

Illinois Community College Board
Fiscal Year 2016

The seal of the State of Illinois is a circular emblem. It features an eagle with wings spread, perched on a shield. The shield is divided into four quadrants, with a sunburst rising from the bottom. The text "SEAL OF THE STATE OF ILLINOIS" is written around the top inner edge of the seal, and "AUG. 26TH 1818" is written around the bottom inner edge. The words "NATIONAL" and "STATE" are also visible on the seal.

**FISCAL
MANAGEMENT
MANUAL**

July 2016

Illinois Community College Board
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Illinois Community College Board

FISCAL MANAGEMENT MANUAL

(Includes certificate of chargeback updates for Fiscal Year 2017)

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INTRODUCTION

This *Fiscal Management Manual* shall be considered effective for fiscal year 2016 and subsequent years until changes are made. It provides guidance to college business officers regarding accounting codes, the appropriate use of funds, and Illinois Community College Board (ICCB) financial reporting requirements. This manual also serves as a handbook for external auditors.

Section I of this manual establishes the funds and codification system to be used by all Illinois public community colleges in reporting financial data to the ICCB.

Section II outlines ICCB and statutory requirements for financial reporting or financial transactions.

Section III serves as a handbook for community college external auditors auditing ICCB grants and other community college funds. Appendix C, which provides a recommended audit format, also is discussed in Section III.

Section I

FUND ACCOUNTING

The *Public Community College Act* establishes several funds for community college transactions. Each fund is composed of a series of self-balancing accounts. Moreover, community colleges are required to publicly present their financial information using these funds.

A. PRINCIPLES OF FINANCE FOR INTERNAL FINANCIAL RECORDS

- 1) IF LEGAL AND SOUND ACCOUNTING PROVISIONS CONFLICT, AUDITED FINANCIAL STATEMENTS MUST BE PREPARED FOLLOWING SOUND ACCOUNTING PROVISIONS. HOWEVER, SUPPLEMENTAL SCHEDULES USING THE LEGAL BASIS ALSO MUST BE PREPARED.

- 2) FUNDS MUST BE ESTABLISHED AS REQUIRED BY LAW.

A complete group of self-balancing accounts must be established for each fund. This group should include accounts necessary to set forth the financial position and the results of operations consistent with legal provisions. It also should meet the requirements of sound financial administration. The budget document and all public financial reports should be segregated using the funds or a subset of the funds defined in this manual.

- 3) ANNUAL INDEPENDENT AUDITS OF ALL FUNDS ARE REQUIRED BY LAW.

An audit of the financial statements, grants received from the ICCB, student enrollments, and other data used as a basis for distributing state financial support must be submitted to the ICCB each year. The independent licensed auditor is selected by and reports to the local board of trustees.

- 4) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING FOR REVENUES AND EXPENDITURE

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

- 5) THE ACCOUNTING SYSTEM SHOULD PROVIDE FOR A DOUBLE-ENTRY BASIS OF RECORDING WITHIN A GROUP OF SELF-BALANCING FUNDS.

Financial transactions should be recorded in terms of debits and credits in a general ledger from subsidiary books and/or records of original entry.

- 6) THE ACCOUNTING SYSTEM SHOULD PROVIDE FOR BUDGETARY CONTROL OF REVENUES AND EXPENDITURES WHICH ESTABLISH A DIRECT RELATIONSHIP BETWEEN THE FINANCIAL BUDGET AND ACCOUNTING REPORTS OF OPERATION.

For management control, obligations should be recorded on an encumbrance basis at the time commitments are made. Encumbrances remaining at year end should be included as a reservation of fund balance in the financial statements.

- 7) COST ACCOUNTING SYSTEMS SHOULD BE ESTABLISHED TO PROVIDE FOR THE RECORDING OF ALL ELEMENTS OF COST INCURRED BY COST CENTERS.

Cost centers are made up of activities which have cost characteristics identifiable with a single management responsibility.

- 8) COMMON TERMINOLOGY AND CLASSIFICATIONS SHOULD BE APPLIED CONSISTENTLY THROUGHOUT THE BUDGET, THE ACCOUNTS, FINANCIAL REPORTS, AND OTHER MANAGEMENT REPORTS.

Commonality of terms is essential to efficient analysis of the operation of an institution as complex as a community college. Data collected for various purposes should have as a basis the common definition of basic terms.

B. GASB AUDITED FINANCIAL STATEMENT PRESENTATION

An external audit presented in compliance with GASB33/34 reporting requirements will contain at minimum the following: 1) Management's Discussion and Analysis (MDA), 2) Statement of Net Assets, 3) Statement of Revenues, Expenses, and Changes in Fund Net Assets, 4) Statement of Cash Flows, 5) Notes to the Financial Statements, and Required Supplementary Information, if applicable. The financial statements are presented in a single fund presentation in the external audit therefore, internal financial records will need to be consolidated for external year-end audit reporting purposes.

C. CODIFICATION SYSTEM

The reporting structure presented in this manual provides a basis for rapid identification and summarization of financial data. The 13-digit reporting structure identifies financial data elements by fund, program, subprogram, type, object, subobject and detailed subobject level. These classifications will facilitate standardized reporting among all community college districts. Colleges shall use this reporting structure in submitting financial data.

The following chart summarizes the codification system:

<u>Code</u>	<u>Classification</u>
XX-0000-00000-00	Fund
00-XX00-00000-00	Program
00-00XX-00000-00	Subprogram
00-0000-X0000-00	Type
00-0000-0XX00-00	Object
00-0000-000XX-00	Subobject
00-0000-00000-XX	Detailed Subobject

1. Fund Codes and Descriptions

01-0000-00000-00 EDUCATION FUND

The Education Fund is established by Section 3-1 of the *Public Community College Act*. The statutory maximum tax rate for the Education Fund is 75 cents per \$100 of equalized assessed valuation for community college districts in cities with less than 500,000 inhabitants.

For community college districts in cities having a population of at least 500,000, Section 7-18 of the *Public Community College Act* establishes an Education Fund with a statutory maximum tax rate of 17.5 cents per \$100 of equalized assessed valuation.

The Education Fund is used to account for the revenues and expenditures of the academic and service programs of the college. It includes the cost of instructional, administrative, and professional salaries; supplies and moveable equipment; library books and materials; maintenance of instructional and administrative equipment; and other costs pertaining to the educational program of the college. (See Sections 3-20.3 and 7-18 of the *Public Community College Act*.)

The local board of trustees may make a determination within the budget for the distribution of unrestricted revenues other than local property taxes among the operating funds, i.e., the Education Fund, the Operations and Maintenance Fund, and the Public Building Commission Operation and Maintenance Fund.

02-0000-00000-00 OPERATIONS AND MAINTENANCE FUND

The Operations and Maintenance Fund for community college districts in cities with less than 500,000 inhabitants is established by Section 3-1 and Section 3-20.3 of the *Public Community College Act*. The statutory maximum tax rate is set at ten cents per \$100 of equalized assessed valuation and for community college districts in cities having a population of at least 500,000 is established by Section 7-18 of the *Public Community College Act*. The statutory maximum tax rate is set at five cents per \$100 of equalized assessed valuation.

This fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and

property for community college purposes; payment of all premiums for insurance upon buildings and building fixtures. If approved by resolution of the local board, the payment of salaries of janitors, engineers, or other custodial employees; all costs of fuel, lights, gas, water, telephone service, custodial supplies, and equipment; and professional surveys of the condition of college buildings are allowed. (See Sections 3-20.3 and 7-18 of the *Public Community College Act*.)

For community college districts in cities having a population of at least 500,000, this fund is used to account for the construction, acquisition, repair, and improvement of community college buildings; procurement of community college lands, furniture, fuel, libraries, and apparatus; building and architectural supplies; and the purchase, maintenance, repair, and replacement of fixtures generally used in community college buildings, including but not limited to heating and ventilating systems; mechanical equipment; seats and desks; blackboards; window shades and curtains; gymnasium, recreation, auditorium, and lunchroom equipment; and all expenses incident to each of these purposes. Further, if approved by resolution of the local board, the rental of buildings and property for community college purposes is allowable. (See Section 7-18 of the *Public Community College Act*.)

The local board of trustees of any district may make a determination within the budget for the distribution of unrestricted revenues other than local property taxes among the operating funds, i.e., the Education Fund, the Operations and Maintenance Fund, and the Public Building Commission Operation and Maintenance Fund.

03-0000-00000-00 OPERATIONS AND MAINTENANCE FUND (RESTRICTED)

This fund is used to account for monies restricted for building purposes and site acquisition.

