)

The local boards of trustees of community college districts in cities of less than 500,000 inhabitants 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.

One copy of the annual budget in the format prescribed shall be filed with the ICCB no later than October 15.

Certificate of Tax Levy

The language for the Certificate of Tax Levy suggested by the *Public Community College Act* is included in this section. This certificate must be filed with each county clerk on or before the last Tuesday in December. A copy of the certificate, along with each county clerk's verification of the levy, should be filed with the ICCB no later than January 31. In addition to the adopted annual budget, each college must file with each county clerk, within 30 days of its adoption, the local board's budget resolution and a certified summary of anticipated revenues for the fiscal year. Failure to file these documents authorized the county clerk to refuse to extend the district's tax levy. Suggested forms for the budget resolution and the summary of anticipated revenues are included as part of this section.

Moreover, when a district levies more than 105 percent of the previous year's tax extensions, the district must have at least one public hearing which may not coincide with the hearing on the tentative budget. The notice must fulfill the following requirements:

The notice shall appear no more than 14 days nor less than 7 days prior to the date of the public hearing. The notice shall be no less than one eighth page in size, and the smallest type used shall be twelve point and shall be enclosed in a black border no less than ¼ inch wide. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The notice shall state in plain and simple language the following information: (1) the legal name of the taxing district; (2) the commonly known name of the taxing district; (3) the amount of property taxes, exclusive of election costs, extended or estimated to be extended on behalf of the taxing district for the preceding year; (4) the amount of the proposed levy, exclusive of election costs, for the current year; (5) the percentage increase; and (6) the date, time and place of the public hearing concerning the proposed budget and the proposed levy increase. Such hearing may not coincide with the hearing on the proposed budget of the taxing district.

Any notice which includes information substantially in excess of that specified and required by this Act shall be an invalid notice. (Chapter 120, Section 866)

Additionally, an amended Certificate of Tax Levy may be filed within ten days of notification from the county clerk of the multiplier providing such multipliers will alter the amount of revenue received by the district.

External Audit

Each district is required to submit two copies of its external audit to the ICCB by October 15 following the end of the fiscal year. Required schedules and recommended formats are detailed in this section.

Annual Financial Report

Pursuant to Section 3-22.2 of the *Public Community College Act*, each district is required to publish a financial statement at least once annually prior to November 15 in a newspaper of general circulation in the district, and a copy of this publication must be filed with the ICCB by December 1. The format for this statement suggested by the ICCB is found in the Fiscal Management Manual issued by the ICCB.

Community College Treasurer's Bond

Each community college treasurer must be bonded. A copy of each bond must be filed with the county clerk(s) and the ICCB. The suggested statutory language for each treasurer's bond is provided by ICCB.

Requirements for Financial Transactions

The *Public Community College Act* and ICCB rules contain many financial requirements. Although several requirements are highlighted below, you are encouraged to review the *Public Community College Act* and ICCB rules.

Payment of Orders and Bills

The local boards of trustees of community college districts in cities of less than 500,000 inhabitants must approve payment of all bills showing to whom and for what purpose each payment is to be made and to what budgetary item each payment should be debited. The payment's purpose and budgetary line item can be shown by *Fiscal Management Manual* account codes. College staff should ensure that each item is properly charged to the correct account and that authority exists for such a transaction. For example, custodial salaries and utilities can be paid from the Operations and Maintenance Fund only upon resolution of the local board of trustees.

Bidding Policy

Section 3-27.1 of the *Public Community College Act* requires each district to let all contracts for supplies, materials, or work involving an expenditure in excess of \$10,000 to the lowest responsible bidder after due advertisement, excluding the exceptions which are listed in Section 3-27.1 of the Act. The local board may adopt a more restrictive bidding policy.

Budget Development

In January of each year, the cabinet reviews the proposed budget calendar which is developed by the Chief Financial Officer. This calendar (included within this section) details the chain of events that occur for planning, preparation and adoption of the Final Budget. A shell budget is developed using cost of living increase assumptions determined by the cabinet and backing out new money requests from the previous year. Beginning in February, enrollment and revenue projections for the new fiscal year are

developed and refined. Requests for new budget dollars, new equipment, new programs, new staff and capital improvements are submitted by the budget managers. These new initiatives are reviewed by the budget committee for approval and funding. Final Budget requests are turned in during March, compiled and compared to revenue projections. Adjustments necessary to balance the budget are discussed and made. Following this, a balanced Tentative Budget is presented to the President, Cabinet and Board of Trustees at the May meeting.

Budget Administration and Management

Overall responsibility for budget development and management lies with the Chief Financial Officer (CFO). The CFO is also responsible for the day-to-day management of the budget and expenditure control.

Expenditure Control

All funds of the college are divided into Departments or Responsibility Centers. A budget manager is assigned to each department. Each budget manager is responsible for approving the expenditures within their department(s). Initially, expenditures are requested via a Requisition with the appropriate budget manager's approval. In times of budgetary constraints, it is possible that all Requisitions must also be approved by the Vice President or President with ultimate responsibility for the cost center involved. In FY 2005, the college implemented the new Colleague Financial Accounts Payable module for all Purchasing and Accounts Payable operations. This new software requires budget manager approval of all purchase requisitions and will not allow any payment exceeding available budgeted funds without an override from the CFO. Following these approvals, the Requisition is approved by the Director of Business Services who also assures that legal purchasing procedures have been complied with. Once this occurs, the Requisition is formalized into an online Purchase Order which will be emailed to the vendor. Subsequently, a copy of the Purchase Order is available electronically to Shipping and Receiving Dept. to match with the merchandise and ensure it gets to the person who ordered it.

Encumbrance Control

Approved purchase orders are automatically entered as encumbrances against the related appropriation as a control to insure that budgeted appropriations are not over-expended. The accounting software allows for encumbrance of salaries. However, payroll will be paid regardless of budget availability.

Budget Transfers

Budget transfers will now be done by budget managers between only accounts for which they have budgetary control. Anything transferred outside the budget manager's area of responsibility will have to be done by the CFO. Budget managers must observe certain constraints in transfers between cost centers under their direction.

Capital Projects Process

Budget managers have the opportunity during the budget process to submit requests for capital equipment as well as capital improvement projects for the facilities. These requests are formalized in writing and presented to the appropriate Cabinet member. During the budget process, these requests are discussed and analyzed by the Cabinet. Approvals are made based on availability of funds and priorities of the district in conjunction with the Institutional Focal Points and Goals of the College.

Management Information Reports

Budget managers have access to online query and review functions of the accounting system to review transaction detail. They are able to monitor available funds and do budgetary transfers as needed. In addition, the CFO will alert the Cabinet of any serious overspent payroll budgets as they appear on the error report.

Detailed reports are also prepared monthly for the Board of Trustees. These reports include comparisons by fund of: actual expenditures against budgets by function and object; revenue receipts against budget; total salary commitments against budget; and cash and investment balances. Additionally, the report includes a listing of bills paid. The Board is asked to review and approve these monthly reports.

The monitoring of revenue is a crucial component of the budget management. In the event of an unexpected decline in revenue, certain expenses are identified by budget managers and frozen to insure a balanced budget at year end.

Additionally, day-to-day operations require the use of various management information reports and online query available to all administrators and managers relative to their areas of responsibility.

Worth noting, the District has received the Meritorious Budget Award from the Association of School Business Officials for the FY 2004 and FY 2005 Annual Budgets.

**CARL SANDBURG COLLEGE
FY-2006
BUDGET DEVELOPMENT TIME LINE**

<u>DUE DATE</u>	<u>ACTION</u>	<u>RESPONSIBLE</u>
1/27/05	Approve budget development calendar	B.O.T.
1/31/05	Finalize budget parameters	President
1/31/05	Distribute forms to prepare credit hour projections	Chief Financial Officer
1/31/05	Distribute budget packets to budget managers	Chief Financial Officer
2/14/05	Credit hour projections due to the VP of Academic Services	Instructional Team
2/25/05	Review credit hour projections with Instructional Team	VP of Academic Services & Instructional Team
2/1/05-3/7/05	Individual budget meetings to be held between budget managers and their cabinet officer to discuss requests for new dollars and prioritization of those requests.	Cabinet Officer & Budget Manager
3/7/05	Budget sheets and requests for new dollars due to CFO's Office. (Please submit earlier if completed.)	Budget Managers
3/7/05-4/14/05	Budget requests compiled and New Initiatives Approved	CFO and Cabinet Officers
4/14/05-5/13/05	Tentative budget reviewed by Cabinet and CFO	Cabinet Officers & Chief Financial Officer
5/24/05	Tentative budget distributed to and adopted by B.O.T.	B.O.T.
5/25/05	Publish notice of public hearing on the tentative budget and public inspection	Chief Financial Officer
5/25/05	Budget available for public inspection	Chief Financial Officer
5/25/05 – 6/6/05	Review tentative budget	B.O.T. Budget Committee
6/6/05 – 6/10/05	Necessary revisions to budget completed	Cabinet Officers & Chief Financial Officer
6/23/05	6:30 p.m. – Public Hearing	B.O.T.
6/23/05	Adopt final budget	B.O.T.
6/24/05	Submit final budget to ICCB, staff, and county clerks	Chief Financial Officer

Organizational Reporting & Budget Responsibility

Organizational Chart

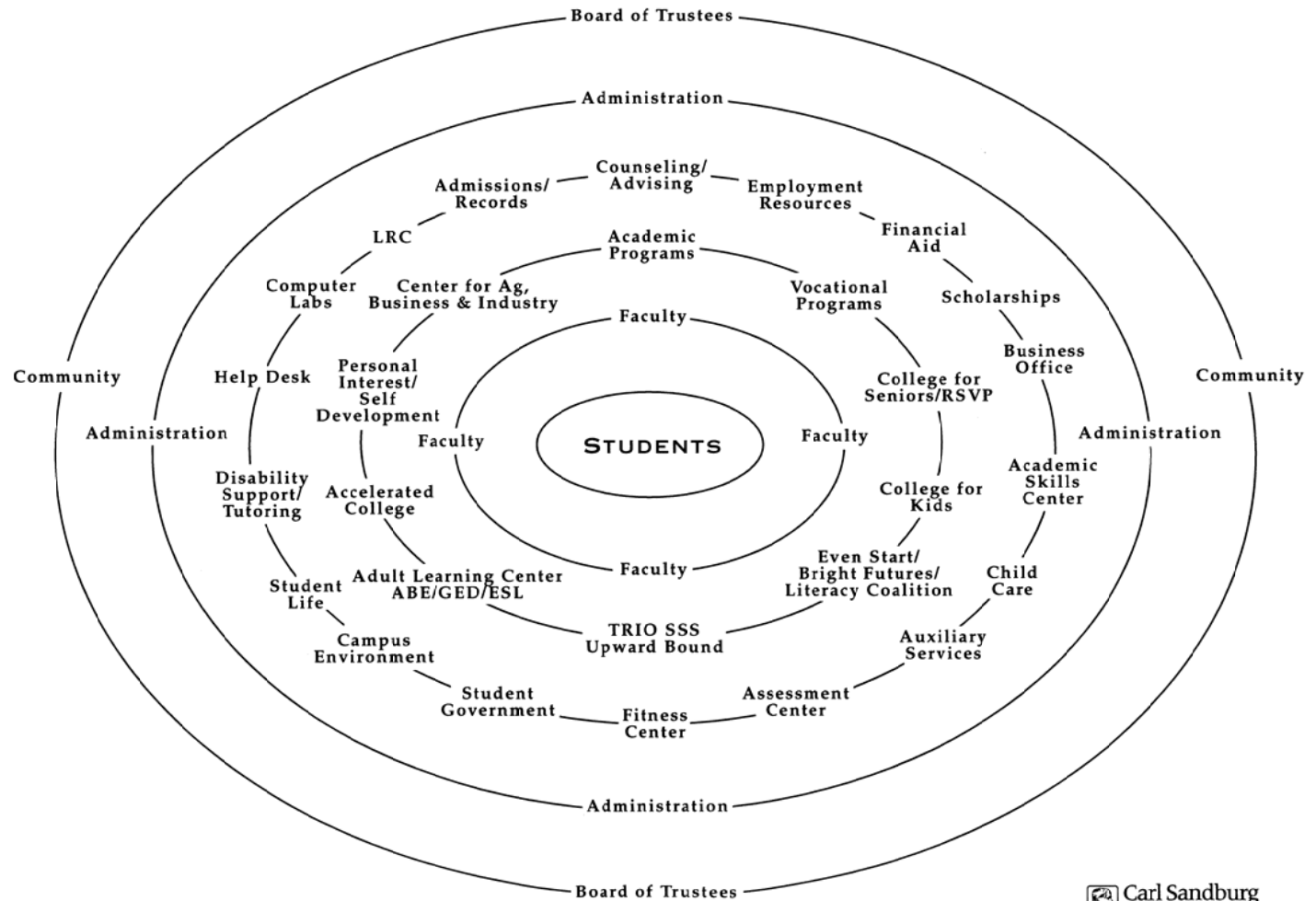
The college functions with the needs of the students in mind. All college functions and support activities strive to place the student at the center. Additionally, all direction flows from the Board of Trustees through the President to the staff. This philosophy is demonstrated on this first chart.

Organizational Reporting by Budget Responsibility

The next graphic table in this section identifies budgeted amounts by fund and grouped by line/staff responsibilities.

This table provides a description of the budgeted amounts for fiscal year 2006 by the budget manager, by fund, divided by the functional reporting areas of the college. In some instances, budget responsibility may be delegated to a lower level subordinate.

COMMUNITY COLLEGE DISTRICT 518 CARL SANDBURG COLLEGE



Carl Sandburg College
Organizational Chart by Budget Responsibility
FY 2006

	Education	Operations & Maint.	O/M Restricted	Bond & Interest	Auxiliary	Working Cash	Audit	Liability & Protection	Quasi- Endowment	TOTAL
PRESIDENT	587,025									587,025
Director of Business Services	222,966	1,461,676	1,692,586		49,810			1,285,058		4,712,096
Chief Financial Officer	1,158,978	1,379		3,735,732	28,898	116,663	75,510	197,390	276,840	5,591,390
Director of Public Information	341,979									341,979
Dean of Human Resources/Org. Development	1,969,820				395			1,745,123		3,715,338
Subtotal	4,280,768	1,463,055	1,692,586	3,735,732	79,103	116,663	75,510	3,227,571	276,840	14,947,828
Vice President of Academic Services	1,507,132				2,000					1,509,132
Dean of Allied Health	1,695,139				54,640					1,749,779
Dean of Occupational Programs	1,632,911				455,150					2,088,061
Asst. Dean of Humanities & Performing Arts	771,813				17,143					788,956
Asst. Dean of Mathematics & Natural Sciences	576,350				67,839					644,189
Asst. Dean of Social & Behavioral Sciences	451,969									451,969
Dean of Community & Extension Services	351,466				2,527				206,000	559,993
Dean of Learning Resource Services	344,050									344,050
Director of Adult & Developmental Education	410,907									410,907
Director of Center for Manufacturing Excellence	105,130									105,130
Subtotal	7,846,867	0	0	0	599,299	0	0	0	206,000	8,652,166
Vice President of Student Services	1,084,442				279,341					1,363,783
Director of Admissions & Records	240,770									240,770
Director of Financial Aid	139,034									139,034
Subtotal	1,464,246	0	0	0	279,341	0	0	0	0	1,743,587
Vice President of Technology Services	653,449		645,000		42,000			100,000		1,440,449
Subtotal	653,449	0	645,000	0	42,000	0	0	100,000	0	1,440,449
TOTALS	14,245,330	1,463,055	2,337,586	3,735,732	999,743	116,663	75,510	3,327,571	482,840	26,784,030

III. Financial Section

Explanation of Financial Structure

The accounts of the College are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balances, revenues and expenditures. The following Fund type and account groups are used by the college.

Governmental Fund Types

The General Fund, which consists of the Education Fund and the Operations and Maintenance Fund, is the general operating fund of the College. It is used to account for financial resources except those required to be accounted for in another fund.

The Special Revenue Fund consists of the Restricted Purpose Fund, Audit Fund, and Workforce Investment Act (WIA) Fund. These funds are used to account for the proceeds for specific revenue sources that are legally restricted to expenditures for specific purposes.

The Debt Service Fund, which consists of the Bond and Interest Fund, accounts for the accumulation of resources for and the payment of debt principal, interest, and related costs.

The Capital Projects Fund, which consists of the Operations and Maintenance (Restricted) Fund and the Capital Endowment Fund, is used to account for financial resources to be used for the acquisition or construction of major capital facilities and technology enhancements.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (receipts and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Proprietary Fund Types

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the College is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the College has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the College, or other governments, on a cost-reimbursement basis. The Internal Service Funds of the college are the Employee Insurance Fund, the Liability, Protection, and Settlement Fund, and the Insurance Reserve Fund.

Fiduciary Fund Type

Fiduciary Funds are used to account for assets held by the College in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The Nonexpendable Trust Fund (Working Cash Fund) accounts for financial resources held by the College to be used for temporary transfers to the operating funds. The financial statements reflect accrual basis accounting.

General Fixed Assets and General Long-term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Classification of Revenues and Expenditures

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the Governmental Funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net total assets. These funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses recognized when incurred.

Summer School Revenues and Expenditures – Summer session revenues prior to fiscal year 2004 were recognized entirely in the year the tuition was collected. Related expenditures were paid over the summer term. Beginning in fiscal year 2004, the college changed this to be in compliance with Government Accounting Standards issued by GASB. Summer school revenues will be allocated by the number of days taught in each fiscal year. Revenues not earned until the following year will be deferred and shown as a liability on the Statement of Net Assets. Expenditures will be fine as they are paid out over the term and payroll due by June 30 is paid on June 30.

Property Taxes – The board of the college adopted a resolution in November of 2001 regarding property taxes. It determined that local real estate taxes are to be recorded as deferred revenue in the year of the levy and are recognized 100% as revenue the following year when substantially collected.

Inventories – Inventories consisted primarily of supplies and are valued at cost on a first-in, first-out basis.

Fixed Assets – Prior to fiscal year 2004, only the Proprietary Funds capitalized and depreciated assets. During that time, General fixed asset purchases were recognized as capital outlay expenditures of the governmental fund types and were then capitalized at cost in the general fixed asset account group. In March of 2001, the college’s board adopted a resolution to become GASB compliant and capitalize all assets valued at over \$5,000, regardless of fund, and depreciate them over their useful life recommended by the Illinois Community College Board.

Allocation of Non-tax Revenue – In accordance with the Fiscal Management Manual of the Illinois Community College Board, the local Board of Trustees is permitted to make distributions of unrestricted revenues other than local property taxes among the operating funds (i.e. Education and Operations and Maintenance).

Explanation of Budgeting Methods

The college adopts legal budgets for all Governmental Fund types.

The college’s budgetary basis of accounting differs from generally accepted accounting principles (GAAP). For budgetary purposes, encumbrances are recorded as expenditures but are reflected as reservations of fund balance for GAAP purposes. Appropriations not encumbered by year-end lapse.

Summary of Fiscal Year 2006 Final Budget By Fund

The following chart summarizes the effect of the FY 2006 budgeted revenues, expenditures and transfers on the fund balance of each fund. Funds are further grouped by Fund Type.

CARL SANDBURG COLLEGE
SUMMARY OF FISCAL YEAR 2006 FINAL BUDGET BY FUND

	<u>General</u>		<u>Special Revenue</u>		<u>Debt Service</u>	
	Education <u>Fund</u>	Operations and Maintenance <u>Fund</u>	Audit <u>Fund</u>	Liability Protection and Settlement <u>Fund</u>	Bond and Interest <u>Fund</u>	
Beginning Fund Balance*	559,096	364,445	(33,305)	3,789,809	3,116,948	
Budgeted Revenues	13,943,537	1,389,255	65,567	1,934,191	2,388,125	
Budgeted Transfers from Other Funds	301,793	73,800	0	1,380,293	0	
Budgeted Expenditures	(13,062,427)	(1,401,055)	(75,510)	(3,040,128)	(2,086,916)	
Budgeted Transfers to Other Funds	(1,182,903)	(62,000)	0	(197,390)	(1,648,816)	
Ending Fund Balance	559,096	364,445	(43,248)	3,866,775	1,769,341	

	<u>Capital Projects</u>		<u>Proprietary Fund</u>	<u>Nonexpendable Trust Fund</u>	<u>TOTALS</u>		
	Operations & Maintenance Fund <u>(Restricted)</u>	Quasi- Endowment Fund <u>Fund</u>	Auxiliary Enterprises <u>Fund</u>	Working Cash <u>Fund</u>			
Beginning Fund Balance*	(994,913)	6,594,823	(13,278)	4,024,365	17,407,990		
Budgeted Revenues	139,830	0	1,012,545	121,040	20,994,090		
Budgeted Transfers from Other Funds	1,882,586	0	10,000	0	3,648,472		
Budgeted Expenditures	(2,367,586)	(1,140)	(999,743)	0	(23,034,505)		
Budgeted Transfers to Other Funds	0	(481,700)	0	(116,663)	(3,689,472)		
Ending Fund Balance	(1,340,083)	6,111,983	9,524	4,028,742	15,326,575		

*These represent the actual Fund Balances for Fiscal Year 2004 adjusted for expected operating results for Fiscal Year 2005.
NOTE Transfers do not balance by \$41,000 which is transfers to the Restricted Purpose fund omitted from this document.

Summary of FY2006 Budget by Fund

Education Fund

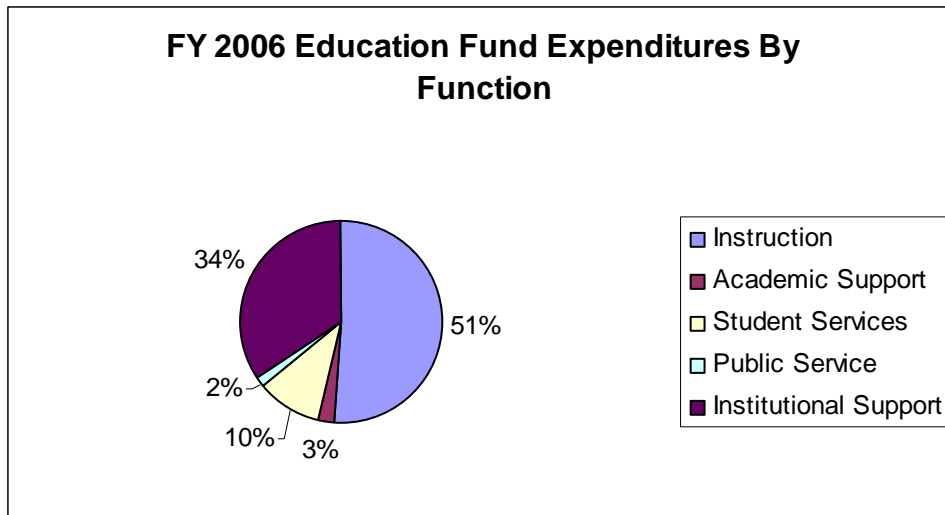
The Education Fund is used to account for the revenues and expenditures of the academic and service programs of the College. It includes the cost of instructional, administrative and professional salaries, supplies and movable equipment, library books and materials, maintenance of instructional and administrative equipment and other costs pertaining to the educational programs of the College.

For FY 2006, budgeted expenditures for the Educational Fund are \$14,245,330 which represents an increase of \$174,550 (1.24%) over the FY 2005 budget of \$14,070,780.

The emphasis for the FY 2006 Education Fund budget is to initiate and grow programs and support staffing at appropriate levels to serve the district's needs.

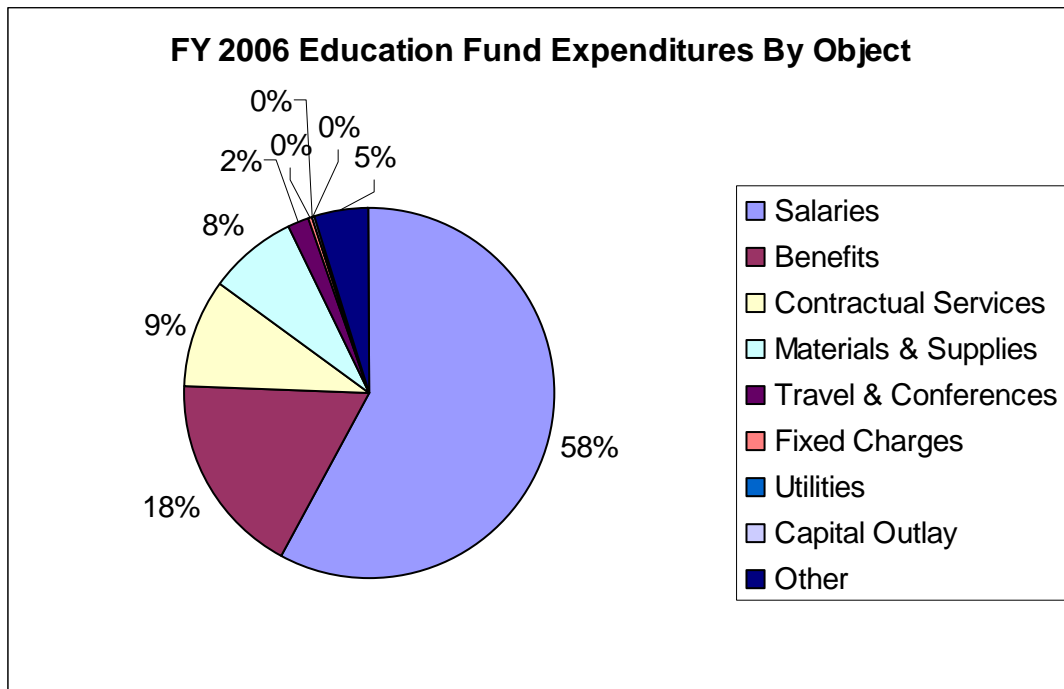
Expenditures are classified into functional categories including Instruction, Academic Support, Student Services, Public Service and Institutional Support. The FY 2006 Budget consists of the following:

<u>Function</u>	<u>Amount</u>	<u>%</u>
Instruction	\$7,282,363	50.9
Academic Support	361,260	2.6
Student Services	1,464,246	10.3
Public Service	232,816	1.7
Institutional Support	<u>4,904,645</u>	<u>34.5</u>
Total	\$14,245,330	100.0



Classified by object, the Education Fund includes Salaries, Benefits, Contractual, Materials, Travel and Conferences, Fixed Charges, Utilities, Capital Outlay and Other Expenses. The FY 2006 Education Fund budget includes the following expenditures:

<u>Object</u>	<u>Amount</u>	<u>%</u>
Salaries	\$8,223,488	57.3
Benefits	2,528,578	17.8
Contractual	1,340,978	9.5
Materials	1,115,770	7.9
Travel & Conf.	266,759	1.9
Fixed Charges	66,466	.5
Utilities	2,560	.1
Capital Outlay	23,263	.2
Other	<u>677,468</u>	<u>4.8</u>
Total	\$14,245,330	100.0



Budgeted salaries include the addition of a full-time Art faculty position for an added \$38,010 and continuing to institutionalize a portion of previously grant funded positions. The new hires and replacement hires that occurred during 2004-05 remain budgeted at full levels. In addition, an annual salary increase of 4.5% for all administrative and support staff is recommended in this budget proposal. This recommendation is also extended to employees paid by grant funds; to the extent those funds support such an increase. All other object classifications remain comparable with the prior year.

**Education Fund Revenues
Fiscal Year 2006**

Operating Revenue by Sources	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Local Government:					
Current Taxes	\$2,212,772	\$2,540,642	\$2,635,280	\$2,663,600	\$2,599,089
CABI				30,000	30,000
Chargeback	56,740	38,808	25,815	45,000	45,000
Total Local Government	2,269,512	2,579,450	2,661,095	2,738,600	2,674,089
State Government:					
ICCB Credit Hour Grant	1,810,980	1,864,570	1,763,054	2,189,320	1,851,922
ICCB Equalization Grant	1,143,209	1,166,360	1,530,779	1,896,660	2,154,196
ICCB Small College Grant	57,000	56,400	56,400	56,400	56,400
ISBE Vocational Ed/ICCB CTE Grant	107,728	104,170	113,471	80,000	80,000
Replacement Taxes	168,012	144,080	163,038	150,000	150,000
State University Retirement	702,648	815,733	5,467,348	865,230	904,165
Total State Government	3,989,577	4,151,313	9,094,090	5,237,610	5,196,683
Student Tuition and Fees:					
Tuition	3,211,819	3,721,754	4,111,375	4,555,040	5,130,350
Fees	214,334	225,764	504,666	627,210	839,625
Total Tuition and Fees	3,426,153	3,947,518	4,616,041	5,182,250	5,969,975
Other Sources:					
Interest Income	24,168	9,975	7,900	9,300	9,300
Dept. of Corrections	28,442	19,829	21,117	26,210	26,210
Other Income	6,675	9,937	22,836	58,860	67,280
Total Other Sources	59,285	39,741	51,853	94,370	102,790
Total Revenue before Interfunds & Non-operating Items	9,744,527	10,718,022	16,423,079	13,252,830	13,943,537
Interfund Transfers	640,427	687,194	518,952	817,950	301,793
Bond Proceeds	0	0	0	0	0
Capital Leases	57,143	0	0	0	0
Subtotal	10,442,097	11,405,216	16,942,031	14,070,780	14,245,330
Less Operating Items*:					
Tuition Chargeback Revenue	56,740	38,808	25,815	45,000	45,000
Adjusted Revenue- (After above reduction)	\$10,385,357	\$11,366,408	\$16,916,216	\$14,025,780	\$14,200,330

*Inter-district revenues that do not generate related local district credit hours are subtracted to allow for statewide comparison. On-Behalf revenue is included above.