It is suggested that protection, health, and safety levies; building bond proceeds; capital renewal grants; and accumulation monies restricted from the operations and maintenance levy for building purposes be accounted for in a series of self-balancing accounts in this fund. ICCB grants which should be accounted for in this fund include facilities improvement grants which may from time to time be appropriated to the ICCB on behalf of community colleges.

04-0000-00000-00 BOND AND INTEREST FUND

The Bond and Interest Fund is established by Section 3A-1 of the *Public Community College Act*. This fund is used to account for payment of principal, interest, and related charges on any outstanding bonds.

Debt service for each bond issue must be accounted for separately using a group of self-balancing accounts within the fund.

05-0000-00000-00 AUXILIARY ENTERPRISES FUND

The Auxiliary Enterprises Fund is established by Section 3-31.1 of the *Public Community College Act* and accounts 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. Examples of accounts in this fund include food services, student stores, and intercollegiate athletics.

Only monies over which the institution has complete control should be included in this fund.

Subsidies for auxiliary services by the Education Fund should be shown as transfers to the appropriate account.

06-0000-00000-00 RESTRICTED PURPOSES FUND

The Restricted Purposes Fund is for the purpose of accounting for monies that have restrictions regarding their use. Each specific project should be accounted for separately using a complete group of self-balancing accounts within the Restricted Purposes Fund. Care should be taken in establishing each group of self-balancing accounts so that the accounting and reporting requirements of the grantor are met. If the grantor provides an accounting manual, it should be followed for the group of self-balancing accounts. ICCB grants which should be accounted for in this fund include those found in the State Grant Financial Compliance section III A 12 of this manual. Additionally, this fund should be used to account for other state, federal, or other funds which are restricted for a specific purpose.

07-0000-00000-00 WORKING CASH FUND

The Working Cash Fund is established by Section 3-33.1 of the *Public Community College Act*. This fund is first established without voter approval by resolution of the local board of trustees 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. Additional 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.

Payments for the principal or interest of working cash bonds should be made from the Bond and Interest Fund. (Section 3-33.1 through Section 3-33.6 of the *Public Community College Act* relate to various provisions for the Working Cash Fund.)

For purposes of GASB reporting in the annual external audit, the Working Cash Fund bond principal would be classified as Restricted- Expendable since procedures for the abolishment of this fund exist in 110 ILCS 805/3-33.6. and interest earned by the bond principal would be classified as Unrestricted since 110 ILCS 805/3-33.6. allows the earned interest to be transferred to the education or operation and maintenance funds with no restrictions and no requirement for repayment.

08-0000-00000-00 GENERAL FIXED ASSETS ACCOUNT GROUP

This group of accounts is be used to record the value of plant assets and is normally supported by detailed inventory records.

09-0000-00000-00 GENERAL LONG-TERM DEBT ACCOUNT GROUP

This group of accounts is used to record long-term liabilities.

10-0000-00000-00 TRUST AND AGENCY FUND

The Trust and Agency Fund, established by Section 3-27c of the *Public Community College Act*, is used to receive and hold funds when the college serves as a custodian or fiscal agent for another body. The college has an agency rather than a beneficial interest in these monies. Each agency's monies should be accounted for by a complete group of self-balancing accounts, or subfund, within this fund. College club monies, for example, should be accounted for in this fund. The Trust and Agency Fund has no revenues, expenditures, or fund balances of its own.

11-0000-00000-00 AUDIT FUND

The Audit Fund is established by 50 ILCS 310/9 of Illinois Compiled Statutes for recording the payment of auditing expenses. The audit tax levy should be recorded in this fund, and monies in this fund only should be used for the payment of auditing expenses.

12-0000-00000-00 LIABILITY, PROTECTION, AND SETTLEMENT FUND

This fund is established pursuant to 745 ILCS 10/9-107 and 40 ILCS 5/21-110.1 of the Illinois Compiled Statutes. The tort liability and Medicare insurance/FICA tax levies should be recorded in this fund. The monies in this fund, including interest earned on the assets of this fund, should be used only for the purposes authorized under 745 ILCS 10/9-107, for example, the payment of tort liability, unemployment, or worker's compensation insurance or claims, or 40 ILCS 5/21-110.1, i.e., the cost of participation in the federal Medicare/Social Security programs. Revenue and expenditures for each type of insurance coverage should be accounted for separately using a complete set of self-balancing accounts within the Liability, Protection, and Settlement Fund. Only the costs paid from levy funds should be accounted for in this fund.

13-0000-00000-00 BUILDING BOND PROCEEDS FUND

Proceeds from construction bonds issued pursuant to Sections 3A-1, 7-25, 7-26, and 7-27 of the *Public Community College Act* may be recorded in this fund. Revenues from each bond issue must be accounted for separately using a group of self-balancing accounts within the fund. Expenditures from this fund are governed by the district's building bond indenture(s). Proceeds from construction bonds may be recorded in the Operations and Maintenance Fund (Restricted).

14-0000-00000-00 PUBLIC BUILDING COMMISSION RENTAL FUND

The Public Building Commission Rental Fund is established by the Public Building Commission Act for utilizing public building commission financing. Monies in this fund should be used to pay any obligations incurred under a lease(s) with a public building commission. Each lease must be accounted for separately using a group of self-balancing accounts within this fund. The Public Building Commission Act was amended to exclude applicability to community colleges. Therefore, no new financing may be obtained but existing financing will continue to be accounted for in this fund.

15-0000-00000-00 PUBLIC BUILDING COMMISSION OPERATIONS AND MAINTENANCE FUND

The Public Building Commission Operations and Maintenance Fund is established, for districts in cities having a population of at least 500,000, by the Public Building Commission Act and utilizing public building commission financing. This fund should be used to record the cost of maintaining and operating the property of a public building commission as specified in agreements with the public building commission. Each agreement to operate and maintain property must be accounted for separately using a group of self-balancing accounts within this fund. The Public Building Commission Act was amended to exclude applicability to community colleges. Therefore, no new financing may be obtained but existing financing will continue to be accounted for in this fund.

2. Program and Subprogram Codes and Descriptions (Expenditure accounts only; all other zero filled.)

00-0000-00000-00 ASSETS, LIABILITIES, FUND BALANCE, REVENUES, EXPENDITURES, PROVISION FOR CONTINGENCY, AND INTERFUND TRANSFERS

This program/subprogram code should be zero filled for all balance sheet, revenue, provision for contingency, and interfund transfer accounts.

00-1000-00000-00 INSTRUCTION

Instruction consists of those activities dealing directly with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, and remedial and ABE/ASE programs (associate degree credit and certificate credit). It includes expenditures for department chairpersons, administrators, and support staff for whom instruction is an important role. It also includes all equipment, materials, supplies, and costs that are necessary to support the instructional program.

Instructional salaries ordinarily will be allocated among the subprograms (instructional area) according to teaching assignment. If this is not possible (or immaterial), instructional salaries should be reported under the subprogram (instructional area) that best reflects the employee's primary area of assignment.

00- <u>1010-00000-00</u>	1010.	Baccalaureate-Oriented Transfer
00- <u>1020-00000-00</u>	1020.	Business Occupational
00- <u>1030-00000-00</u>	1030.	Technical Occupational
00- <u>1040-00000-00</u>	1040.	Health Occupational
00- <u>1050-00000-00</u>	1050.	Remedial Studies

00- <u>1060</u> -00000-00	1060.	Adult Basic and Adult Secondary Education
00- <u>1070</u> -00000-00	1070.	General Studies
00- <u>1090</u> -00000-00	1090.	Other
00- <u>2000</u> -00000-00		ACADEMIC SUPPORT

This category includes activities designed to provide support services for the institution's primary missions of instruction, public service, and research. Academic support includes the operation of the library, educational media services, instructional materials center, and academic computing used in the learning process. Some other activities include tutoring, learning skills centers, and reading and writing centers, that can be reported in the "2090 Other" category. It also includes expenditures for all equipment, materials, supplies, and costs that are necessary to support this function.

00- <u>2010</u> -00000-00	2010.	Library Center Organized activities which directly support the operation of a catalogued or otherwise classified collection.
00- <u>2020</u> -00000-00	2020.	Instructional Materials Center Support activities providing audio/visual or other services utilized to provide instructional information; i.e., filmstrips, overheads, and projectors.
00- <u>2030</u> -00000-00	2030.	Educational Media Services Organized activities that aid in or support the transmission of instruction via electronic media; i.e., distance learning (telecommunications). Faculty salary costs should not be included. Report under the appropriate instruction subprogram.
00- <u>2040</u> -00000-00	2040.	Academic Computing Support Organized activities that provide computing support of the institution's instruction, research and public service programs. Excluded from this category is administrative data processing which is classified as institutional support.
00- <u>2080</u> -00000-00	2080.	Academic Administration and Planning Activities specifically designed to provide administrative and management support to the academic programs. Included in this category are the expenditures of academic deans, but not the expenditures of department chairpersons (included under appropriate instructional area). Expenditures for course and curriculum development also are included in this category. Expenditures associated with the Chief Academic Office should be classified as Institutional Support/Executive Management.
00- <u>2090</u> -00000-00	2090.	Other

00-3000-00000-00 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.

00-3010-00000-00 3010. Admissions and Records

00-3020-00000-00 3020. Counseling and Career Guidance
Organized placement, career guidance and personal counseling services for students. It includes vocational testing and counseling services and activities of the placement office.

00-3030-00000-00 3030. Student Health Service
Includes expenditures for health services (unless operated as an Auxiliary Enterprise).

00-3040-00000-00 3040. Financial Aid Administration
Includes expenditures for financial aid services and assistance to students. Do not include direct grants to students which should be classified as scholarships.

00-3060-00000-00 3060. Social and Cultural Development
Organized activities that provide for students' social and cultural development outside the formal academic program. It includes activities primarily supported by college monies such as cultural events, student newspapers, student organizations, etc. Activities included in this category are not expected to be self-supporting. Student activities that are intended to be self-supporting should be reported in Auxiliary Services.

00-3080-00000-00 3080. Administration
Organized administrative activities that provide assistance and support to the needs of students. Includes special services provided for particular types of students (i.e., veterans, minorities, students with disabilities). Expenditures for the Chief Student Services Officer may be included under Institutional Support/Executive Management if that position is designated as a top level administrator, i.e., Vice President.

00-3090-00000-00 3090. Other

00-4000-00000-00 PUBLIC SERVICE/CONTINUING EDUCATION

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

- 00-4010-00000-00 4010. Community Education (Noncredit Instructional)
Instructional activities carried out that do not result in credit towards a degree or certificate.
- 00-4020-00000-00 4020. Customized Training (Instructional)
Includes workshops, conferences and seminars designed to provide individually tailored instruction to individuals and groups external to the institution.
- 00-4030-00000-00 4030. Professional Development
Includes activities which provide more general development of individuals, i.e., Total Quality management training, personal growth, etc.
- 00-4040-00000-00 4040. Community Services (Non-instructional)
Includes expenditures for activities designed to provide general community services, excluding instruction. These activities make available institutional resources; i.e., use of college facilities for public activities, small business services, etc.
- 00-4080-00000-00 4080. Administration
- 00-4090-00000-00 4090. Other
- 00-5000-00000-00 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.

00-6000-00000-00 AUXILIARY SERVICES

Auxiliary Services provides for the operation of the cafeteria, bookstore, student organizations, athletics, and other related activities. It also includes all equipment, materials, supplies, and costs that are necessary to support this function. Activities included in Auxiliary Services should be self-supporting. Fund raising activities should be reported in the Institutional Support program/subprogram Community Relations 8030.

- 00-6010-00000-00 6010. Food Service
- 00-6020-00000-00 6020. Bookstore
- 00-6030-00000-00 6030. Child Care Center
- 00-6040-00000-00 6040. Intercollegiate Athletics

00-6050-00000-00 6050. Student Organizations
Includes activities primarily intended to furnish services to students for which a fee is charged. For example, a student health center is included (if operated as an Auxiliary Enterprise).

00-6080-00000-00 6080. Administration

00-6090-00000-00 6090. Other

00-7000-00000-00 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, fire protection, property insurance, and other costs that are necessary to support this function.

00-7010-00000-00 7010. Maintenance

00-7020-00000-00 7020. Custodial

00-7030-00000-00 7030. Grounds

00-7040-00000-00 7040. Campus Security

00-7050-00000-00 7050. Transportation

00-7060-00000-00 7060. Plant Utilities

00-7080-00000-00 7080. Administration

00-7090-00000-00 7090. Other

00-8000-00000-00 INSTITUTIONAL SUPPORT

Institutional support includes expenditures for central executive-level activities and support services that benefit the entire institution. Examples include expenses for the governing board, administrative data processing, fiscal operations, legal services, etc.

00-8010-00000-00 8010. Executive Management
All officers with college-wide responsibilities such as the president, chief academic officer, chief business officer, chief student affairs officer and chief development officer. The Chief student affairs officer may be classified as Student Services Administration depending on the scope of their institutional responsibilities. In some colleges, this position may not have authority over college-wide functions.

00- <u>8020</u> -00000-00	8020.	Fiscal Operations Includes accounting, bursar's office and internal auditing.
00- <u>8030</u> -00000-00	8030.	Community Relations Activities concerned with community and alumni relations, including fund raising(excluding auxiliary activities), <u>marketing and public relations.</u>
00- <u>8040</u> -00000-00	8040.	Administrative Support Services Includes personnel, purchasing, shipping/receiving, etc.
00- <u>8050</u> -00000-00	8050.	Board of Trustees
00- <u>8060</u> -00000-00	8060.	General Institution Includes legal services, general insurance, building remodeling, internet provider costs, and other items benefitting the institution.
00- <u>8070</u> -00000-00	8070.	Institutional Research
00- <u>8080</u> -00000-00	8080.	Administrative Data Processing
00- <u>8090</u> -00000-00	8090.	Other
00- <u>9000</u> -00000-00	SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	

This category includes activities in the form of grants to students, prizes and awards, chargebacks, and aid to students in the form of state-mandated and institutional tuition and fee waivers. Employees/family tuition waivers are not included in this category.

00- <u>9010</u> -00000-00	9010.	Scholarships/Grants
00- <u>9020</u> -00000-00	9020.	Waivers
00- <u>9030</u> -00000-00	9030.	Chargeback/Contractual Agreements

3. Type, Object, Subobject, and Detailed Subobject Codes and Descriptions

00-0000- <u>10000</u> -00	<u>ASSETS</u>
00-0000- <u>11000</u> -00	CASH

Currency, coin, checks, money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash or in demand deposit accounts including N.O.W. accounts in banks. Includes petty cash funds, change funds, and other imprest cash funds.

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>11010-00</u>	11010	Cash in Bank
00-0000- <u>11020-00</u>	11020	Imprest Fund
00-0000- <u>11030-00</u>	11030	Petty Cash
00-0000- <u>11030-01</u>	11030.01	President
00-0000- <u>11030-02</u>	11030.02	Business Office
00-0000- <u>11030-03</u>	11030.03	Library
00-0000- <u>11030-04</u>	11030.04	Instruction
00-0000- <u>11030-05</u>	11030.05	Student Affairs
00-0000- <u>11030-06</u>	11030.06	Bookstore
00-0000- <u>11030-07</u>	11030.07	Cafeteria
00-0000- <u>11030-09</u>	11030.09	Other Petty Cash
00-0000- <u>11040-00</u>	11040	Change Funds
00-0000- <u>11040-01</u>	11040.01	Business Office
00-0000- <u>11040-02</u>	11040.02	Bookstore
00-0000- <u>11040-03</u>	11040.03	Cafeteria
00-0000- <u>11040-04</u>	11040.04	Registration
00-0000- <u>11040-05</u>	11040.05	Tuition Refund
00-0000- <u>11090-00</u>	11090	Other Cash

00-0000-12000-00 INVESTMENTS

Securities or other property in which money is held, either temporarily or permanently, in expectation of obtaining revenue. Legal investments for community college district funds are governed by state statute.

00-0000- <u>12010-00</u>	12010.	Securities issued by U.S. Government (U.S. Treasury bills, notes, bonds, certificates)
00-0000- <u>12020-00</u>	12020.	Time Deposits
00-0000- <u>12030-00</u>	12030.	Short-term Obligations of U.S. Corporations
00-0000- <u>12040-00</u>	12040.	Mutual Funds
00-0000- <u>12050-00</u>	12050.	Illinois Public Treasurers Investment Pool
00-0000- <u>12060-00</u>	12060.	Repurchase Agreements
00-0000- <u>12090-00</u>	12090.	Other Investments

00-0000-13000-00 RECEIVABLES

Amounts owed by private persons, firms, governmental units, or others, except for interfund receivables.