Education Fund Expenditures
Fiscal Year 2006

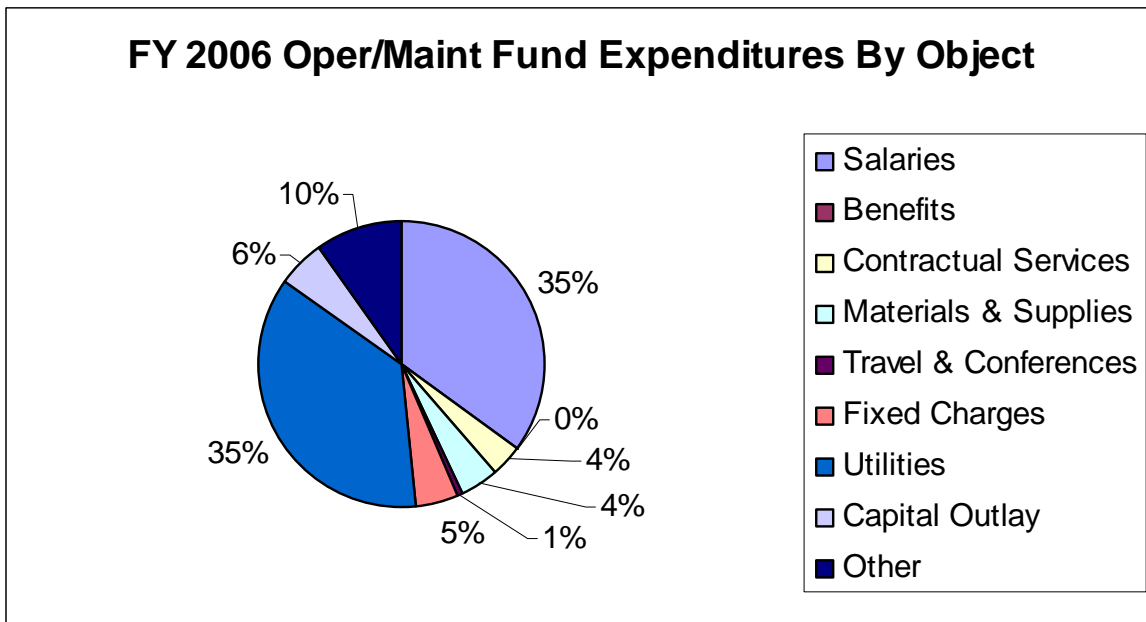
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Actual	Budget	Budget
Instruction					
Salaries	\$ 4,499,539	\$ 4,840,304	\$ 5,190,915	\$ 5,513,250	\$ 5,635,114
Employee Benefits	0	7,322	4,981	9,200	9,200
Contractual Services	1,019,090	1,160,365	1,050,965	1,090,838	1,090,838
General Maintenance and Supplies	273,685	162,108	216,969	395,499	395,499
Travel/Conference/Meeting Exp	121,901	128,522	149,130	126,349	126,349
Fixed Charges	1,042	384	384	500	500
Utilities	278	0	0	60	60
Capital Outlay	38,874	28,402	303,350	23,263	23,263
Other Expenditures	12,675	3,348	7,136	1,540	1,540
Total Instruction	5,967,084	6,330,755	6,923,830	7,160,499	7,282,363
Academic Support					
Salaries	239,626	232,054	250,111	254,820	225,890
Contractual Services	40,200	33,452	32,122	38,520	38,520
General Maintenance and Supplies	90,515	79,040	88,786	93,600	93,600
Travel and Conference/Meeting Expense	1,570	2,670	1,535	3,250	3,250
Capital Outlay	0	0	0	0	0
Other	25	0	108	370	0
Total Academic Support	371,936	347,216	372,662	390,560	361,260
Student Services					
Salaries	576,007	650,916	686,175	870,950	852,842
Employee Benefits	0	8,000	0	0	0
Contractual Services	53	8,160	4,224	14,790	12,140
General Maintenance and Supplies	42,950	22,139	31,015	40,460	71,874
Travel and Conference/Meeting Expense	17,021	15,859	9,185	22,760	26,470
Fixed Charges	286	85	326	380	380
Capital Outlay	0	0	0	0	0
Other	40	0	226,989	176,250	500,540
Total Student Services	636,357	705,159	957,914	1,125,590	1,464,246
Public Services/Continuing Education					
Salaries	20,293	27,540	23,959	156,910	133,416
Contractual Services	95	2,291	1,087	30,760	34,265
General Maintenance and Supplies	5,385	6,400	9,617	43,660	35,215
Travel and Conference/Meeting Expense	93	81	237	21,220	21,320
Fixed Charges	0	0	100	500	500
Utilities	0	0	0	2,000	2,500
Other	0	1,676	0	7,040	5,600
Total Public Services/Continuing Education	25,866	37,988	35,000	262,090	232,816
Institutional Support					
Salaries	829,301	931,759	1,191,356	1,161,450	1,376,226
Employee Benefits	1,587,193	1,575,745	6,485,103	2,602,560	1,336,475
Contractual Services	83,204	84,831	107,661	113,710	165,215
General Maintenance and Supplies	600,519	488,821	467,957	610,260	519,582
Travel and Conference/Meeting Expense	62,333	62,214	63,641	88,740	89,370
Fixed Charges	37,091	36,130	180,110	137,050	65,086
Capital Outlay	0	0	0	0	0
Other Expenditures	290,739	514,839	46,601	450,150	169,788
Total Institutional Support	3,490,380	3,694,339	8,542,429	5,163,920	3,721,742
Total before transfers	10,491,623	11,115,457	16,831,835	14,102,659	13,062,427
Transfers	86,396	57,637	0	0	1,182,903
GRAND TOTAL	\$10,578,019	\$11,173,094	\$16,831,835	\$14,102,659	\$14,245,330

Operations & Maintenance Fund

The Operations & Maintenance Fund (O&M) 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; salaries of maintenance and custodial employees; all costs of fuel, lights, gas, water, telephone service and custodial supplies and equipment.

For FY 2006, budgeted expenditures for the Operations & Maintenance Fund are \$1,463,055 which represents an increase of \$73,535 (5.29%) from the FY 2005 budget of \$1,389,520. Included are:

<u>Object</u>	<u>Amount</u>	<u>%</u>
Salaries	\$511,196	35.0
Contractual	53,090	3.7
Materials	65,150	4.5
Travel & Conf.	7,600	.6
Fixed Charges	68,860	4.7
Utilities	533,330	36.2
Capital Outlay	82,000	5.6
Other	<u>141,829</u>	<u>9.7</u>
Total	\$1,463,055	100.0



**Operations Maintenance Fund Revenues
Fiscal Year 2006**

Operating Revenue by Sources	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Local Government:					
Current Taxes	\$ 614,318	\$ 628,561	\$ 640,564	\$ 648,400	\$ 653,366
Replacement Taxes	8,842	7,583	7,504	6,900	6,900
Total Local Government	<u>623,160</u>	<u>636,144</u>	<u>648,068</u>	<u>655,300</u>	<u>660,266</u>
State Government:					
ICCB Credit Hour Grant	95,315	115,272	112,535	139,750	118,208
ICCB Equalization Grant	60,451	74,448	97,709	121,070	137,501
ICCB Square Footage Grant	24,714	25,055	25,205	27,740	28,104
ICCB Small College Grant	3,000	3,600	3,600	3,600	3,600
Total State Government	<u>183,480</u>	<u>218,375</u>	<u>239,049</u>	<u>292,160</u>	<u>287,413</u>
Student Tuition and Fees:					
Tuition	150,505	258,624	241,353	279,120	411,766
Total Tuition and Fees	<u>150,505</u>	<u>258,624</u>	<u>241,353</u>	<u>279,120</u>	<u>411,766</u>
Other Sources:					
Interest Income	9,443	2,720	5,384	6,530	6,530
Building Rentals	3,414	4,248	5,580	16,880	16,880
Other Income	12,518	3,240	5,652	6,400	6,400
Total Other Sources	<u>25,375</u>	<u>10,208</u>	<u>16,616</u>	<u>29,810</u>	<u>29,810</u>
Total Revenue before Interfunds & Non-operating Items	<u>982,520</u>	<u>1,123,351</u>	<u>1,145,086</u>	<u>1,256,390</u>	<u>1,389,255</u>
Interfund Transfers	114,792	166,978	101,726	133,130	73,800
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	<u><u>\$ 1,097,312</u></u>	<u><u>\$ 1,290,329</u></u>	<u><u>\$ 1,246,812</u></u>	<u><u>\$ 1,389,520</u></u>	<u><u>\$ 1,463,055</u></u>

Operations and Maintenance Fund Expenditures
Fiscal Year 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Actual	Budget	Budget
Operation & Maintenance of Plant					
Salaries	\$ 394,074	\$ 409,368	\$ 465,825	\$ 499,350	\$ 502,706
Contractual Services	93,781	49,398	85,176	42,460	42,460
General Maintenance and Supplies	49,082	41,776	53,188	65,580	64,560
Travel & Conference/Meeting Expense	4,285	3,985	6,322	7,110	7,110
Fixed Charges	65,583	59,700	52,108	68,860	68,860
Utilities	362,939	375,695	407,119	374,120	390,100
Capital Outlay	0	46,189	11,771	21,950	20,000
Other Expenditures	4,789	1,433	24,211	147,000	140,450
Total Operation and Maintenance of Plant	974,533	987,544	1,105,720	1,226,430	1,236,246
Institutional Support					
Salaries	7,655	8,003	8,055	8,750	8,490
Contractual Services	0	303	6,075	10,630	10,630
General Maintenance and Supplies	2,301	190	123	590	590
Travel & Conference/Meeting Expense	0	0	0	490	490
Utilities	136,300	156,533	132,708	142,630	143,230
Other	0	0	0	0	1,379
Total Institutional Support	146,256	165,029	146,961	163,090	164,809
Total before Interfund Transfers	1,120,789	1,152,573	1,252,681	1,389,520	1,401,055
Transfers	20,018	0	30,915	0	62,000
GRAND TOTAL	\$1,140,807	\$1,152,573	\$1,283,596	\$1,389,520	\$1,463,055

Operations & Maintenance Fund (Restricted)

The O&M Restricted Fund is used to account for monies restricted for building purposes and site acquisition.

The revenue budget reflects interest earnings from investments, the Deferred Maintenance Grant (when funded), as required by state regulations, and tax revenues from the Protection, Health and Safety (PHS) Levy. Additionally, bond proceeds from prior years still remain in this fund for renovation projects.

New Projects for FY2005 still in construction:

Adult Education & Family Literacy Renovation	\$248,324
Allied Health Building New Construction	\$702,266
Cosmetology Renovation	\$ 41,623
Fine Arts Building Improvements	\$ 98,894
CABI Renovation	<u>\$370,123</u>
Grand Total	\$1,461,230

New Projects for FY2006:

Theater Renovation	\$209,000
Wireless Wide-area Network	<u>\$645,000</u>
Grand Total	\$854,000

**Operations & Maintenance Restricted fund Revenues
Fiscal Year 2006**

Operating Revenue by Sources	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Local Government:					
Current Taxes	\$ 614,318	\$ 109,369	\$ 90,960	\$ -	\$ -
Total Local Government	614,318	109,369	90,960	0	0
State Government:					
Other State Revenues		3,735,826			
ICCB Deferred Maintenance Grant	178,207	37,663	0	0	0
Total State Government	178,207	3,773,489	0	0	0
Other Sources:					
Interest Income	55,513	13,562	4,325	4,830	4,830
Other Income	0	116,950	63,837	0	135,000
Total Other Sources	55,513	130,512	68,162	4,830	139,830
Total Revenue before Interfunds & Non-operating Items	848,038	4,013,370	159,122	4,830	139,830
Interfund Transfers	2,078,336	1,601,641	80,795	2,285,700	1,882,586
Bond & Lease Certificate Proceeds	0	0	0	0	0
Grand Total	\$ 2,926,374	\$ 5,615,011	\$ 239,917	\$2,290,530	\$2,022,416

**Operations & Maintenance Restricted Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Operation & Maintenance of Plant					
Salaries	\$ 12,581	\$ 11,336	\$0	\$0	\$0-
Capital Outlay	2,370,920	46,189	0	0	0
Total Operation & Maintenance of Plant	2,383,501	57,525	0	0	0
Institutional Support					
Salaries	0	0	0	0	0
Contractual Services	119,951	87,519	40,556	0	28,700
General Maintenance and Supplies	27,050	45,257	1,232	0	0
Travel/Meetings	594	0	0	0	0
Fixed Charges	0	114	0	0	0
Capital Outlay	0	6,414,376	197,432	2,384,180	2,308,886
Other Expenditures	5,172	17,392	17,579	0	0
Total Institutional Support	152,767	6,564,658	256,799	2,384,180	2,337,586
Total Expenditures before Interfunds	2,536,268	6,622,183	256,799	2,384,180	2,337,586
Interfund Transfers	349,153	199,238	132,537	49,240	0
Repayment of Lease Certificates	0	0	0	0	0
GRAND TOTAL	\$ 2,885,421	\$ 6,821,421	\$ 389,336	\$2,433,420	\$2,337,586

Bond and Interest Fund

The Bond and Interest Fund is used to account for payment of principal, interest, and related charges on any outstanding bonds.

In FY 2000, the College issued general obligation bonds in the amount of \$6,685,000 to refinance existing debt as well as to fund the Supplemental Retirement Program and to increase the Working Cash fund by \$1.43 million.

In FY 2001, the College issued \$7.1 million in general obligation bonds to fund a \$5 million Strategic Technology Endowment Fund (STEF) the interest from which would be used to refresh technology, our \$1.1 million 25% match for the state's 75% contribution toward the building of the new Instructional Computing Student Center and to finish furnishing and equipping the Dental Hygiene Annex.

In 1992, the board approved issuance of \$5 million of insurance reserve fund bonds. These bonds were refunded in FY 2002 to take advantage of lower interest rates.

In FY 2002, the college also issued almost \$5 million to refinance debt certificates issued to build the Annex, to purchase pianos for the campus as well as implement Guaranteed Energy Savings Project Phase III. In addition, money was positioned to finance five renovation projects: the E-F Connector, the Customer Service Renovation Project, the Bushnell Expansion, the Fitness Center Expansion and the new Maintenance Building.

In June of FY 2004, the college issued \$4,000,000 of General Obligation Bonds to retire FY 2004 debt certificates issued for renovation projects and the construction of a new Allied Health building. The college also issued additional Working Cash Fund Bonds in the amount of \$303,720.

In May of FY 2005, the college refinanced previous debt for a savings of approximately \$390,000.

Legally, the college is not allowed to have debt in excess of 2.875% of the District's EAV, or an estimated \$35,469,704. The current long-term debt of the college is \$27,755,838. We refinanced \$9,690,000 of bonds, so our outstanding debt at the end of FY 2005 is expected to be \$26,652,671. Therefore, the amount of debt available to be issued is the difference between these two numbers or the legal debt margin of \$8,817,033.

The college works with Harris Bank & Trust, Public Finance Department to assure that all advantages of lower interest rates are used.

**Bond and Interest Fund Revenues
Fiscal Year 2006**

Operating Revenue by Sources	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Local Government:					
Current Taxes	\$ 1,438,732	\$ 1,788,883	\$ 1,825,607	\$ 1,846,620	\$ 2,268,485
Total Local Government	<u>1,438,732</u>	<u>1,788,883</u>	<u>1,825,607</u>	<u>1,846,620</u>	<u>2,268,485</u>
Other Sources:					
Interest Income	39,085	21,561	15,658	13,440	119,640
Total Other Sources	<u>39,085</u>	<u>21,561</u>	<u>15,658</u>	<u>13,440</u>	<u>119,640</u>
Total Revenue before Interfunds & Non-operating Items	<u>1,477,817</u>	<u>1,810,444</u>	<u>1,841,265</u>	<u>1,860,060</u>	<u>2,388,125</u>
Interfund Transfers	0	0	0	0	0
Bond Proceeds	8,228,587	0	5,678,480	0	0
Grand Total	<u><u>\$ 9,706,404</u></u>	<u><u>\$ 1,810,444</u></u>	<u><u>\$ 7,519,745</u></u>	<u><u>\$ 1,860,060</u></u>	<u><u>\$ 2,388,125</u></u>

**Bond and Interest Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Institutional Support					
Fixed Charges	\$ 4,917,349	\$ 1,792,057	\$ 1,826,872	\$ 2,096,820	\$ 2,081,166
Capital Outlay			1,343,843		
Other Expenditures	0	4,907	69,647	6,500	5,750
Total Expenditures before Interfunds	<u>4,917,349</u>	<u>1,796,964</u>	<u>3,240,362</u>	<u>2,103,320</u>	<u>2,086,916</u>
Interfund Transfers	2,290,848	1,715,706	80,390	4,021,110	1,648,816
Repayment of lease certificates	0	0	0	0	0
Discount on bond issuance	89,370	0	0	0	0
Payment to refunding bond escrow agent	0	0	0	0	0
	<u>1,948,194</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GRAND TOTAL	<u><u>\$ 9,245,761</u></u>	<u><u>\$ 3,512,670</u></u>	<u><u>\$ 3,320,752</u></u>	<u><u>\$ 6,124,430</u></u>	<u><u>\$ 3,735,732</u></u>

Auxiliary Enterprise Fund

The Auxiliary Enterprise Fund is used to account for college services where a fee is charged to students/staff and the activity is intended to be self-supporting. Each enterprise/service should be accounted for separately using a group of self-balancing accounts within the fund. Included in this fund are the Food Service, Bookstore, Athletics, Cosmetology Clinic, Children's School and Dental Hygiene Clinic.

Food Service, budgeted at \$26,930, is expected to earn \$21,430 in commissions for the college. This amount is not sufficient to fund all activities, so the college will subsidize the loss with other sources totaling \$5,500. Expenses include contractual services as well as equipment.

Dental Hygiene Clinic is budgeted at \$29,420. They expect revenues of \$29,420 as well which will offset the expenses for the supplies and equipment. The college has moved the cost of the dentist to the Education and Risk Management areas.

**Auxiliary Fund Revenues
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Student Tuition and Fees:					
Tuition	\$ 1,860	\$ 1,169	\$ 919	\$ 1,910	\$0
Activity Fee Revenue	156,143	176,641	208,310	232,050	258,450
Total Student Tuition and Fees	158,003	77,810	209,228	233,960	258,450
Other Sources:					
Sales & Service Income	297,891	287,795	463,745	423,190	597,042
Commissions	68,230	99,330	111,683	111,430	121,430
Federal Government-USDA Reimbursement	12,160	13,423	15,442	13,500	13,500
Interest Income	437	395	10	20	20
Other Income	94,314	127,906	23,964	11,900	22,103
Total Other Sources	473,032	528,849	614,844	560,040	754,095
Total Revenue before Interfunds & Non-operating Items	631,035	706,659	824,072	794,000	1,012,545
Interfund Transfers	4,185	63,801	48,135	32,000	10,000
Grand Total	\$ 635,220	\$ 770,460	\$ 872,207	\$826,000	\$1,022,545

**Auxiliary Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Auxiliary Services					
Salaries	357,946	348,767	390,511	399,140	520,096
Employee Benefits	0	0	10,000	10,000	10,000
Contractual Services	76,906	115,912	134,275	91,410	144,195
General Maintenance and Supplies	106,222	134,151	158,092	129,980	183,176
Travel and Conference/Meeting Expense	20,763	25,194	26,920	29,400	39,405
Fixed Charges	0	0	0	0	0
Utilities	0	0	0	0	0
Capital Outlay	0	0	0	25,000	0
Depreciation	24,516	20,003	33,862	29,640	28,404
Other	74,347	111,136	64,608	67,760	74,467
Total Auxiliary Services	660,700	755,163	818,268	782,330	999,743
GRAND TOTAL	\$ 660,700	\$ 755,163	\$ 818,268	\$782,330	\$ 999,743

Working Cash Fund

The Working Cash Fund was established for the purpose of enabling the district to have on hand at all times sufficient cash to meet the demands for ordinary and necessary expenditures. Bonds may be issued, without voter approval, in an amount or amounts not to exceed in the aggregate 75 percent of the total tax extension from the authorized maximum rates for the Education Fund and the Operations and Maintenance Fund combined, plus 75 percent of last known corporate personal property replacement tax allocation.

This fund is used to account for the proceeds of working cash bonds. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist operating funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances.

The college currently shows a principal balance of \$3,683,720 which is invested in staggered maturities to insure liquidity and follows the board's Investment Policy. Interest earned in this fund may be transferred to the General Fund with Board approval. The transfer of interest has become an important source of college revenue.

Revenue for this fund is derived solely from investment earnings. For FY 2006, these earnings are low due to continually low interest rates as well as usage of the principal to fund operating expenditures mainly in the Operations & Maintenance Restricted, Auxiliary and Liability, Protection and Settlement Funds. Revenue is budgeted at \$121,040.

**Working Cash Fund Revenue
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Other Sources:					
Interest Income	\$ 144,858	\$ 90,993	\$ 63,551	\$ 119,540	\$121,040
Total before Non-operating	144,858	90,993	63,551	119,540	121,040
Bond Proceeds	0	0	0	0	0
GRAND TOTAL	<u>\$ 144,858</u>	<u>\$ 90,993</u>	<u>\$ 63,551</u>	<u>\$ 119,540</u>	<u>\$121,040</u>

**Working Cash Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Other Expenditures	\$ 50	\$ 0	\$0	\$0	\$0
Total before transfers	50	0	0	0	0
Transfers	171,280	128,190	39,135	44,400	116,663
GRAND TOTAL	<u>\$ 171,330</u>	<u>\$ 128,190</u>	<u>\$ 39,135</u>	<u>\$ 44,400</u>	<u>\$116,663</u>

Audit Fund

The Audit Fund is used to record revenues and expenditures related to the annual audit. The college levies property taxes for this expense. Each year, the college retains the services of an external independent audit firm to perform the audit and compile related reports and statements. Revenue is derived mainly from property taxes budgeted at \$65,337 for FY 2006.

**Audit Fund Revenue
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Local Governmental Sources:					
Current Taxes	\$ 20,816	\$ 28,914	\$ 52,526	\$ 51,880	\$ 65,337
Total Local Government	20,816	28,914	52,526	51,880	65,337
Other Sources:					
Interest Income	1,082	106	153	230	230
Total Other Sources	1,082	106	153	230	230
GRAND TOTAL	\$ 21,898	\$ 29,020	\$ 52,679	\$ 52,110	\$ 65,567

**Audit Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Institutional Support					
Salaries	\$ 20,515	\$ 22,314	\$ 24,583	\$ 24,910	\$ 24,140
Contractual Services	26,111	21,675	46,525	40,610	50,415
General Material & Supplies	0	125	456	640	670
Travel/Meeting	936	24	32	730	285
Capital Outlay	5,546	0	0	0	0
GRAND TOTAL	\$ 53,108	\$ 44,138	\$ 71,596	\$ 66,890	\$ 75,510

Liability, Protection & Settlement Fund

The Liability, Protection & Settlement Fund (L, P & S) is used to record revenues and expenditures related to protection of the District's assets. The fund receives property tax revenue for the portion of the annual levy associated with tort liability and insurance. The fund also earns interest on its investments. For FY 2006, taxes of \$1,419,111 and earnings of \$201,080 will be earned.

Expenses in this fund include insurance premiums and employee benefits as well as costs for security, legal and risk management activities.

Liability, Protection & Settlement Fund Revenues

Fiscal Year 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Actual	Budget	Budget
Local Governmental Sources:					
Current Taxes	\$ 930,077	\$ 947,870	\$1,214,509	\$1,375,890	\$1,419,111
Total Local Government	<u>930,077</u>	<u>947,870</u>	<u>1,214,509</u>	<u>1,375,890</u>	<u>1,419,111</u>
Other Sources:					
Other Sales & Services	707,667	549,101	787,117	1,090,280	0
Other Non-Government Gifts, Grants		225,814	276,316	316,570	314,000
Interest Income	296,825	329,659	26	199,580	201,080
Other Income	39	47,301	0	0	0
Total Other Sources	<u>1,004,531</u>	<u>1,151,875</u>	<u>1,063,459</u>	<u>1,606,430</u>	<u>515,080</u>
Total Revenue before Interfunds	<u>1,934,608</u>	<u>2,099,745</u>	<u>2,277,968</u>	<u>2,982,320</u>	<u>1,934,191</u>
Interfunds	<u>149,000</u>	<u>287,568</u>	<u>0</u>	<u>197,390</u>	<u>1,380,293</u>
GRAND TOTAL	<u>\$2,083,608</u>	<u>\$2,387,313</u>	<u>\$2,277,968</u>	<u>\$3,179,710</u>	<u>\$3,314,484</u>

Liability, Protection & Settlement Fund Expenditures

Fiscal Year 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Actual	Budget	Budget
Institutional Support					
Salaries	\$ 733,570	\$ 767,558	\$ 773,963	\$ 930,150	\$ 957,299
Employee Benefits	1,224,596	1,374,258	1,609,997	1,600,240	1,722,293
Contractual Services	278,574	322,488	317,544	189,550	208,418
General Material & Supplies	40,841	16,764	11,018	14,020	14,020
Travel/Meeting	6,812	4,599	5,915	4,300	4,300
Fixed Charges	60,476	100,858	146,408	220,120	220,120
Capital Equipment	26,436	40,837	0	0	0
Other Expenditures	6,761	6,263	7,703	3,000	3,731
Total Expenditures before Interfunds	<u>2,378,066</u>	<u>2,633,625</u>	<u>2,872,548</u>	<u>2,961,380</u>	<u>3,130,181</u>
Transfers	<u>0</u>	<u>246,030</u>	<u>0</u>	<u>197,390</u>	<u>197,390</u>
GRAND TOTAL	<u>\$2,378,066</u>	<u>\$2,879,655</u>	<u>\$2,872,548</u>	<u>\$3,158,770</u>	<u>\$3,327,571</u>

Quasi-Endowment Fund

The Quasi-Endowment Fund is used to account for funds intended to remain as principal as well as interest earned on these funds. Interest is then to be transferred to another fund to support needs of the college.

The college has two Quasi-Endowments. The Strategic Technology Endowment Fund (STEF) was established by issuing \$5 million in bonds to be invested. The June 30, 2004 bond issuance expanded this fund by \$1,028,650. In FY 2005, \$346,350 was taken from this fund to fund computer software and copy services. The new Access computer software environment will be fully paid from this fund and a portion of the Xerox lease payments will be made from here as well. The interest from the investments in the STEF fund is available to fund technology refreshment activities.

The college also acquired a five-year Congressional Grant of \$.76 million in 2001 to support technology upgrades at the Educational Technology Center and the Education Commons. Currently, there is \$206,000 remaining to purchase further upgrades by March, 2006. The funds can earn interest for a five - year period after which time the principal must then be consumed as these are grant funds.

**Quasi-Endowment Fund Revenues
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Other Sources:					
Federal Grants	\$ 0	\$ 28,454	\$ 97,553	\$ 0	\$ 0
Interest Income	366,704	628,561	677	300,430	293,015
Total before Interfund Transfers and Non-operating	366,704	657,015	98,230	300,430	293,015
Bond Proceeds	0	0	0	0	0
Transfers	76,587	0	0	1,028,650	0
GRAND TOTAL	\$ 443,291	\$ 657,015	\$ 98,230	\$ 1,329,080	\$ 293,015

**Quasi-Endowment Fund Expenditures
Fiscal Year 2006**

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget
Institutional Support					
Fixed Charges	\$ 2,208	\$ 672	\$ 672	\$ 680	\$ 1,060
Other Expenditures	0	80	100	80	80
Total Expenditures before Interfunds	2,208	752	772	760	1,140
Transfers	145,632	460,381	560,978	281,160	481,700
GRAND TOTAL	\$ 147,840	\$ 461,133	\$ 561,750	\$ 281,920	\$ 482,840

IV. Informational Section Narratives

Pages 72-74 present projected revenues, expenditures, and fund balances for the General Fund.

Year-end projected fund balances are shown applying the projected revenues and expenditures to the current year budgeted fund balances. The chart indicates the college increasing expenditures for an annual cost of living 1% increase in non-payroll expenditures and reflects the known negotiated salary rates through FY 2008. Carl Sandburg College has undertaken several initiatives to assist in meeting operating expenditures. Long-term debt issuances and refinancing has occurred in the past to fund the cost of the copying environment, some building leases, early retirement incentives, etc. The college is using the STEF fund interest to purchase the Acces software environment and refresh the Xerox copier environment. At the end of FY 2004, \$1,028,650 of General Obligation bond proceeds were transferred into the STEF fund for this purpose. The college increased both tuition and fees for FY 2006 and added a new program fee to Occupational programs in consideration of state cuts and a potential loss of tax base. Finally, the college is looking inward at possible efficiencies to control costs while maintaining the highest level of quality education possible.

In making projections, Local Properties taxes were assumed to increase 1.5% in 2007 and 2008 and 2% in 2009 and 2010. State grants were assumed to increase 2% in 2007 and 2008 and 2.5% in 2009 and 2010. SURS is assumed to increase 4% in 2007 and 2008 and 3% in 2009 and 2010 according to known negotiated salary increases in 2007 and 2008. Tuition is assumed to increase 7.5% annually. Fees are assumed to remain flat.

Projected expenditures assume the known 4% negotiated increase in salary in 2007 and 2008 and a projected 3% in 2009 and 2010. Benefits are increased according to salary assumptions. All other increases are assumed to increase 1% annually.

Historical General Fund revenues and expenditures are presented on pages 75-77. Those schedules provide a snapshot view of the past 7 years audited revenue and expenditures. From this information, various trends can be developed. These trends have been incorporated into the projections.

Page 78 provides a historic view of annual certified credit hours.

Carl Sandburg College conducts a follow up survey of all Occupational Program graduates on a yearly basis. This commitment to gathering data exceeds the required level of 20% set by the Illinois Community College Board.

The College currently utilizes the Classroom Assessment Techniques Instrument (CATS). This activity is part of the Assessment Plan which is approved by the North Central Association.

Recently the Student Opinion Survey (ACT) was administered for a second time on a district wide basis. This survey will now be conducted every other year to allow the Retention Committee to analyze the data and facilitate improvements.

Carl Sandburg College transfer students have achieved consistent academic performance at their transfer colleges and universities.

The enrollment of Carl Sandburg College is currently at near record levels. This trend is expected to continue for the next year. A gradual decline will then likely occur to be followed by stabilization.

**Carl Sandburg College
Projected Operating Revenues
Fiscal Years 2006 - 2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues:					
Local Revenue Sources					
Local Property Taxes	3,252,455	3,301,242	3,350,760	3,417,780	3,486,140
CABI	30,000	30,000	30,000	30,000	30,000
Chargebacks	45,000	45,000	45,000	45,000	45,000
Subtotal Local Revenue Sources	<u>3,327,455</u>	<u>3,376,242</u>	<u>3,425,760</u>	<u>3,492,780</u>	<u>3,561,140</u>
State Revenue Sources					
ICCB Credit Hour Grant	1,970,130	2,009,530	2,049,720	2,100,960	2,153,480
ICCB Equalization Grant	2,291,697	2,337,530	2,384,280	2,443,890	2,504,990
ICCB Small College Grant	60,000	61,200	62,420	63,980	65,580
ICCB Square Footage Grant	28,104	28,670	29,240	29,970	30,720
ISBE Vocational Ed.	80,000	81,600	83,230	85,310	87,440
Replacement Taxes	156,900	160,040	163,240	167,320	171,500
SURS	904,165	940,330	977,940	1,007,280	1,037,500
Subtotal State Revenue Sources	<u>5,490,996</u>	<u>5,618,900</u>	<u>5,750,070</u>	<u>5,898,710</u>	<u>6,051,210</u>
Tuition and Fees					
Tuition	5,542,116	5,957,770	6,404,600	6,884,950	7,401,320
Fees	839,625	839,630	839,630	839,630	839,630
Subtotal Tuition and Fees	<u>6,381,741</u>	<u>6,797,400</u>	<u>7,244,230</u>	<u>7,724,580</u>	<u>8,240,950</u>
Other Sources of Revenue					
Interest Income	15,830	23,750	35,630	35,630	35,630
Dept. of Corrections	26,210	26,730	27,260	27,940	28,640
Building Rentals	16,880	16,880	16,880	16,880	16,880
Other Income	449,273	449,273	449,273	449,273	449,273
Subtotal of Other Sources	<u>508,193</u>	<u>516,633</u>	<u>529,043</u>	<u>529,723</u>	<u>530,423</u>
Total Revenue	<u>15,708,385</u>	<u>16,309,175</u>	<u>16,949,103</u>	<u>17,645,793</u>	<u>18,383,723</u>