00-0000-13010-00 13010. Taxes Receivable (Net)

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS.</u> While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>13010-01</u>	13010-01	Taxes Rec.--(Previous Years)
00-0000- <u>13010-98</u>	13010-98	Allowance for Uncollectible Taxes
00-0000- <u>13010-99</u>	13010-99	Allowance for Uncollectible Tuition

00-0000-13020-00 13020. Governmental Claims Receivable

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS.</u> While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>13020-01</u>	13020.01	Government Claims Receivable -- Vocational Equipment
00-0000- <u>13020-02</u>	13020.02	Governmental Claims Receivable -- Other

00-0000-13030-00 13030. Student Tuition Receivable (Net)

00-0000-13040-00 13040. Chargebacks Receivable

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS.</u> While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>13060-01</u>		Accounts Receivable -- Travel Advances
00-0000- <u>13060-02</u>		Accounts Receivable -- Other Advances
00-0000- <u>13060-03</u>		Book Purchase Fund
00-0000- <u>13060-09</u>		Accounts receivable -- Miscellaneous

00-0000-13090--00 13090 Other Receivables

00-0000-14000-00 ACCRUED REVENUE

Revenue earned and not collected.

00-0000- <u>14010</u> -00	14010.	Accrued Interest
00-0000- <u>14020</u> -00	14020.	Accrued Tuition and Fees
00-0000- <u>14030</u> -00	14030.	Accrued State Grants
00-0000- <u>14030-01</u>	14030.01	ICCB grants
00-0000- <u>14030-02</u>	14030.02	Other State Grants
00-0000- <u>14040</u> -00	14040.	Accrued Federal Grants
00-0000- <u>14090</u> -00	14090.	Other Accrued Revenue

0000-000-150-000-000 INTERFUND RECEIVABLES

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>15010</u> -00	15010	Receivable from Education Fund
00-0000- <u>15020</u> -00	15020	Receivable from Operations and Maintenance Fund
00-0000- <u>15030</u> -00	15030	Receivable from Operations and Maintenance Fund (Restricted)
00-0000- <u>15040</u> -00	15040	Receivable from Bond & Interest Fund
00-0000- <u>15050</u> -00	15050	Receivable from Auxiliary Enterprises Fund
00-0000- <u>15060</u> -00	15060	Receivable from Restricted Purposes Fund
00-0000- <u>15090</u> -00	15090	Receivable from Other Funds

00-0000-16000-00 INVENTORY

This category is used to account for the value of supplies or salable goods on hand. In proprietary funds, supplies are considered to be expended at the time they are removed from a stockroom or other storage area for distribution. In governmental funds, expenditures are recognized at the time of purchase.

00-0000- <u>16010</u> -00	16010.	Stationery Stores
00-0000- <u>16020</u> -00	16020.	Bookstore
00-0000- <u>16030</u> -00	16030.	Cafeteria
00-0000- <u>16090</u> -00	16090.	Other

00-0000-17000-00 PREPAID EXPENDITURES AND DEFERRED CHARGES

Prepaid expenditures are expenditures not fully chargeable to the fiscal period in which made; are spread over a short period of time; and are regularly recurring costs of operation, such as prepaid rent, prepaid interest, and unexpired insurance premiums. Deferred charges are expenditures not chargeable to the fiscal period in which payment is made, but are chargeable to a future accounting period.

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS</u>. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>17100</u> -00	17100	Prepaid Insurance
00-0000- <u>17200</u> -00	17200	Deposits
00-0000- <u>17900</u> -00	17900	Other Deferred Expenses

00-0000-18000-00 FIXED ASSETS

Land; site improvements; buildings; permanent improvements to buildings; and machinery, furniture, and equipment which upon acquisition can be expected to have benefits lasting more than one fiscal period.

00-0000-18010-00 18010. Land

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS</u>. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>18010-01</u>	18010.01	Sites
00-0000- <u>18010-02</u>	18020.02	Site Improvement

00-0000-18020-00 18020. Buildings

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS</u>. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>18020-01</u>	18030.01	Buildings and Additions
00-0000- <u>18020-02</u>	18090.02	Building Improvements

00-0000-18030-00 18030. Equipment

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>18030-01</u>	18030.01	Equipment--Office
00-0000- <u>18030-02</u>	18030.02	Equipment--Instructional
00-0000- <u>18030-03</u>	18030.03	Equipment-- Service

00-0000-18090-00 18090. Other Fixed Assets

00-0000-18900-00 18900. Accumulated Depreciation

00-0000-19000-00 OTHER ASSETS

Owned economic resources which do not fit into specific asset categories.

00-0000-20000-00 LIABILITIES

00-0000-21000-00 PAYROLL DEDUCTIONS PAYABLE

Amounts deducted from employees' salaries or wages and owed for the accounts of the employees to private persons, firms, governmental units, or others.

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>21010</u> -00	21010	Employees Retirement Contribution
00-0000- <u>21020</u> -00	21020	Withholding Tax -- Federal
00-0000- <u>21030</u> -00	21030	Withholding Tax -- State of Illinois
00-0000- <u>21040</u> -00	21040	Annuities
00-0000- <u>21050</u> -00	21050	Group Insurance
00-0000- <u>21060</u> -00	21060	Credit Union
00-0000- <u>21070</u> -00	21070	Medicare
00-0000- <u>21090</u> -00	21090	Other Payroll Deductions

00-0000-22000-00 CURRENT OBLIGATIONS PAYABLE

All principal and interest of short-term obligations, including tax anticipation notes and warrants and the current portion of the principal and interest of long-term obligations.

00-0000-22010-00 22010. Tax Anticipation Warrants Payable

- 00-0000-22030-00 22030. Wage Warrants Payable
- 00-0000-22040-00 22040. Bonds Currently Payable
Principal and interest on bonds due during the current fiscal year
but currently past due.
- 00-0000-22090-00 22090. Other Current Obligations
- 00-0000-23000-00 ACCOUNTS PAYABLE

Amounts owed to private persons, firms, governmental units, or other current obligations payable, except interfund payables.

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>23010</u> -00	23010	Accounts Payable Supplier
00-0000- <u>23090</u> -00	23090	Other Accounts Payable

00-0000-24000-00 ACCRUED EXPENSE

Expenses which have been incurred and have not been paid.

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>24010</u> -00	24010	Accrued Salaries
00-0000- <u>24020</u> -00	24020	Accrued Tuition and Fees
00-0000- <u>24030</u> -00	24030	Accrued Interest
00-0000- <u>24040</u> -00	24040	Accrued Retailers' Occup. Tax
00-0000- <u>24090</u> -00	24090	Other Accrued Expenses

00-0000-25000-00 INTERFUND PAYABLES

Amounts owed by a fund to another fund.

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>25010</u> -00	25010	Payable to Education Fund
00-0000- <u>25020</u> -00	25020	Payable to Operations and Maintenance Fund

00-0000- <u>25030</u> -00	25030	Payable to Operations and Maintenance Fund (Restricted)
00-0000- <u>25040</u> -00	25040	Payable to Bond & Interest Fund
00-0000- <u>25050</u> -00	25050	Payable to Auxiliary Enterprises Fund
00-0000- <u>25060</u> -00	25060	Payable to Restricted Purposes Fund
00-0000- <u>25070</u> -00	25070	Payable to Working Cash Fund
00-0000- <u>25090</u> -00	25090	Payable to Other Funds

00-0000-27000-00 DEFERRED REVENUE

Revenues applicable to a subsequent fiscal period (fiscal year for property taxes and terms for student tuition and fees) recognized as a deferred credit in the current fiscal period, not as current revenue. Any other significant deferred revenue also should be recorded into the appropriate fiscal period.

00-0000-27010-00 27010. Tuition and Fees

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>27010-01</u>	27010.01	Summer School Tuition and Fees
00-0000- <u>27010-02</u>	27010.02	Summer School Tuition and Fees -- Refunds

00-0000-27030-00 27030. Property Taxes

00-0000-27090-00 27090. Other Deferred Revenue

00-0000-28000-00 FIXED LIABILITIES

Principal and interest of long-term obligations, including bonds, rentals, etc., not due during the current year.

00-0000-28010-00 28010. Bonds Payable

00-0000-28090-00 28090. Other Fixed Liabilities

00-0000-29000-00 OTHER LIABILITIES

Legal obligations which do not fit into specific liability categories.

00-0000-29010-00 29010. Student Tuition

00-0000-29090-00 29090. Miscellaneous Liabilities

00-0000-30000-00 FUND BALANCE

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

00-0900-31000-00 DESIGNATED FUND BALANCE

A portion of the fund balance may be designated by Board resolution to fund anticipated expenditures.