**Carl Sandburg College
Projected Operating Expenditures
Fiscal Years 2006 - 2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
By Program					
Instruction	\$7,282,363	\$7,347,590	\$7,532,870	\$7,671,030	\$7,811,730
Academic Support	361,260	364,500	373,690	380,540	387,520
Student Services	1,464,246	1,477,360	1,514,610	1,542,390	1,570,680
Public Service	232,816	234,900	240,820	245,240	249,740
Operations and Maintenance	1,236,246	1,247,320	1,278,770	1,302,220	1,326,100
Institutional Support	5,131,454	5,177,410	5,307,960	5,405,310	5,504,450
Total Expenditures	<u>\$15,708,385</u>	<u>\$15,849,080</u>	<u>\$16,248,720</u>	<u>\$16,546,730</u>	<u>\$16,850,220</u>

By Object					
Salaries	\$8,734,684	\$9,084,070	\$9,447,430	\$9,730,850	\$10,022,780
Benefits	1,345,675	1,399,500	1,455,480	1,499,140	1,544,110
Contractual Services	1,394,068	1,408,010	1,422,090	1,436,310	1,450,670
General Materials and Supplies	1,180,920	873,926	809,312	734,884	655,974
Travel and Conference	274,359	277,100	279,870	282,670	285,500
Fixed Charges	135,326	136,680	138,050	139,430	140,820
Utilities	535,890	541,250	546,660	552,130	557,650
Capital Outlay	43,263	43,700	44,140	44,580	45,030
Other	2,064,200	2,084,840	2,105,690	2,126,750	2,148,020
Total Expenditures	<u>\$15,708,385</u>	<u>\$15,849,076</u>	<u>\$16,248,722</u>	<u>\$16,546,744</u>	<u>\$16,850,554</u>

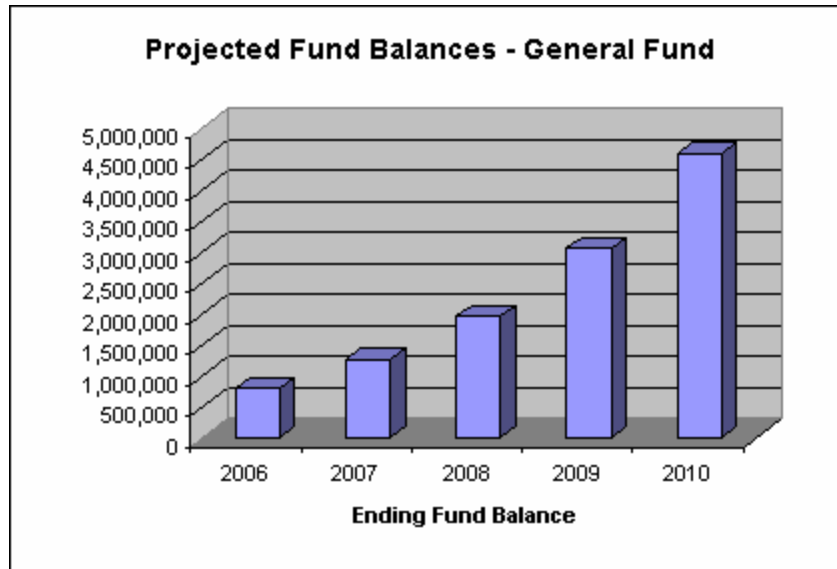
Assumes a cost of living increase of 1% in years 2007 - 2010

Adjustments have been made for Access software purchases out of the Materials and Supplies accounts.

**Carl Sandburg College
General Fund-Projected Changes in Fund Balance
Fiscal Years 2006 – 2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Beginning Balance	\$804,280	\$804,280	\$1,264,375	\$1,964,758	\$3,063,821
Revenues	15,332,792	16,309,175	16,949,103	17,645,793	18,383,723
Expenditures	14,463,482	15,603,380	16,003,020	16,301,030	16,604,520
Revenues Over (Under) Expenditures	869,310	705,795	946,083	1,344,763	1,779,203
Transfers	-869,310	-245,700	-245,700	-245,700	-245,700
Ending Fund Balance	<u>\$804,280</u>	<u>\$1,264,375</u>	<u>\$1,964,758</u>	<u>\$3,063,821</u>	<u>\$4,597,324</u>

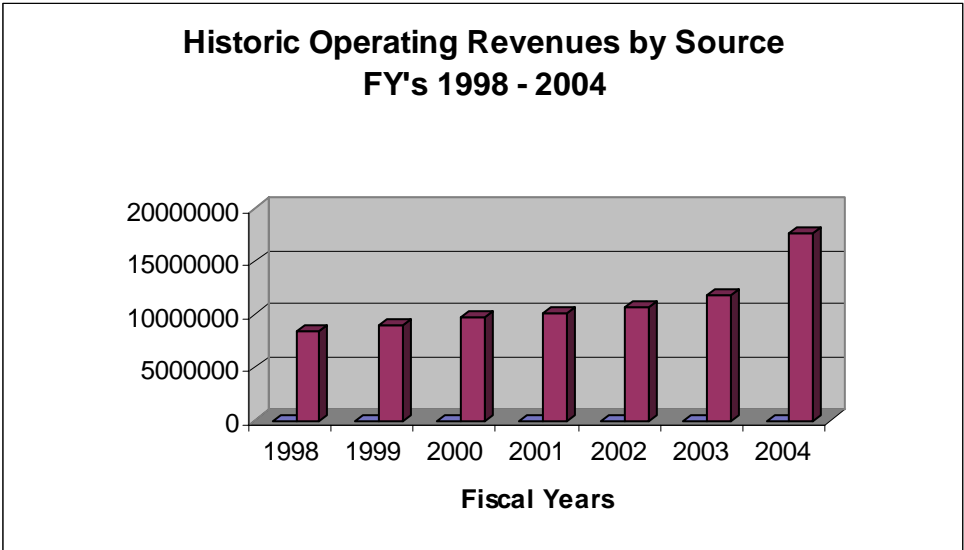
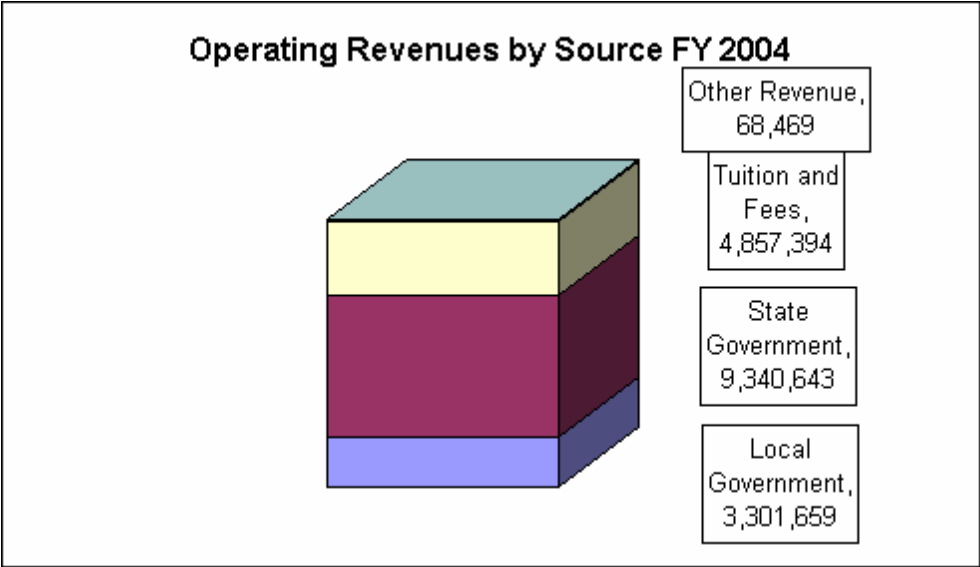
Transfers in 2006 & 2007 are for the Bondi Building lease funded by SMART II.
Also in FY 2006-2010, there are transfers for operating expenses funded from STEF.



Carl Sandburg College
Historic Revenues and Expenditure
Fiscal Years 1998 – 2004
(GAAP Basis)

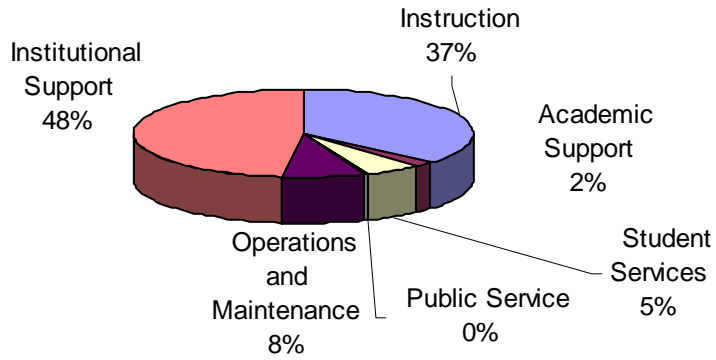
<u>General Fund Revenues by Source</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Local Government	\$2,248,447	\$2,323,572	\$2,534,949	\$2,797,356	\$2,883,830	\$3,215,594	\$3,301,659
State Government	3,316,223	3,674,643	3,831,556	4,119,563	4,181,899	4,369,688	9,340,643
Tuition and Fees	2,706,416	2,882,812	3,131,908	3,137,880	3,576,658	4,206,142	4,857,394
Other Revenue	121,091	73,273	129,378	100,701	84,660	49,949	68,469
Total Revenues	\$8,392,177	\$8,954,300	\$9,627,791	\$10,155,500	\$10,727,047	11,841,373	17,568,165
<u>General Fund Expenditures</u>							
<u>By Program</u>							
Instruction	4,579,844	5,042,810	5,318,875	5,748,934	5,928,210	6,330,755	6,620,480
Academic Support	353,770	357,476	343,176	381,300	371,936	347,216	372,662
Student Services	528,218	591,252	567,413	576,907	636,357	705,159	957,914
Public Service	11,301	12,036	13,082	13,273	25,866	37,988	35,000
Operations and Maintenance	973,611	884,551	1,089,459	1,008,301	974,533	987,544	1,409,070
Institutional Support	2,101,761	2,893,310	3,289,205	3,130,374	3,675,510	3,859,368	8,689,390
Total Expenditures by Program	8,548,505	9,781,435	10,621,210	10,859,089	11,612,412	12,268,030	18,084,516
<u>By Object</u>							
Salaries	5,105,424	5,469,105	5,835,135	6,345,839	6,566,495	7,099,944	7,816,396
Benefits	896,033	1,125,596	1,397,127	1,081,071	1,587,193	1,591,067	6,490,084
Contractual Services	771,483	910,174	993,466	1,020,369	1,236,423	1,338,800	1,287,310
General Materials and Supplies	624,015	630,726	741,092	957,693	1,064,437	800,474	867,655
Travel and Conference	178,007	196,054	184,308	209,024	207,203	213,331	230,050
Fixed Charges	192,131	137,012	113,284	100,014	104,002	96,299	233,028
Utilities	353,979	358,514	444,652	526,011	499,517	532,228	539,827
Capital Outlay	259,573	335,927	605,052	373,121	38,874	74,591	315,121
Other	167,860	618,327	307,094	245,947	308,268	521,296	305,045
Total Expenditures by Object	8,548,505	9,781,435	10,621,210	10,859,089	11,612,412	12,268,030	18,084,516
Revenues Over Expenditures	-156,328	-827,135	-993,419	-703,589	-885,365	-426,657	-516,351
Net Operating Transfers & Non Operating	165,970	188,432	1,385,760	834,452	705,948	796,535	141,567
Excess Revenue Over Expenditures	9,642	-638,703	392,341	130,863	-179,417	369,878	-374,784

Carl Sandburg College Historic Revenue Graphs

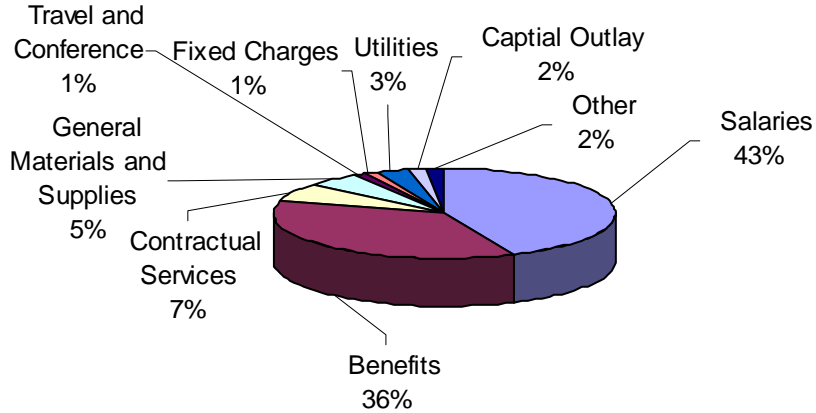


Carl Sandburg College Historic Expenditures Graphs

**General Fund Expenditures by Program
Fiscal Year 2004**



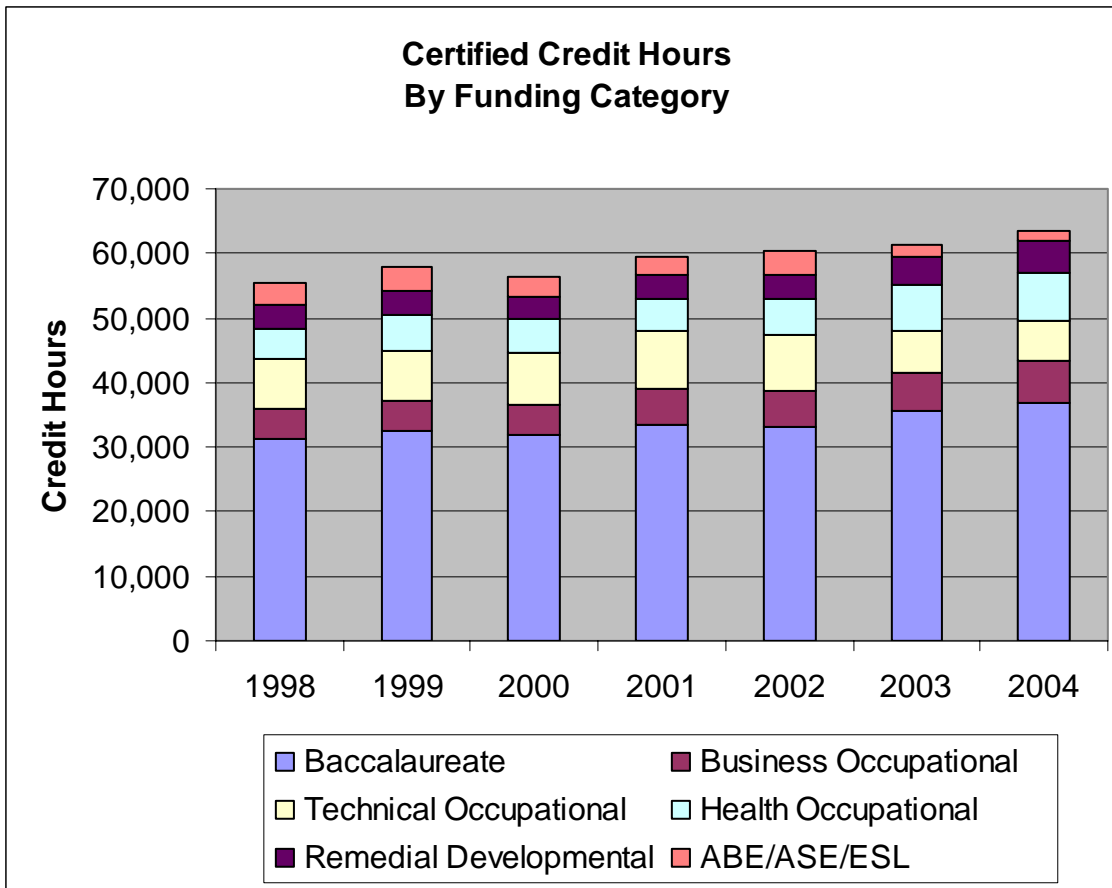
**General Fund Expenditures by Object
Fiscal Year 2004**



Carl Sandburg College
Certified Student Credit Hours by State Funding Category
Fiscal Years 1998 - 2004