00-0000-32000-00 UNDESIGNATED FUND BALANCE

If a portion of a fund balance is designated, the remaining amount of the fund balance shall be identified as undesignated.

00-0000-34000-00 RETAINED EARNINGS

00-0000-40000-00 REVENUE SOURCE

00-0000-41000-00 LOCAL GOVERNMENTAL SOURCES

Revenues from district taxes, from chargebacks, and from all governmental agencies below the state level.

00-0000-41010-00 41010. Local Taxes

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS</u> While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>41010</u> -01	41010.01	Current Taxes
00-0000- <u>41020</u> -02	41020	Back Taxes
00-0000- <u>41030</u> -00	41030	Payment in Lieu of Taxes

00-0000-41035-00 41035. Corporate Personal Property Replacement Tax Revenue (CPPRT)

00-0000-41040-00 41040. Chargeback/Contractual Agreement Revenue

00-0000-41050-00 41050. Bond Proceeds

00-0000-41090-00 41090. Other Local Governmental Sources

00-0000-42000-00 STATE GOVERNMENTAL SOURCES

State revenues from all state governmental agencies.

00-0000- <u>42010</u> -00	42010.	ICCB Grants
00-0000- <u>42010</u> -01	42010.01	Base Operating Grants - Includes all components of base grants, performance grant funding and small college grant funding
00-0000- <u>42010</u> -02	42010.02	Equalization Grants
00-0000- <u>42010</u> -04	42010.04	Initial Grant
00-0000-42010-05	42010.05	Workforce Development (Business/Industry) Grants—Previously used for grant that has been discontinued but we are maintaining the UFRS history in this account code.
00-0000-42010-07	42010.07	Retirees Health Insurance Grants—Previously used for grant that has been discontinued but we are maintaining the UFRS history in this account code.
00-0000-42010-08	42010.08	Student Success Grant—Previously used for grant that has been discontinued but we are maintaining the UFRS history in this account code.
00-0000- <u>42010</u> -09	42010.09	Special Initiative Grants - Grants not identified elsewhere in ICCB grant section and awarded on a competitive basis.
00-0000-42010-09 through 00-0000-42010-16 ---Previously used for grants that have been discontinued but we are maintaining the UFRS history in these account codes.		
00-0000-42010-17	42010.17	P-16 Initiative--- Previously used for a grant that has been discontinued but we are maintaining in UFRS history in this account code.
00-0000-42010-18	42010.18	ADA - Access for All Grants --- Previously used for a grant that is no longer available but we are maintaining in UFRS history in this account code.
00-0000- <u>42010</u> -19	42010.19	Adult Education -State Basic Grants
00-0000-42010-20	42010.20	Adult Education- Public Assistance Grants -- Previously used for a grant that is no longer available (combined with State Basic Grants) but we are maintaining in UFRS history in this account code.
00-0000- <u>42010</u> -21	42010.21	Adult Education -Performance Grants
00-0000- <u>42010</u> -30	42010.30	Career and Technical Education (CTE) Formula Grant
00-0000- <u>42010</u> -31	42010.31	CTE/Program Improvement Grant

00-0000-42010-90 through 00-0000-42010-92 ---Previously used for grants that have been discontinued but we are maintaining the UFRS history in these account codes.

00-0000- <u>42010-98</u>	42010.98	Additional Designated Grant
00-0000- <u>42010-99</u>	42010.99	Other
00-0000- <u>42020-00</u>	42020.	Department of Corrections
00-0000- <u>42030-00</u>	42030.	Illinois State Board of Education
00-0000- <u>42030-99</u>	42030.99	Other ISBE Grants
00-0000- <u>42040-00</u>	42040.00	Department of Commerce and Economic Opportunity
00-0000- <u>42050-00</u>	42050.	Department of Veterans Affairs
00-0000- <u>42070-00</u>	42070.	Illinois Student Assistance Commission
00-0000- <u>42080-00</u>	42080.00	Department of Central Management Services
00-0000- <u>42090-00</u>	42090.	Other Illinois Governmental Sources

00-0000-43000-00 FEDERAL GOVERNMENTAL SOURCES

Federal revenues from all agencies of the federal government and pass-through agencies.

00-0000- <u>43010-00</u>	43010	Department of Education
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00-0000- <u>43010-01</u>	43010.01	Direct
00-0000- <u>43010-02</u>	43010.02	Pass-through

00-0000- <u>43020-00</u>	43020.	Department of Labor
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00-0000- <u>43020-01</u>	43020.01	Direct
00-0000- <u>43020-02</u>	43020.02	Pass-through

00-0000- <u>43030-00</u>	43030.	Department of Health and Human Services
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<u>00-0000-43030-01</u>	43030.01	Direct
<u>00-0000-43030-02</u>	43030.02	Pass-through

00-0000-43090-00 43090. Other Federal Governmental Sources

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS. While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000- <u>43090-01</u>	43090.01	Direct
00-0000- <u>43090-02</u>	43090.02	Pass-through

00-0000-44000-00 STUDENT TUITION AND FEES

All tuition and fees (less refunds, remissions, and exemptions) assessed against students for educational and general purposes.

- 00-0000-44010-00 44010 Tuition
- 00-0000-44010-01 44010.01 Resident
- 00-0000-44010-02 44010.02 Out-of-District
- 00-0000-44010-03 44010.03 Out-of-State
- 00-0000-44010-04 44010.04 International
- 00-0000-44010-99 44010.99 Other Tuition
- 00-0000-44020-00 44020. Student Fees
- 00-0000-44020-01 44020.01 Laboratory Fees
- 00-0000-44020-02 44020.02 Application Fees
- 00-0000-44020-03 44020.03 Course Fees
- 00-0000-44020-09 44020.09 Other Fees
- 00-0000-44030-00 44030. Student Activity Assessments
- 00-0000-44090-00 44090. Other Student Tuition and Fees
- 00-0000-45000-00 SALES AND SERVICE FEES

All fees and charges for auxiliary enterprise sales; admissions charges; all sales and service charges; contract payment revenues for materials or services from private persons, firms, or other nongovernmental entities; and revenue received for providing customized training courses or workshops.

- 00-0000-45010-00 45010. Food/Cafeteria
- 00-0000-45020-00 45020. Bookstore
- 00-0000-45030-00 45030. Athletic Fees
- 00-0000-45040-00 45040. Public Service/Community Education/Customized Training
- 00-0000-45090-00 45090. Other Sales and Services
- 00-0000-46000-00 FACILITIES REVENUE

Revenue from the use of college facilities.

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

0000-000- <u>46010</u> -00	46010.	Building Rentals
0000-000- <u>46020</u> -00	46020.	Data Processing Rentals
0000-000- <u>46030</u> -00	46030.	Equipment Rentals
0000-000- <u>46090</u> -00	46090.	Other Facility Rentals

00-0000-47000-00 INVESTMENT REVENUE

Revenue from investments.

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS While these are not required for state-level reporting they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>47010</u> -00	47010	U.S. Treasury Bill Interest
00-0000- <u>47020</u> -00	47020	Time Deposits and NOW Accounts
00-0000- <u>47090</u> -00	47090	Other Interest

00-0000-48000-00 NONGOVERNMENTAL GIFTS, SCHOLARSHIPS, GRANTS, AND BEQUESTS

Revenues from private persons, firms, foundations, or other nongovernmental entities in the form of restricted or unrestricted gifts, scholarships, bequests, or grants for specific projects.

*The following account descriptions are **recommended** additional accounting detail only. These will not be valid account codes in the ICCB UFRS While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.*

00-0000- <u>48010</u> -00	48010	Nongovernmental Gifts or Grants
00-0000- <u>48020</u> -00	48020	Bequests

00-0000-48030-00	48030	Income from Funds Held in Trust by Others
00-0000-48090-00	48090	Other

00-0000-49000-00 OTHER REVENUES

Revenues which do not fit into specific revenue source categories.

<i>The following account descriptions are recommended additional accounting detail only. <u>These will not be valid account codes in the ICCB UFRS</u> While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
00-0000-49010-00	49010	Fines
00-0000-49010-01	49010.01	Parking Fines
00-0000-49010-02	49010.02	Other Fines
00-0000-49020-00	49020.	Commissions
00-0000-49030-00	49030.	Sale of Surplus Property
00-0000-49090-00	49090.	Miscellaneous Revenue

00-0000-50000-00 EXPENDITURES

00-0000-51000-00 SALARIES

Salaries and wages paid to an employee, before any deductions, for personal services rendered to the community college district. Salaries should be charged to the program area that most accurately reflects the employee's area of responsibility. In the case of instructional salaries, where an employee's responsibilities may be split among several instructional areas, the wages should be reported in the category that best reflects the employee's primary area of responsibility.