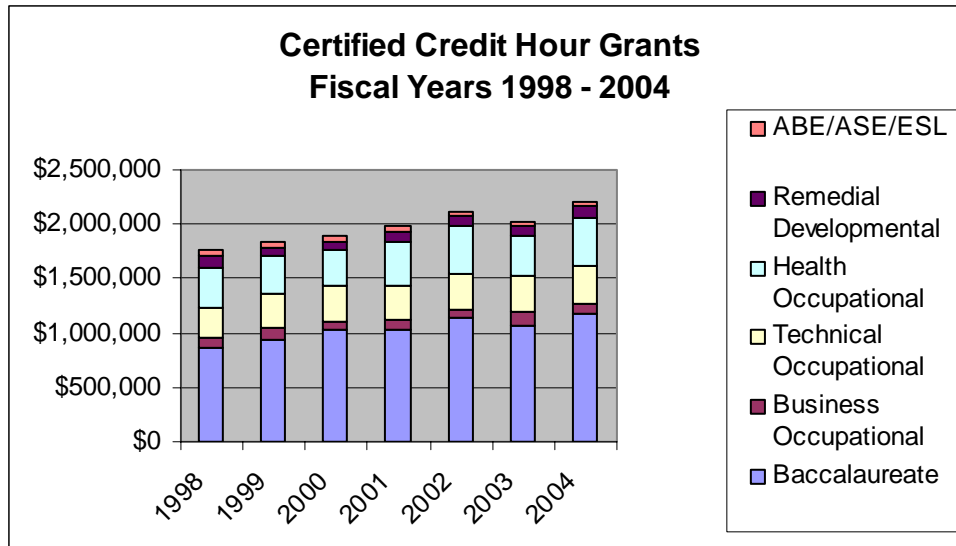
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Baccalaureate	31,337.5	32,584.0	32,056.0	33,589.0	33,242.5	35,693.5	36,855.5
Business Occupational	4,484.0	4,726.0	4,609.5	5,447.0	5,578.5	5,690.5	6,360.5
Technical Occupational	7,769.5	7,651.0	7,880.0	9,124.0	8,571.5	6,600.0	6,259.5
Health Occupational	4,812.5	5,514.0	5,181.5	4,902.0	5,431.5	7,089.3	7,586.3
Remedial Developmental	3,533.0	3,858.0	3,552.0	3,575.0	3,939.0	4,527.0	4,867.0
ABE/ASE/ESL	3,475.0	3,457.5	3,198.0	2,870.5	3,696.5	1,772.0	1,693.0
	55,411.5	57,790.5	56,477.0	59,507.5	60,459.5	61,372.3	63,621.8
Annual Percentage Change		4.29%	-2.27%	5.37%	1.60%	1.51%	3.67%

Note: Includes Department of Corrections



**Carl Sandburg College
Credit Hour Grant Payments by Funding Category
Fiscal Years 1998 – 2004**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Baccalaureate	\$861,038	\$945,285	\$1,025,050	\$1,037,475	\$1,132,859	\$1,072,161	\$1,167,809
Business Occupational	100,927	111,564	84,658	75,096	87,949	115,476	93,384
Technical Occupational	261,300	306,382	315,053	318,588	330,172	347,168	351,860
Health Occupational	385,031	355,381	334,709	399,655	430,894	358,826	445,437
Remedial Developmental	110,448	68,780	79,598	102,970	95,975	84,585	101,981
ABE/ASE/ESL	40,222	46,925	45,731	55,873	31,340	51,497	49,126
	<u>\$1,758,964</u>	<u>\$1,834,318</u>	<u>\$1,884,800</u>	<u>\$1,989,656</u>	<u>\$2,109,189</u>	<u>\$2,029,713</u>	<u>\$2,209,598</u>

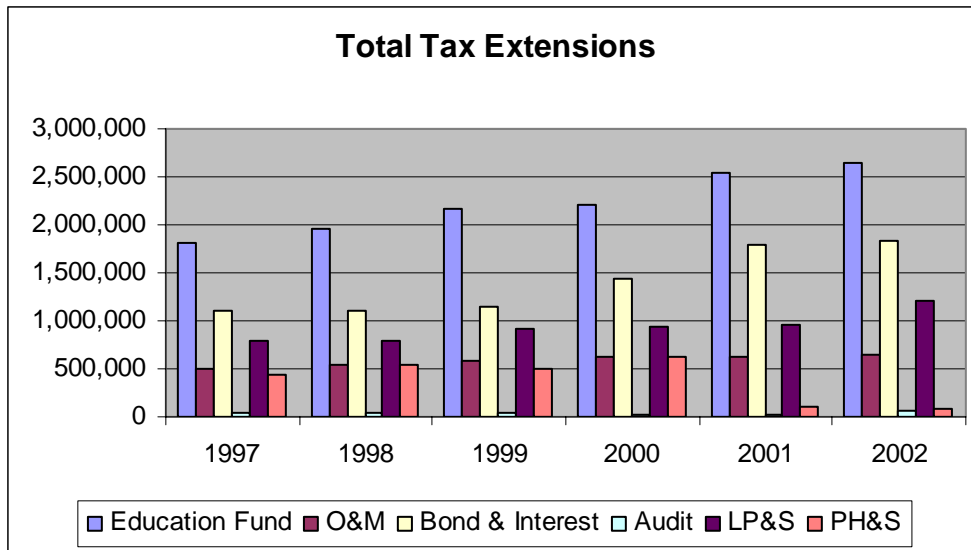


Carl Sandburg College Personnel Resource Allocation 1995 - 2004

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
FACULTY:										
Full-Time	63	63	67	70	73	78	74	75	77	75
Part-Time	149	164	170	173	166	178	174	175	155	163
Subtotal	212	227	237	243	239	256	248	250	232	238
ADMINISTRATIVE										
Full-Time	21	19	21	22	25	26	22	24	26	28
Part-Time	0	0	1	0	0	0	0	0	0	0
Subtotal	21	19	22	22	25	26	22	24	26	28
MID-MANAGEMENT										
Full-Time	29	30	36	36	41	38	39	47	44	107
Part-Time	0	0	1	1	2	2	2	3	3	29
Subtotal	29	30	37	37	43	40	41	50	47	136
CLASSIFIED STAFF										
Full-Time	60	64	63	71	72	79	83	89	90	58
Part-Time	36	9	10	8	9	8	8	11	8	15
Subtotal	96	73	73	79	81	87	91	100	98	73
GRAND TOTAL	358	349	369	381	388	409	402	424	403	475

**Carl Sandburg College
Historic Levies & Extensions
Levy Years 1997 – 2003**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
EAV	997,151,829	1,083,613,429	1,173,830,324	1,229,609,983	1,259,152,240	1,281,448,552	1,287,419,979
Taxes Rate							
Education Fund	0.1825	0.1814	0.1841	0.1801	0.2021	0.2057	0.2054
O&M	0.0500	0.0497	0.0500	0.0500	0.0500	0.0500	0.0500
Bond & Interest	0.1108	0.1023	0.0982	0.1171	0.1423	0.1425	0.1458
Audit	0.0041	0.0030	0.0030	0.0017	0.0023	0.0041	0.0041
LP&S	0.0785	0.0740	0.0773	0.0757	0.0754	0.0948	0.1086
PH&S	0.0445	0.0497	0.0425	0.0500	0.0087	0.0071	0.0000
Total Rate Per \$100							
EAV	0.4704	0.4601	0.4551	0.4746	0.4808	0.5042	0.5139
Extension							
Education Fund	1,819,802	1,965,677	2,161,022	2,214,528	2,544,747	2,635,940	2,644,361
O&M	498,576	538,557	586,915	614,805	629,576	640,724	643,710
Bond & Interest	1,104,844	1,108,538	1,152,701	1,439,873	1,791,774	1,826,064	1,877,058
Audit	40,883	32,508	35,215	20,903	28,960	52,539	52,784
LP&S	782,764	801,875	907,371	930,815	949,400	1,214,813	1,398,138
PH&S	443,733	538,557	498,878	614,805	109,546	90,983	0
Total Extension	4,690,602	4,985,712	5,342,102	5,835,729	6,054,003	6,461,063	6,616,051
Collection Loss	-10,506	-5,143	-3,718	4,696	9,765	16,637	1,955
Total Taxes Collected	4,701,108	4,990,855	5,345,820	5,831,033	6,044,238	6,444,426	6,614,096



Carl Sandburg College

ICCB Grant Funding

Fiscal			Special	Workforce	Advanced		
Year	Credit Hour	Equalization	Populations	Prep	Tech	Other	Total
1997	1,597,415.02	504,854.77	66,816.08	194,941.00	160,297.00	26,968.00	2,551,291.87
1998	1,759,026.00	734,519.00	75,907.00	219,120.00	288,509.00	182,527.00	3,259,608.00
1999	1,834,317.00	901,358.01	73,158.00	276,120.00	240,840.00	346,520.00	3,672,313.01
2000	1,884,871.00	1,022,986.00	73,649.00	273,028.00	264,625.00	187,652.00	3,706,811.00
2001	1,989,648.75	1,186,275.00	77,287.00	325,952.00	291,676.00	279,274.00	4,150,112.75
2002	2,099,826.00	1,203,660.00	74,000.00	305,735.00	294,212.69	493,265.00	4,470,698.69
2003	2,057,302.00	1,178,720.00	0.00	305,918.00	258,059.00	574,812.50	4,374,811.50
2004	1,999,411.00	1,531,560.00	0.00	154,365.00	0.00	861,277.00	4,546,613.00
2005	2,276,016.00	2,041,718.00	0.00	63,405.00	0.00	102,715.00	4,483,854.00

Carl Sandburg College
Estimated College Property Tax Paid by a Home Owner

Fiscal Year	Tax Year	Est. Market Value of Home	Est. Taxable Value 1/3	Tax Rate	Est. CSC Tax Paid by Home Owner
2005-06	2004	90000	30000	0.5139	154.17
2004-05	2003	90000	30000	0.5079	152.37
2003-04	2002	90000	30000	0.5042	151.26
2002-03	2001	90000	30000	0.4808	144.24
2001-02	2000	90000	30000	0.4746	142.38
2000-01	1999	90000	30000	0.4551	136.53
1999-00	1998	90000	30000	0.4601	138.03
1998-99	1997	90000	30000	0.4704	141.12

Note: This chart estimates a homeowner's property tax bill assuming a constant estimated market value of a home.

Tax rates are expressed in dollars per hundred of assessed value.

**Carl Sandburg College
Annual Debt Service Information**

Fiscal Year	Total General Fund Expenditures	Retirement of Indebtedness Expenditures	Retirement of Indebtedness Expenditures to General Fund Expenditures
2006 Budget	15,708,385	2,081,166	13.25%
2005 Budget	15,460,300	2,096,820	13.56%
2004	18,084,516	1,826,872	10.10%
2003	12,325,667	1,792,057	14.54%
2002	11,718,826	4,917,349	41.96%
2001	10,989,053	1,215,868	11.06%
2000	11,708,251	4,363,899	37.27%
1999	9,781,435	1,003,620	10.26%
1998	8,548,505	1,078,905	12.62%

In FY 2000, 2002 and 2005 we restructured debt making the retirement figures higher than normal.

GLOSSARY

ABE - Adult Basic Education

Academic Support - Academic support includes the operation of the library, educational media services, instructional materials center, and academic computing used in the learning process. It also includes all equipment, material, supplies, and costs that are necessary to support this function.

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

Annual Budget. A budget applicable to a single fiscal year.

ASE - Adult Secondary Education

Assess - To value property officially for the purpose of taxation.

Bond - A written promise to pay a specific sum of money called the face value or principal amount, at a specified date or dates in the future, called maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a period of time and requires greater legal formality.

BOT - Board of Trustees

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CABI - Center for Agriculture, Business and Industry

Capital Outlay - Capital outlay for all funds except proprietary funds should be recorded as an expenditure of the appropriate fund and as an asset of the General Fixed Assets Account Group.

CAFR - Comprehensive Annual Financial Report

C.H. - Credit Hour

CFO - Chief Financial Officer

Conference and Meeting Expense - Conference and Meeting expenses associated with College related travel.

Contingency - Something that may or may not happen as it is conditional upon another event.

Contractual Services - Charges for services rendered by firms or persons not employed by the local Board of Trustees.

Corporate Personal Property Replacement Tax - A tax collected by the Illinois Department of Revenue as replacement personal property tax under Public Act 81-1st-S.S.-1. Section 616 of the State Revenue Sharing Act requires taxing districts to first apply any replacement taxes against the required debt service for any bonds outstanding as of December 31, 1978.

CPPR - Corporate Personal Property Replacement

CSC - Carl Sandburg College

CTE. Career and Technical Education

Current - A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods. It usually connotes items likely to be used or converted into cash within one year.

Current Funds - Those funds through which most educational functions of the College are financed. The acquisition, use and balances of the College's expendable financial resources and the related liabilities are accounted for through current funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

Debt Limit - The maximum amount of gross or net debt which is legally permitted.

Deferred Revenues - Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under modified accrual basis of accounting, such amounts are measurable but not available.

Deficit - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period.

DAVTE - Department of Adult, Vocational and Technical Education

EAV - Equalized Assessed Valuation

Employee Benefits - The cost of all employee benefits including the portion of insurance paid for by the College (not including the portion withheld from the employee's wages, when both the employee and the college contribute toward the benefit), sabbatical leave salaries, and any pension contributions paid by the community college district.

Expenditures - Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

Facilities Revenue - Revenue from the use of college facilities.

FA - Fall Semester

Federal Governmental Sources - Revenues from all agencies of the Federal Government.

Fixed Assets - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed Charges - Charges for rentals, debt principal and interest, and general insurance.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Type - In College and University accounting, all funds are classified into two generic fund types: Current and Plant.

FY - Fiscal Year

GAAP - Generally Accepted Accounting Principles

GASB - Government Accounting Standards Board

General Materials and Supplies - Costs of all general material and supplies.

ICCB - Illinois Community College Board

Institutional Support - Institutional support includes expenditures for central executive-level activities and support services that benefit the entire institution. Administrative data processing, insurance costs, legal fees, provision for contingencies, scholarships, non-operating expenses, and tuition chargebacks. Examples include expenses for the President's Office, Business Office, Marketing and Public Information, Personnel Services, Administrative Information Systems, and Board of Trustees.

Instruction - Instruction consists of those activities dealing directly with or aiding in the teaching of students. It includes the activities of the faculty in the baccalaureate-oriented transfer, occupational-technical career, general studies, and remedial and ABE/ASE programs (associate degree credit and certificate credit). It also includes all equipment, materials, supplies, and costs that are necessary to support the instructional program.

Interfund Transfers - All interfund transactions except loans or advances, quasi-external transactions, and reimbursements are transfers.

Internal Control - A plan of organization under which employees' duties are so arranged and records and procedures so designated as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures. Under such a system, the work of employees is subdivided so that no single employee performs a complete cycle of operations. Moreover, under such a system, the procedures to be followed are clearly established and require proper authorization by designated officials for all actions to be taken.

Investment Revenue - Revenue from investments such as certificates of deposit.

ISBE - Illinois State Board of Education

Levy - (Verb) To impose taxes for the support of college activities. (Noun) The total amount of taxes imposed by a government.

Liab/Prot/Settlement - Liability Protection and Settlement

L,P&S - Liability Protection and Settlement Fund

Local Governmental Sources - Revenues from district taxes, from chargebacks, and from all governmental agencies below the state level.

M.A.S.H. - Mobile Academic Service Habitat

Modified Accrual Basis - Under the accrual basis of accounting, revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need to be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due. All government funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

O&M - Operations and Maintenance

Object - Expenditure classifications grouped by materials or services purchased; further divided for cost accounting and control purposes.

On-Behalf Revenue and Payments - Payments made by the State to the State Unemployment Retirement System on behalf of the District's employees. Beginning in Fiscal 1996, the Government Accounting Standards Board required these to be reflected on GAAP basis Financial Statements.

Operation and Maintenance of Plant - 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 campus security and plant utilities, as well as equipment, materials, supplies and costs that are necessary to support this function.

Organized Research - Organized research includes any separately budgeted research projects, other than institutional research projects that are included under institutional support, whether supported by the college or by an outside person or agency. It also includes all equipment, materials, supplies and costs that are necessary to support this function.

Other Expenditures - This object is reserved for all expenditures that cannot be classified in any other object classification.

Other Revenues - Revenues which do not fit into specific revenue source categories.

Plant Fund - Operation and Maintenance Fund (Restricted) and Bond and Interest Fund. This fund is used to account for financial resources to be used for building purposes and the acquisition or construction of major capital facilities.

PHS - Protection, Health and Safety

PPB - Program Performance Budgeting

Program - A level in the classification structure hierarchy representing the collection of elements serving a common set of objectives that reflect the major institutional missions and related support activities.

Property Taxes - Compulsory charges levied on real property by the district for the purpose of financing services performed for the common benefit. Revenues equal the District's assessed valuation multiplied by the property tax rates.

Provision for Contingency - Budgetary appropriations that are set aside for unforeseen expenditures. The Board of Trustees must approve a budget adjustment by resolution to transfer from the Provision for Contingency budget account to the appropriate budget account in accordance with the Illinois Public Community College Act. This adjustment is usually made at the end of the fiscal year.

Public Service - 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.

Revenues - (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as “other financing sources” rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement 1, operating transfers-in are classified separately from revenues.

Salaries - Salaries and wages paid to an employee, before any deductions, for personal services rendered to the community college district.

SMART - Strategic Management and Resources Together

SP - Spring Semester

State Governmental Sources - State revenues from all state governmental agencies.

STEF - Strategic Technology Endowment Fund

Student Services - The student services function provides assistance in the areas of financial aid, admissions and records, health, placement, testing, counseling, and student activities. It includes all equipment, materials, supplies, and costs that are necessary to support this function.

Student Tuition and Fees - All tuition and fees, less refunds, remissions, and exemptions, assessed against students for educational and general purposes.

SU - Summer Session

SURS - State University Retirement System

Utilities - This account provides for all utility costs necessary to operate the plant and for other on-going services.

WCF - Working Cash Fund

WIB - Workforce Investment Board

WIA - Workforce Investment Act

ZBB - Zero Based Budgeting

STATE OF ILLINOIS
COMMUNITY COLLEGE DISTRICT 518

Annual Budget for Fiscal Year 2006

Carl Sandburg College
2400 Tom L. Wilson Boulevard
Galesburg, Illinois 61401

SUMMARY OF FISCAL YEAR 2006 BUDGET BY FUND

	<u>General</u>		<u>Special Revenue</u>		
	<u>Education Fund</u>	<u>Operational and Maintenance Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection & Settlement Fund</u>	
Beginning Balance	468,176	336,104	(33,305)	3,789,809	
Budgeted Revenues	13,943,537	1,389,255	65,567	1,934,191	
Budgeted Expenditures	-13,062,427	-1,401,055	(75,510)	(3,130,181)	
Budgeted Transfers from	301,793	73,800	0	1,380,293	
(to) Other Funds	-1,182,903	-62,000	0	(197,390)	
Budgeted Ending Balance	468,176	336,104	(43,248)	3,776,722	
	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Proprietary Funds</u>	<u>Non-Expendable Trust Fund</u>
	<u>Bond and Interest Fund</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Quasi- Endowment Fund</u>	<u>Auxiliary Enterprises Fund</u>	<u>Working Cash Fund</u>
Beginning Balance	3,116,948	(994,913)	6,594,823	(13,278)	4,024,365
Budgeted Revenues	2,388,125	139,830	293,015	1,012,545	121,040
Budgeted Expenditures	(2,086,916)	(2,337,586)	(1,140)	(999,743)	0
Budgeted Transfers from	0	1,882,586	-	10,000	0
(to) Other Funds	(1,648,816)	0	(481,700)	0	(116,663)
Budgeted Ending Balance	1,769,341	(1,310,083)	6,404,998	9,524	4,028,742

The Official Budget which is accurately summarized in this document was approved by the Board of Trustees on _____.

ATTEST: _____

(Secretary, Board of Trustees)

SUMMARY OF FISCAL YEAR 2006 OPERATING BUDGETED EXPENSES

District Carl Sandburg College Dist. No. 518 Year Ended 2006

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Building Commission and Maintenance Fund</u>	<u>Total Operating Funds</u>	<u>%</u>
BY PROGRAM					
Instruction	7,282,363	0	0	7,282,363	46.4%
Academic Support	361,260	0	0	361,260	2.3%
Student Services	1,464,246	0	0	1,464,246	9.3%
Public Service/Continuing Education	232,816	0	0	232,816	1.5%
Organized Research	0	0	0	0	0.0%
Axiliary Services	0	0	0	0	0.0%
Operation & Maint. Of Plant	0	1,236,246	0	1,236,246	7.9%
Institutional Support	4,904,645	226,809	0	5,131,454	32.7%
Scholarships, Student Grants, & Waivers	0	0	0	0	0.0%
INTERFUND TRANSFERS	0	0	0	0	0.0%
TOTAL 2005 BUDGETED EXPENDITURES	14,245,330	1,463,055	0	15,708,385	100.0%
Less Non-operating Items*					
Tuition Chargeback	22,180	0	0	22,180	
Instructional Service	0	0	0	0	
Contracts	970,590	0	0	970,590	
ADJUSTED EXPENDITURES	13,252,560	1,463,055	0	14,715,615	
BY OBJECT					
Salaries	8,223,488	511,196	0	8,734,684	55.6%
Employee Benefits	2,528,578	-	0	2,528,578	16.1%
Contractual Services	1,340,978	53,090	0	1,394,068	8.9%
General Materials & Supplies	1,115,770	65,150	0	1,180,920	7.5%
Travel and Conference/Meeting Expenses	266,759	7,600	0	274,359	1.7%
Fixed Charges	66,466	68,860	0	135,326	0.9%
Utilities	2,560	533,330	0	535,890	3.4%
Capital Outlay	23,263	82,000	0	105,263	0.7%
Other	577,468	91,829	0	669,297	4.3%
Provision for Contingency	100,000	50,000	0	150,000	1.0%
INTERFUND TRANSFERS	0	0	0	0	0.0%
TOTAL 2005 BUDGETED EXPENDITURES	14,245,330	1,463,055	0	15,708,385	100.0%
Less Non-operating Items					
Tuition Chargeback	22,180	0	0	22,180	
Instructional Service					
Contracts	970,590	0	0	970,590	
ADJUSTED EXPENDITURES	13,252,560	1,463,055	0	14,715,615	

*Interdistrict expenses that do not generate related local district credit hours are subtracted to allow for statewide comparisons.

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>EDUCATION FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTRUCTION		
Salaries	5,635,114	
Employee Benefits	9,200	
Contractual Services	1,090,838	
General Materials and Supplies	395,499	
Travel and Conference/Meeting Expenses	126,349	
Fixed Charges	500	
Utilities	60	
Capital Outlay	23,263	
Other	1,540	7,282,363
ACADEMIC SUPPORT		
Salaries	225,890	
Employee Benefits	0	
Contractual Services	38,520	
General Materials and Supplies	93,600	
Travel and Conference/Meeting Expenses	3,250	
Fixed Charges	0	
Utilities	0	
Capital Outlay	0	
Other	0	361,260
STUDENT SERVICES		
Salaries	852,842	
Employee Benefits	0	
Contractual Services	12,140	
General Materials and Supplies	71,874	
Travel and Conference/Meeting Expenses	26,470	
Fixed Charges	380	
Utilities	0	
Capital Outlay	0	
Other	500,540	1,464,246
PUBLIC SERVICE/CONTINUING EDUCATION		
Salaries	133,416	
Employee Benefits	0	
Contractual Services	34,265	
General Materials and Supplies	35,215	
Travel and Conference/Meeting Expenses	21,320	
Fixed Charges	500	
Utilities	2,500	
Capital Outlay	0	
Other	5,600	232,816
ORGANIZED RESEARCH		
Salaries	0	
Employee Benefits	0	
Contractual Services	0	
General Materials and Supplies	0	
Travel and Conference/Meeting Expenses	0	
Fixed Charges	0	
Utilities	0	
Capital Outlay	0	
Other	0	0

FISCAL YEAR 2006 BUDGETED EXPENDITURES

(Continued)

<u>EDUCATION FUND</u>	<u>Appropriations</u>	<u>Totals</u>
AUXILIARY SERVICES		
Salaries	<u>0</u>	
Employee Benefits	<u>0</u>	
Contractual Services	<u>0</u>	
General Materials and Supplies	<u>0</u>	
Travel and Conference/Meeting Expenses	<u>0</u>	
Fixed Charges	<u>0</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>0</u>	
Other	<u>0</u>	<u>0</u>
OPERATION AND MAINTENANCE OF PLANT		
Salaries	<u>0</u>	
Employee Benefits	<u>0</u>	
Contractual Services	<u>0</u>	
General Materials and Supplies	<u>0</u>	
Travel and Conference/Meeting Expenses	<u>0</u>	
Fixed Charges	<u>0</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>0</u>	
Other	<u>0</u>	<u>0</u>
INSTITUTIONAL SUPPORT		
Salaries	<u>1,376,226</u>	
Employee Benefits	<u>1,336,475</u>	
Contractual Services	<u>165,215</u>	
General Materials and Supplies	<u>519,582</u>	
Travel and Conference/Meeting Expenses	<u>89,370</u>	
Fixed Charges	<u>65,086</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>0</u>	
Other	<u>69,788</u>	
Provision for Contingency	<u>100,000</u>	<u>3,721,742</u>
SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS		
Salaries	<u>0</u>	
Employee Benefits	<u>0</u>	
Contractual Services	<u>0</u>	
General Materials and Supplies	<u>0</u>	
Travel and Conference/Meeting Expenses	<u>0</u>	
Fixed Charges	<u>0</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>0</u>	
Other	<u>0</u>	<u>0</u>
INTERFUND TRANSFERS		<u>1,182,903</u>
GRAND TOTAL		<u><u>14,245,330</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>Appropriations</u>	<u>Totals</u>
OPERATION AND MAINTENANCE OF PLANT		
Salaries	502,706	
Employee Benefits	0	
Contractual Services	42,460	
General Materials and Supplies	64,560	
Travel and Conference/Meeting Expenses	7,110	
Fixed Charges	68,860	
Utilities	390,100	
Capital Outlay	20,000	
Other	140,450	1,236,246
INSTITUTIONAL SUPPORT		
Salaries	8,490	
Employee Benefits	0	
Contractual Services	10,630	
General Materials and Supplies	590	
Travel and Conference/Meeting Expenses	490	
Fixed Charges	0	
Utilities	143,230	
Capital Outlay	0	
Other	1,379	
Provision for Contingency	0	164,809
INTERFUND TRANSFERS		62,000
GRAND TOTAL		<u><u>1,463,055</u></u>

FISCAL YEAR 2006 BUDGETED REVENUES

<u>OPERATIONS AND MAINTENANCE FUND</u> (Restricted)	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources	<u>0</u>	<u>0</u>
State Sources		
ICCB Deferred Maintenance Grant	<u>0</u>	<u>0</u>
Federal Governmental Sources	<u>0</u>	<u>0</u>
Other Sources		
Student Tuition and Fees	<u>0</u>	
Sales and Service Fees	<u>0</u>	
Facilities Revenue	<u>0</u>	
Investment revenue	<u>4,830</u>	
Nongovernmental Gifts, Sholarships, Grants and Bequests	<u>0</u>	
Other	<u>135,000</u>	<u>139,830</u>
INTERFUND TRANSFERS		<u>1,882,586</u>
GRAND TOTAL		<u><u>2,022,416</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>OPERATIONS AND MAINTENANCE FUND</u> (Restricted)	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Salaries	<u>0</u>	
Employee Benefits	<u>0</u>	
Contractual Services	<u>28,700</u>	
General Materials and Supplies	<u>0</u>	
Travel and Conference/Meeting Expenses	<u>0</u>	
Fixed Charges	<u>0</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>2,308,886</u>	
Other Expenditures	<u>0</u>	
Provision for Contingency	<u>0</u>	<u>2,337,586</u>
INTERFUND TRANSFERS		<u>0</u>
GRAND TOTAL		<u><u>2,337,586</u></u>

FISCAL YEAR 2006 BUDGETED REVENUES

<u>AUXILIARY ENTERPRISES FUND</u>	<u>Revenues</u>	<u>Totals</u>
Sales and Service Fee Sources	<u>976,922</u>	
Investment Revenue Sources	<u>20</u>	
Nongovernmental Gifts, Grants & Bequests Sources	<u>0</u>	
Other Sources (Specify)	<u>35,603</u>	<u>1,012,545</u>
 INTERFUND TRANSFERS		 <u>10,000</u>
 GRAND TOTAL		 <u><u>1,022,545</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>AUXILIARY ENTERPRISES FUND</u>	<u>Appropriations</u>	<u>Totals</u>
STUDENT SERVICES		
Salaries	<u>520,096</u>	
Employee Benfits	<u>10,000</u>	
Contractual Services	<u>144,195</u>	
General Materials and Supplies	<u>183,176</u>	
Travel and Confernce/Meeting Expenses	<u>39,405</u>	
Fixed Charges	<u>0</u>	
Utilities	<u>0</u>	
Capital Outlay	<u>0</u>	
Other (Specify) depreciation and other	<u>102,871</u>	<u>999,743</u>
 INTERFUND TRANSFERS		 <u>0</u>
 GRAND TOTAL		 <u><u>999,743</u></u>

FISCAL YEAR 2006 BUDGETED REVENUES

<u>BOND AND INTEREST FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes	2,268,485	
Chargeback Revenue	0	
Other (Specify)	0	2,268,485
State Sources		
Corporate Personal Property	0	
Replacement Taxes (CPPRT)	0	0
Other Sources		
Investment Revenue	119,640	
Other (Specify)	0	119,640
INTERFUND TRANSFERS		0
GRAND TOTAL		<u><u>2,388,125</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>BOND AND INTEREST FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Debt Principal Retirement	790,000	
Interst (on Bonds)	1,291,166	
Other Fixed Charges (Specify)	5,750	2,086,916
INTERFUND TRANSFERS		1,648,816
GRAND TOTAL		<u><u>3,735,732</u></u>

FISCAL YEAR 2006 BUDGETED REVENUES

<u>AUDIT FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes	65,337	
Chargeback Revenue	<u>0</u>	
Other (Specify)	<u>0</u>	<u>65,337</u>
Other Sources		
Investment Revenue	230	
Other (Specify)	<u>0</u>	<u>230</u>
GRAND TOTAL		<u><u>65,567</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>AUDIT FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Contractual Services	0	
Audit Services	<u>50,415</u>	
Consultants	<u>0</u>	
Architectural Services	<u>0</u>	
Maintenance Services	<u>670</u>	
Legal Services	<u>0</u>	
Office Services	<u>24,140</u>	
Instructional Service Contracts	<u>0</u>	
Other Contractual Services Other (Specify)	<u>0</u>	
Other (Specify) Meetings	<u>285</u>	<u>75,510</u>
GRAND TOTAL		<u><u>75,510</u></u>

FISCAL YEAR 2006 BUDGETED REVENUES

<u>LIABILITY PROTECTION AND SETTLEMENT FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes	<u>1,419,111</u>	
Chargeback Revenue	<u>0</u>	
Other (Specify)	<u>0</u>	<u>1,419,111</u>
Other Sources		
Investment Revenue	<u>201,080</u>	
Other (Specify) Transfers In & Non-govt.	<u>1,694,293</u>	<u>1,895,373</u>
GRAND TOTAL		<u><u>3,314,484</u></u>

FISCAL YEAR 2006 BUDGETED EXPENDITURES

<u>LIABILITY PROTECTION AND SETTLEMENT FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Employee Benefits	<u>1,722,293</u>	
Fixed Charges	<u>220,120</u>	
Other (Specify)	<u>1,385,158</u>	<u>3,327,571</u>
GRAND TOTAL		<u><u>3,327,571</u></u>



PRIORITIES

STUDENTS

TECHNOLOGY

ENVIRONMENT

HR/ORG. DEV.