00-0000-51010-00 51010. Administrative staff are line officers of the college who manage, conduct, and administer programs, staff, and operations of the board of trustees. Administrators shall be defined by the local board of trustees. Examples include the president, deans, directors, managers, and the stipend and released time of the divisional chairpersons.

- 00-0000-51010-01 51010.01 Administrative staff - full-time
- 00-0000-51010-02 51010.02 Administrative staff - part-time
- 00-0000-51010-03 51010.03 Administrative staff - temporary

00-0000-51020-00 51020. Professional/technical staff are personnel who do not directly support the process of teaching and whose support is not critical to the process of teaching. Such positions include data analysts, accountants, computer programmers, engineers, internal auditors, etc.

00-0000- <u>51020-01</u>	51020.01	Professional/technical staff - full-time
00-0000- <u>51020-02</u>	51020.02	Professional/technical staff - part-time
00-0000- <u>51020-03</u>	51020.03	Professional/technical staff - temporary
00-0000- <u>51020-04</u>	51020.04	Professional/technical staff - overtime
00-0000- <u>51030-00</u>	51030.	Teaching faculty are individuals who spend more than one-half (50 percent) of their workload in the activity of teaching and providing instruction to students. A full-time workload will be defined by the local board of trustees. <u>Note:</u> The release time of divisional chairpersons should be included in 51010.
00-0000- <u>51030-01</u>	51030.01	Teaching faculty - full-time
00-0000- <u>51030-02</u>	51030.02	Teaching faculty - part-time
00-0000- <u>51030-03</u>	51030.03	Teaching faculty - temporary
00-0000- <u>51030-04</u>	51030.04	Teaching faculty - overload
		Overload salaries are wages received for teaching additional classes beyond the full-time load as defined by contract or the local board of trustees. Temporary salaries would include substitute teachers.
00-0000- <u>51040-00</u>	51040.	Supervisory staff are individuals who have the duty, responsibility, or authority to recommend the employment, transfer, suspension, dismissal, promotion, assignment, reward, or discipline of other staff both full- and part-time. Supervisory positions shall be identified by the local board of trustees.
00-0000- <u>51040-01</u>	51040.01	Supervisory staff - full-time
00-0000- <u>51040-02</u>	51040.02	Supervisory staff - part-time
00-0000- <u>51040-03</u>	51040.03	Supervisory staff - temporary
00-0000- <u>51050-00</u>	51050.	Academic support staff are individuals who exercise professional judgment and discretion and directly support the teaching and learning process. Individuals in this classification shall be limited to librarians and counselors unless other categories are authorized by the local board of trustees.
00-0000- <u>51050-01</u>	51050.01	Academic support - full-time
00-0000- <u>51050-02</u>	51050.02	Academic support - part-time
00-0000- <u>51050-03</u>	51050.03	Academic support - temporary
00-0000- <u>51050-04</u>	51050.04	Academic support - overload
00-0000- <u>51060-00</u>	51060.	Clerical staff are employees who are engaged in the process of keeping records and processing information upon the direction and request of professional college staff. Examples include secretaries, clerks, bookkeepers, data processing operators, printing operators, and general office personnel.

00-0000- <u>51060-01</u>	51060.01	Clerical - full-time
00-0000- <u>51060-02</u>	51060.02	Clerical - part-time
00-0000- <u>51060-03</u>	51060.03	Clerical - temporary
00-0000- <u>51060-04</u>	51060.04	Clerical - overtime
00-0000- <u>51070-00</u>	51070.	Custodial/maintenance staff are employees who are engaged in housekeeping and the maintenance/repair of college facilities and equipment.
00-0000- <u>51070-01</u>	51070.01	Custodial/maintenance - full-time
00-0000- <u>51070-02</u>	51070.02	Custodial/maintenance - part-time
00-0000- <u>51070-03</u>	51070.03	Custodial/maintenance - temporary
00-0000- <u>51070-04</u>	51070.04	Custodial/maintenance - overtime
00-0000- <u>51080-00</u>	51080.	Student employees
00-0000- <u>51090-00</u>	51090.	Other Salaries Staff not included in the previous categories.
00-0000- <u>52000-00</u>	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. Payments for self-insurance programs will be reported in the appropriate classification.

00-0000- <u>52010-00</u>	52010.	Group Medical and Life Insurance
00-0000- <u>52010-01</u>	52010.01	Medical
00-0000- <u>52010-02</u>	52010.02	Dental
00-0000- <u>52010-03</u>	52010.03	Vision
00-0000- <u>52010-04</u>	52010.04	Life
00-0000- <u>52010-05</u>	52010.05	Long-term disability
00-0000- <u>52020-00</u>	52020.	Workers Compensation Insurance
00-0000- <u>52030-00</u>	52030.	Sabbatical Leave
00-0000- <u>52040-00</u>	52040.	Unemployment Insurance
00-0000- <u>52050-00</u>	52050.	Medicare
00-0000- <u>52060-00</u>	52060.	FICA - Social Security
00-0000- <u>52070-00</u>	52070.	Staff/Family Tuition Waivers
00-0000- <u>52080-00</u>	52080.	Retirement Health Insurance

00-0000-52090-00 52090. Other Employee Benefits

00-0000-52999-00 52999. Allocated Employee Benefits

00-0000-53000-00 CONTRACTUAL SERVICES

Charges for services rendered by firms or persons not employed by the local board of trustees, including the following:

00-0000-53010-00 53010. Audit Services
Services rendered in providing the annual college audit.

00-0000-53020-00 53020. Consultants
Educational or administrative consultants employed for a specific task.

00-0000-53030-00 53030. Architectural Services
Architectural and engineering services.

00-0000-53040-00 53040. Maintenance Services
All repairs performed on a contractual basis, as well as any other contractual charges for the maintenance of college land, buildings, or equipment. Equipment service contracts are included.

00-0000-53050-00 53050. Legal Services
The college attorney and any other legal services.

00-0000-53060-00 53060. Office Services
Charges for temporary office services provided by outside agencies.

00-0000-53080-00 53080. Instructional Service Contracts
Expenditures for instructional services paid to external entities that generate local credit hours. These costs should be reported at the appropriate instructional subprogram level.

00-0000-53090-00 53090. Other Contractual Services
Any contractual services not covered above.

00-0000-54000-00 GENERAL MATERIALS AND SUPPLIES

Costs of all general materials and supplies, including the following:

00-0000-54010-00 54010. Supplies

00-0000-54010-01 54010.01 Office Supplies

Letterhead for correspondence, paper for copies, printed stationery, forms, scratch pads, paper clips, wastebaskets, desk trays, ribbons, pencils, pens, erasers, staplers, desktop items, file folders, indexes, printing inks, cleaners, solvents, stapling and binding supplies, paper stock used in duplicating and printing, tapes, reels, ribbons, process sheets, data sheets, report sheets, pin-fed forms used in data processing, etc.

00-0000- <u>54010-02</u>	54010.02	Instructional Supplies	Test papers, chalk, paper, ink, pencils, erasers, and other supplies of a general nature used by the instructor in the teaching process, curriculum supplies for college exhibits, supplies for in-service training of instructors, student workbooks, music supplies, physical education supplies, paints, paint brushes, crayons, oils, cleaners, printing of classroom materials, guides and manuals, magazines and periodicals for classroom use, laboratory supplies such as chemicals, supplies for operation of equipment used in the instructional process, prepared slides, foods in home economics courses, technical and vocational supplies such as parts, bar stock metals, sheet metal, welding rods, wood, automotive supplies such as gas, oil, and grease, electrical wires, oils, cleaners, small tools, etc.
00-0000- <u>54010-03</u>	54010.03	Library Supplies	Library supplies and materials such as glue, paper stock, cording, cover stock, etc., which are necessary to bind books, newspapers, and periodicals for repair or storage purposes.
00-0000- <u>54010-04</u>	54010.04	Maintenance Supplies	Special supplies used by maintenance, custodial, heating plant, grounds, and security staff. This includes, but is not limited to, cleaning compounds, rags, waxes, mops, brooms, pails, small tools, seeds, chemicals, fertilizer, paint, rakes, and shovels.
00-0000- <u>54010-05</u>	54010.05	Vehicle Supplies	Gas, oil, grease, tires, tubes, and items necessary to maintain, repair, and operate equipment.
00-0000- <u>54010-09</u>	54010.09	Other Supplies	
00-0000- <u>54020-00</u>	54020.	Printing	Commercial printing and costs of duplication by the college printing department.
00-0000- <u>54040-00</u>	54040.	Materials	