LINKAGES

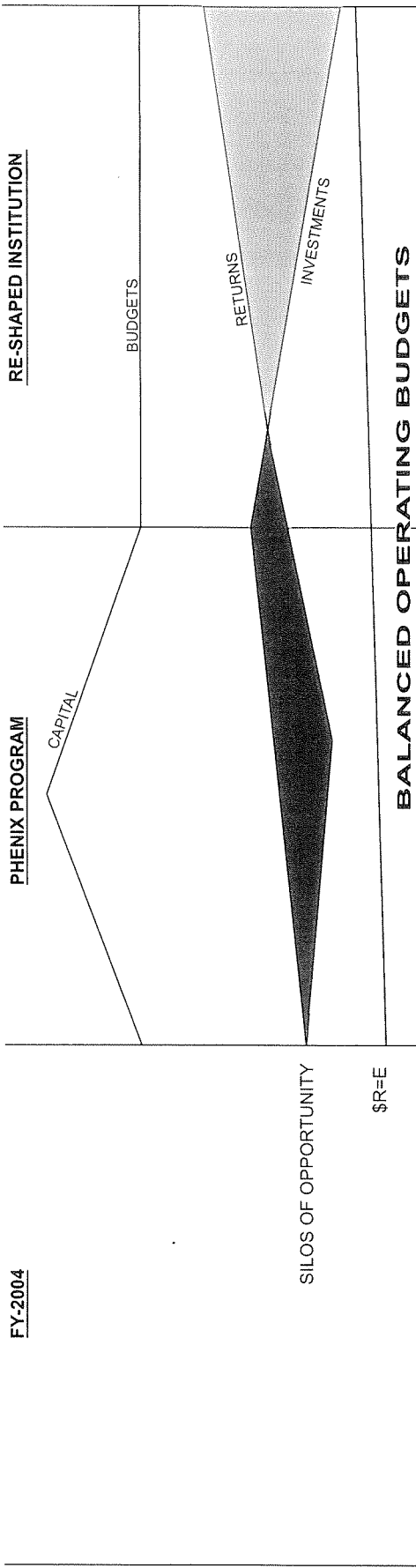
STABILITY

ASSESSMENT

LEARNING

DATA

**Find Your Future At CSC
M.A.S.H. Unit #518
(Mobile Academic Service Habitat)**



- ERC-ED Subcommittee
- Facility Master Plan
- Expanded Dual Credit Offerings/K-12 Partnerships
- SSC/Retention Program
- ACCES PROJECT
- CSC 101, Expanded Advising, Surveys, Expanded Course Offerings, Promote Cooperative Agreements, Internal/External Communications
- Launch Envoy Program
- Extended SEA Agreement
- CSC FY-05 Budget Summit
- WWAN Project
- 3 - 7% Reductions
- Revitalize Citizen's Advisory Committees
- Energize Program To Achieve Diversity
- Structure Follows Strategy/Re-Shape the College
- CSRRP
 - Shift from Courses to Programs?
 - Submit Title III Grant
 - Annex Renovation
 - AE & FL Complex
 - Facility Renovations
 - Expand PM Certificates/Degrees
 - Expand #/Visibility of Student Clubs and Organizations
 - Expand Recruiting Outside of District
 - Expand Theater Arts Programming & Community Use of College Facilities
 - Light/Enhance Ball Diamonds
- NCA Accreditation

MAJOR TRENDS – BUDGET ASSUMPTIONS

2006 Fiscal Year

1. The assessed valuation of the district for the tax year 2004 is \$1,233,728,849. This is a decrease of approximately -4.17 % from the 2003 tax year. The assessments for the preceding several tax years are shown below:

Tax Year	Assessed Valuation	\$Change	%
2004	\$1,233,728,849	(\$53,691,130)	-4.17%
2003	\$1,287,419,979	\$5,971,427	0.47%
2002	\$1,281,448,552	\$22,296,312	1.77%
2001	\$1,259,152,240	\$29,542,257	2.40%
2000	\$1,229,609,983	\$55,779,659	4.75%
1999	\$1,173,830,324	\$90,216,895	8.33%
1998	\$1,083,613,429	\$86,461,600	8.67%
1997	\$997,151,829	\$40,916,141	4.28%
1996	\$956,235,688	\$30,592,452	3.30%
1995	\$925,643,236	\$53,697,688	6.16%
1994	\$871,945,548	\$53,276,839	6.51%
1993	\$818,668,709	\$56,293,355	7.38%
1992	\$762,375,354	\$34,420,512	4.73%
1991	\$727,954,842	(\$8,400,992)	-1.14%
1990	\$736,355,834	(\$26,059,576)	-3.42%
1989	\$762,415,410	(\$28,589,690)	-3.61%
1988	\$791,005,100	(\$33,956,615)	-4.12%
1987	\$824,961,715	(\$6,628,226)	-0.80%
1986	\$831,589,941	(\$30,173,167)	-3.50%
1985	\$861,763,108	(\$49,059,667)	-5.39%
1984	\$910,822,775	(\$56,656,036)	-5.86%
1983	\$967,478,811	(\$45,728,057)	-4.51%
*1982	\$1,013,206,868		

*Previous peak in EAV-Between tax year 1982 and 2004, spanning 22 years, the college's tax base has experienced a cumulative growth in EAV of \$220,521,981.

2. Revenues from taxes are based upon 99.6% collections.
3. An estimate of state aid reimbursable semester hours to be generated in FY-2006 is 71,640.
4. The credit hour grant revenue(s) from the State is based upon the Governor's budget recommendations made to, and approved by, the General Assembly.

<u>Credit Hour Category</u>	<u>FY-2005 Rate/C.H.</u>	<u>FY-2006 Rate/C.H.</u>	<u>Dollar Change</u>	<u>%</u>
Baccalaureate	\$21.99	\$19.54	\$ (2.45)	0.89
Business	28.89	27.57	(1.32)	0.96
Technical	60.33	62.01	1.68	1.03
Health	95.78	90.54	(5.24)	0.95
Rem/Developmental	18.57	13.59	(4.98)	0.74
ABE/GED	<u>53.09</u>	<u>46.92</u>	<u>(6.17)</u>	<u>0.89</u>
Average	\$33.84	\$31.58	\$ (2.26)	0.94

Credit hour grants are paid based on either the three-year average for the hours generated in 2002, 2003 and 2004 or the actual FY-2004 hours, whichever was greater. For FY-2006, credit hour grants will be paid based on the credit hours produced in FY-2004.

Statewide average credit hour grant rates for the past several years are shown in the tabulation below as extracted from information provided by the Illinois Community College Board.

<u>Fiscal Year</u>	<u>Average Rate/C.H.</u>
1986	\$ 22.99
1987	25.00
1988	25.02
1989	26.72
1990	28.97
1991	28.53
1992	27.30
1993	25.26
1994	25.09
1995	25.72
1996	26.49
1997	27.20
1998	28.30
1999	29.32
2000	30.27
2001	30.84
2002	32.28
2003	32.47
2004	31.10
2005	33.84
2006	31.58

5. Revenue under a special population grant was eliminated by the state in FY2004. These costs were absorbed by the Education Fund.

6. State aid revenue that can be distributed by discretion has been allocated on a 94-6 basis, (94% to the Education Fund and 6 % to the Operation & Maintenance Fund). In the case of tuition revenue, it is distributed on the basis of 92.32% to the Education Fund and 7.68% to the Operation & Maintenance Fund.
7. Tuition for regular credit in district courses will be \$71.50 per semester hour.
8. Taxes to be received are based on rates per \$100 adopted by the Board in December 2004:

<u>FY-2005</u>	<u>FY-2006</u>	<u>Change</u>	
.2054	.1989	(.0065)	Education Fund
.0500	.0500	-	Operation & Maintenance Fund
.0000	.0000	-	Life Health & Safety
.1424	.1813	.0389	Bond & Interest Fund
.0074	.0083	.0009	Social Security/Medicare
.0987	.1095	.0108	Tort Immunity
<u>.0040</u>	<u>.0050</u>	<u>(.0010)</u>	Audit
.5079	.5530	.0451	Total

9. Our projection is that \$80,000 will be received from the Illinois State Board of Education (ISBE) through the ICCB-CTE Formula Grant for operating purposes of general vocational programs and it is placed 100% in the Education Fund operating budget. This is based upon SP-2004, SU-2004, FA-2004 actual DAVTE credit hours certified for funding.

The Department will most likely continue to fund \$15,000 for the purchase of vocational equipment. In addition, Federal Carl Perkins Funds are to be placed into a restricted purposes fund for improvements to targeted vocational programs.

10. The corporate personal property replacement (CPPR) is based on data from the Department of Revenue and Illinois Community College Board. It is divided between the Education Fund (95.6%) and the Operations and Maintenance Fund (4.4%).
11. In fiscal year 2006 community colleges will continue to receive Work Force Development Grants. The total to Carl Sandburg is expected to be \$64,745. These funds are restricted and are appropriated to support the continuation of the "Center for Agriculture, Business and Industry" and provide support for business and industry related activities and programs. Some major associated areas will be: (a) cooperative work with area Chambers of Commerce on Economic Development, (b) offering non-credit management type courses, workshops and seminars for the business community and (d) technology transfer/modernization.
12. In FY-2004 we lost funding under the Advanced Technology grant (Instructional Equipment, Staff Technical Skills Technology Support and Community College Online) category from the State of Illinois.

CSC also lost a Deferred Maintenance grant for \$37,830 in FY 2004 that was to be accounted for in the O & M Restricted fund.

13. The FY-2006 budget includes no budget for the Protection, Health Safety Tax levy required to accomplish projects approved by the Board of Trustees.
14. The FY-2006 budget incorporates and/or addresses the following items.
 - A. FY-2006 salary allocations have been predicated on the following adjustments:

EMPLOYEE GROUP	BASIS
Faculty	Professional Negotiations Agreement
Classified, including regular part-time	Professional Negotiations Agreement
Full-time exempt Mid-Management, Technical, Secretarial and Physical Plant; CABI; exempt part-time classified and hourly classified (excluding college WIB and Department of Corrections) Classified, including regular part-time	Four and one-half percent
Full-time Administration, (Excluding college WIB and Department of Corrections)	Four and one-half percent
Part-time faculty and stipends	Four and one-half percent

- B. Fringe benefit costs are predicated on rates remaining constant through December 31, 2005.
 - C. Provisions for the Retirement Incentive Plan approved by the Board of Trustees in January 1994 and the Voluntary Separation Plan approved in February 1997 expired in FY 2005.
15. The Workforce Investment Act (WIA) was established by Public law 105-220 in 1998. This federally funded program is mandated to establish a one-stop workforce delivery system, which will provide a linkage between employers and job seekers. Carl Sandburg College has a variety of roles under the WIA. As a fiscal agent, the college manages the annual allocation, assures compliance with state and federal laws, and acts as a staff support to the Workforce Investment Board, its committees and the Chief Elected Officials' consortium. As one of two subcontractors designated by the Chief Elected Officials, CSC develops and implements programs to serve eligible individuals in five of the nine counties. As a member of the Workforce Investment Board, CSC represents the community college perspective in policy and planning issues. CSC is also the educational partner in the one-stop delivery system representing vocational training and adult education programs. As a training institution, CSC provides training for WIA participants in 38 programs under the Workforce Investment Act.

16. The FY-2006 operating budget is predicated on the Institutional Focal Points/Goals that reflect priorities established throughout all operating departments of the college district.

The expenditure side of the budget has been developed to contribute directly to the development and maintenance of an operating fund balance.

17. The FY-2006 operating budget is being proposed as a balanced budget.

This commitment is, in part, a response to recommendations made by both the college's external auditing firm and the North Central Accreditation Association.

18. Each year, the college's Basic Credit Hour Grant is reduced by the amount attributed to the Henry C. Hill Correctional Program. The FY-2006 budget is predicated on \$120,032 being allocated to the HCH restricted purposes account for the FY-2004 credit hours.

19. Staffing adjustments for FY-2006 include:

- A. One full-time Art Instructor
- B. One coach for each of three new sports
- C. One part-time custodial hourly employee
- D. One part-time Business Lab faculty in Bushnell to free up hours in the Galesburg facility to assist with coordinator duties in the Occupational Department
- E. One full-time Mid-Management position in the Business Office

20. Capital Equipment purchases committed to be spent from the Education Fund for Instructional Services and Student Services total \$287,453 as seen on the following chart. These purchases should allow the college to adequately support the educational programs with up to date equipment for instruction as well as update the Customer Service area with a Renovation Project (CSRP) for furniture and service counters which will enhance the Student Service area. This furniture will be moveable furniture and equipment that could easily be incorporated into the Customer Service Renovation Project to remodel this area with Repairs and Renovation Grant dollars from the state should those dollars ever be released by the governor. The Business Service area of the college will benefit from \$20,000 of Capital Improvement Projects (CIPS) dollars to be spent in the Operations and Maintenance Fund, \$124,000 to be spent in the Operations and Maintenance Restricted Fund for the Theater Renovation Project and \$25,000 to be spent in the Education Fund for the Xerox pooled lease funding. Institutional Support will benefit from \$\$299,900 to be spent in the Education Fund for \$5,000 of Research and Development among the Technical Staff, \$79,900 for Computer Technology Refreshments of equipment and \$215,000 of furniture and moveable equipment in the new Allied Health Building and the expanded Adult Education areas. The Operations and Maintenance Fund will enjoy \$53,800 to be spent on Phone Maintenance and our T-1 internet line. The Operations and Maintenance Restricted Fund will benefit from \$110,000 of equipment dollars to help fund the construction of a wireless wide area network we call the EDUNET that will provide high schools in our district with wireless high-speed internet access if their school district chooses to participate. The Auxiliary Fund may purchase \$10,000 of refreshed Fitness Center equipment. The Risk Management area of the Liability, Protection and Settlement Fund may spend \$5,000 for ergonomic equipment.

**FY-2006
CAPITAL EQUIPMENT (PHENIX) BUDGET**

Sources	APPLICATIONS ¹			
	Instructional Services	Student Services	Business Services	Institutional Support
Working Cash Accumulated Interest	\$23,263 Sonography \$5,000 Mort Science Equip. \$39,000 Mort Science cooler	\$25,000 CSRP Furniture	\$20,000 CIPS	
Tort Fund				\$5,000 Ergonomics
STEF Accumulated Interest	\$15,000 Academic Program Equipment \$20,000 Instructional Technology		\$62,000 Theatre	\$10,000 Refresh Fitness Center Equipment \$28,800 T-1 Line \$5,000 R&D Tech Staff \$25,000 Phone Maint. \$30,000 Edunet capital \$79,900 Computer Tech Refresh
O&M Fund			\$62,000 Theatre	
Perkins	\$75,000 Equipment			
SMART V			\$25,000 Xerox (matched with \$25,000 of operating funds)	\$80,000 Edunet capital
Tech Fee \$4.50	\$85,190 Equipment			
Barter Dollars				\$215,000 with 50% match and 15% commission for furniture for Allied Health and Adult Ed new buildings

1 All of these dollar allocations are included in the draft budget.

2 See Appendix for explanation of these items and which funds will benefit from the purchases.