00-0000- <u>54040-01</u>	54040.01	Audio/Visual Materials Records, tapes, and other materials supplemental to the audio portion of instruction, filmstrips, slides, television tapes, films, charts, maps, exhibits, teaching machine supplies, rental of films, photographic films, solutions, camera accessories, and darkroom supplies.
00-0000- <u>54040-02</u>	54040.02	Computer software
00-0000- <u>54040-03</u>	54040.03	Postage
00-0000- <u>54040-04</u>	54040.04	Repair Materials and Supplies Repair materials and supplies, including all material purchased and stored so that it is available for immediate use to make repairs to buildings, grounds, and equipment, such as parts for plumbing, electrical, heating and air conditioning equipment, and glass, lathing, bricks, plaster, tars, etc., for structural repairs.
00-0000- <u>54050-00</u>	54050.	Books and Binding Costs Cost, including freight, of library books and the cost of binding periodicals or repairing books by a commercial company.
00-0000- <u>54060-00</u>	54060.	Publications and Dues Publications such as newspapers, magazines, microfilms, other periodicals for general use in the college library, and publications of professional societies, and expenses related to institutional memberships in professional organizations paid for by the college, which may include subscriptions to magazines and periodicals of a professional nature or general interest to faculty and staff members.
00-0000- <u>54070-00</u>	54070.	Advertising Costs of disseminating information on college activities to the general public and to the students and staff, including newspaper or periodical notices or advertisements, the advertising of all college events, and the costs of the general catalog of courses offered by the college.
00-0000- <u>54080-00</u>	54080.	Purchases for Resale The costs of items purchased for resale, such as food for the cafeteria and books and supplies for the bookstore.
00-0000- <u>54090-00</u>	54090.	Other Materials and Supplies

00-0000-55000-00 TRAVEL AND CONFERENCE/MEETING EXPENSE

00-0000-55010-00 55010. Conference/Meeting Expense
 Conference registration fees, meeting room charges, food and other costs related to meetings held by college.

00-0000-55020-00 55020. Travel--In State
 Gasoline costs, car and bus rental, plane, train, etc., for travel and transportation, and costs of meals and lodging while on travel status, to a destination within Illinois, related to college business/activities.

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
<u>00-0000-55020-01</u>	55020.01	Instructional Staff
<u>00-0000-55020-02</u>	55020.02	Administrative Staff
<u>00-0000-55020-03</u>	55020.03	Other Personnel

00-0000-55030-00 55030. Travel--Out of State
 Gasoline costs, car and bus rental, plane, train, etc., for travel and transportation, and cost of meals and lodging while on travel status, to a destination outside of Illinois, related to college business/activities.

<i>The following account descriptions are recommended additional accounting detail only. These will not be valid account codes in the ICCB UFRS While these are not required for state-level reporting, they are provided as a convenience for the districts who maintain this level of information in their accounting system.</i>		
<u>00-0000-55030-01</u>	55030.01	Instructional Staff
<u>00-0000-55030-02</u>	55030.02	Administrative Staff
<u>00-0000-55030-03</u>	55030.03	Other Personnel

00-0000-55040-00 55040. Recruitment
 Recruiting, interview, and moving expenses associated with recruiting personnel.

00-0000-55090-00 55090. Other Conference and Meeting Expenses
 Miscellaneous conference and meeting expenses not reported above.

00-0000-56000-00 FIXED CHARGES

Charges for rentals, debt principal and interest, and general insurance, including the following:

- 00-0000-56010-00 56010. Rental—Facilities
Rental of buildings or space.
- 00-0000-56020-00 56020. Rental—Equipment
Rental of educational equipment and rental of equipment used in support functions.
- 00-0000-56030-00 56030. Debt Principal Retirement
Retirement of bonded debts.
- 00-0000-56040-00 56040. Interest
Interest payment on short-term and bonded debts.
- 00-0000-56050-00 56050. General Insurance
Costs of general insurance and special insurance for events or special instructional classes.
- 00-0000-56060-00 56060. Installment Payments for Lease/Purchase Agreements
- 00-0000-56070-00 56070. Property and Casualty Insurance
- 00-0000-56090-00 56090. Other Fixed Charges

00-0000-57000-00 UTILITIES

This account provides for all utility costs necessary to operate the plant and for other ongoing services, including the following:

- 00-0000-57010-00 57010. Gas
- 00-0000-57020-00 57020. Oil
- 00-0000-57030-00 57030. Electricity
- 00-0000-57040-00 57040. Water, Sewage
- 00-0000-57050-00 57050. Telephone
- 00-0000-57060-00 57060. Telecommunications
Line charges associated with providing telecommunication courses/distance learning.
- 00-0000-57070-00 57070. Refuse Disposal

00-0000-57090-00 57090. Other Utilities

00-0000-58000-00 CAPITAL OUTLAY

Capital outlay includes all expenses associated with site acquisition or improvement, the expenditures for construction of new facilities, and costs for major repairs or renovations to existing facilities. Also included are expenditures for fixed and moveable equipment.

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.

The entry to the General Fixed Assets Account Group may be made annually. Also included are expenditures for fixed and moveable equipment.

- 00-0000-58010-00 58010. Site Acquisition
Capital outlay for sites, including appraisals, cost of the site, related legal expenses, relocating of present occupants, demolition costs, surveys, etc.
- 00-0000-58020-00 58020. Site Improvements
Capital outlay for site improvements and all incidental expenses. Site improvements include landscaping, access roads, parking lots, and sidewalks.
- 00-0000-58030-00 58030. New Buildings and Additions
Capital outlay for buildings purchased or new buildings or additions which actually add to existing floor space and increase structural volume of existing buildings.
- 00-0000-58040-00 58040. Building Remodeling
Capital outlay for remodeling that may be internal, external, or both, which results in actual structural changes or significant changes in the use of the space. Maintenance costs, such as painting or refurbishing of interior or exterior, are not capital outlay for building remodeling.
- 00-0000-58050-00 58050. Equipment--Office
Office equipment for all areas.
- 00-0000-58060-00 58060. Equipment--Instructional
Fixed or moveable equipment used primarily for education.
- 00-0000-58070-00 58070. Equipment--Service
Special equipment to be used by service departments, including but not limited to maintenance, custodial, heating plant, grounds, security, cafeteria, and bookstore equipment.

00-0000- <u>58080</u> -00	58080.	Depreciation The depreciated cost of capitalized equipment.
00-0000- <u>58090</u> -00	58090.	Other Capital Outlay
00-0000- <u>59000</u> -00	OTHER EXPENDITURES	
00-0000- <u>59010</u> -00	59010.	Tuition Waivers
00-0000- <u>59010-01</u>	59010.01	State-Mandated Waivers for Adult Basic & Adult Secondary Education
00-0000- <u>59010-02</u>	59010.02	Other State-Mandated Waivers (i.e., senior citizens, veterans)
00-0000- <u>59010-03</u>	59010.03	Institutional Waivers
00-0000- <u>59010-99</u>	59010.99	Other Tuition Waivers Tuition waivers not included in above categories.
00-0000- <u>59020</u> -00	59020.	Student Grants and Scholarships Expenditures for student aid in the form of scholarships or prizes.
00-0000- <u>59030</u> -00	59030.	Tuition Chargeback/Contractual Agreements Tuition costs paid to other community colleges for students from the college district attending classes not provided by the college.
00-0000- <u>59040</u> -00	59040.	Financial Charges and Adjustments Expenditures or adjustments related to financial transactions which result in an expense to the college, such as inventory losses and write-offs because of obsolescence, write-offs of accounts receivable for uncollectible tuition, loans, etc., and differences between actual cash counts and computed or tabulated amounts which were to be collected, including differences in the auxiliary enterprises, student activities, tuition collections, and any other activity where the actual amounts, which should have been received, can be computed or recorded on a cash register or machine tape. Bond issuance costs should be reported in account code combination 59042.
00-0000- <u>59042</u> -00	59042.	Bond Issuance Costs
00-0000- <u>59050</u> -00	59050.	Facilities Charges Cost of services provided to auxiliary enterprises; the same account is used to record the credit to the department providing the service.
00-0000- <u>59090</u> -00	59090.	Other (claims and settlements should be included.)

00-0000-60000-00 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 Public Community College Act.

00-0000-70000-00 INTERFUND TRANSFERS

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

00-0000-71010-00 71010. Transfers to Other Funds (reduces fund balance)

00-0000-71020-00 71020. Operating Transfers to Other Funds (reduces fund balance)
Transfers made to provide funds for the college's share of the intercollegiate athletics program, food service deficit, bookstore deficit, or other subsidies to the Auxiliary or Restricted Purposes Fund.

00-0000-71030-00 71030. Residual Equity Transfers to Other Funds (reduces fund balance)
Nonoperating transfers to other funds to close out a fund.

00-0000-72010-00 72010. Transfers from Other Funds (increases fund balance)

00-0000-72020-00 72020. Operating Transfers from Other Funds (increases fund balance)

00-0000-72030-00 72030. Residual Equity Transfers from Other Funds (increases fund balance)

Section II

FINANCIAL REPORTING AND FINANCIAL REQUIREMENTS

This section outlines ICCB financial reporting requirements and limitations on financial transactions by either statute or ICCB rule.

A. FINANCIAL REPORTING

Financial reporting requirements are summarized in Subpart E of ICCB Rules.

1. 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 (see Appendix B1). This budgetary format is consistent with Uniform Financial Reporting System requirements.

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 collectors' 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 presented in Appendix B1 shall be filed with the ICCB no later than October 15.

2. Certificate of Tax Levy

The language for the Certificate of Tax Levy suggested by the *Public Community College Act* is included as Appendix B3. 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.

Moreover, in compliance with 35 ILCS 200 18-60 and 18-85, 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 1/4 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.

A copy of the district's Certificate of Tax Levy shall be filed with the ICCB no later than January 31.

3. 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 Section III and Appendix C.

4. 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 Appendix B4.

5. 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 included as Appendix B5.

6. Uniform Financial Reporting System Data Submission

Beginning July 1, 1997, the colleges are required to submit their financial data electronically in a format defined by ICCB. The codification in this manual and the *Uniform Financial Reporting Manual* provide the basis for electronic financial reporting to the ICCB. Please refer to that manual for due dates and reporting format.

B. 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.

1. 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.

2. 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 \$25,000 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.

3. College Investments

Section 3-47 of the *Public Community College Act* and Sections 235/1 through 235/7 of the *Investment of the Public Funds Act* allow current operating funds, special funds, interest and sinking funds, and other funds belonging to or in the custody of a community college, including restricted and nonrestricted funds, to be invested. Section 235/2.5 specifically requires that the board adopt an investment policy which will address certain salient investment issues and that policy shall be in writing, and implemented by January 1, 2000. This section summarizes only Section 235/2 (Authorized Investments) of the *Investment of Public Funds Act*. The college should refer to the Act for a complete listing of requirements and restrictions since it is the final authority on allowable investments. These college funds may be invested in the types of securities listed below.

- a. Bonds, notes, certificates of indebtedness, treasury bills, and other securities issued by the United States.
- b. Bonds, notes, debentures, or other similar obligations of the United States or its agencies and its instrumentalities.
- c. Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits with a bank, or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act.
- d. Short-term obligations of U.S. corporations with assets exceeding \$500 million; i.e., commercial paper. These obligations must be rated within the three highest classifications established by two or more standard rating services, the obligations must mature within 270 days, such purchases may not exceed 10 percent of a

corporations outstanding obligations, and no more than one-third of the district's funds may be invested in short-term obligations of corporations.

- e. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of such money market mutual fund is limited to type "a" or "b" investments and agreements to repurchase such obligations.
- f. Short-term discount obligations issued by the Federal National Mortgage Association.
- g. Shares or other securities issued by savings and loan associations.
- h. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered in the United States with its principal office located in Illinois if insured by applicable law.
- I. Certificates or securities issued by the Public Treasurers' Investment Pool.
- j. Funds managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company.
- k. Illinois School District Liquid Asset Fund (authorized by Section 3-47 of the *Public Community College Act*).
- l. Repurchase agreements in which the instrument and the transaction meet the following requirements and are subject to the Government Securities Act of 1986, as now or hereafter amended or succeeded.
 - 1. Unless registered or inscribed in the name of the college, the securities shall be purchased through banks or trust companies authorized to do business in the state of Illinois. Such a custodial bank must be a member bank of the Federal Reserve system or must maintain accounts with member banks so as to accomplish the book-entry transfer of securities to the college's credit.
 - 2. After ascertaining which authorized trading partner, as seller, will give the most favorable rate of interest, the authorized college officer shall direct the custodial bank, as the college's agent, to purchase specified securities from that financial institution and shall inform the custodial bank in writing of the maturity details of the repurchase agreement. The custodial bank shall then take delivery of and maintain the securities in its custody for the college's account, confirming the transaction in writing to the college.
 - 3. Trading partners shall be limited to banks or trust companies authorized to do business in the state of Illinois or to registered primary reporting dealers.
 - 4. The security interest must be perfected.

5. A written master repurchase agreement shall be executed by the college and its trading partners which outlines the basic responsibilities and liabilities of both buyer and seller.
 6. Repurchase agreements shall be for periods of 330 days or less.
 7. The custodial undertaking shall provide that the custodian takes possession of the securities exclusively for the college, that the securities are free from any claims of the seller, and that any claims of the custodian are subordinate to the college's interest in the securities.
 8. The obligations purchased by the college may only be sold or presented for redemption or payment upon the college's written instructions.
 9. The custodial bank shall be liable to the college for any monetary loss suffered by the college due to the failure of the custodial bank to take and maintain possession of purchased securities.
- m. Mutual funds that invest primarily in corporate investment grade or global government short-term bonds which are approved by the local board of trustees. Mutual funds that invest primarily in global short-term bonds shall be limited to funds with assets of at least \$100 million and rated, at the time of purchase, as one of the ten highest classifications established by a recognized rating service. Each community college board of trustees shall develop a policy regarding the percentage of the college's investment portfolio that can be invested in such funds.
- n. Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the college or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classification established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

Type "a & b" investments and "e" investment portfolios, both principal and interest, must be guaranteed "by the full faith and credit of the United States of America." Type "b" investments may be made only with banks that are insured by the Federal Deposit Insurance Corporation (FDIC). The Federal Savings and Loan Insurance Corporation (FSLIC) must insure any type "g" investments. Both type "c" and "g" investments are insured for up to \$100,000 by their respective insurance corporations. Type "d" and "f" investments have no statutorily necessary guarantees, although such guarantees are prudent.

Purchase of type "d" investments may not exceed 10 percent of the corporation's outstanding obligations and no more than one-third of college funds may be invested in short-term obligations of corporations. The amounts invested in any

other institution, e.g., a bank, are not limited by statute, although it is prudent not to invest more than is insured by either the FDIC or the FSLIC without additional collateral.

There are two time limits which are imposed on all investments. First, securities must mature prior to the time they are required for expenditures. The local board of trustees should determine when the funds will be required. As indicated previously, type "d" investments must mature within 270 days. Second, any invested funds which do not belong to the college must be released to the appropriate person at the earliest reasonable time, but in no case exceeding 31 days, after the person becomes entitled to receipt of them. All investment income from funds in the custody of, but not belonging to, the community college shall be credited to the public agency to which the funds belong, except when specific statutory provisions direct the investment income to another fund. For example, working cash monies invested while loaned to the Education Fund earn interest that belongs to the Education Fund. Investment income recognized as revenue in the Working Cash Fund from an investment belonging to the Working Cash Fund may be transferred permanently from the fund with the authority of the board by separate resolution directing the treasurer to make such transfer and state the purpose.

4. Interfund Loans

With local board authorization, the community college treasurer may make interfund loans providing each loan is repaid to the proper fund within one year. This requirement does not apply to Working Cash Fund transfers. Working Cash Fund transfers are not considered interfund loans, but rather temporary transfers subject to special repayment considerations. Sections 3-33.5 and 3-33.6 of the *Public Community College Act* allow for the temporary transfer of working cash monies to the "educational purposes" and "building purposes" funds in anticipation of specific revenues, e.g., taxes and state grants. Except when Tax Anticipation Warrants have been issued, repayment of the Working Cash Fund is, in effect, a first lien on the specified revenues. The statute directs that repayment of Tax Anticipation Warrants takes precedence over repayment of the Working Cash Fund. Accordingly, the repayment period for temporary working cash transfers depends on the payment schedule of the anticipated revenues. The only permanent Working Cash Fund transfers allowed are the investment income earned by the fund. These can be permanent transfers not subject to repayment.

5. Permanent Interfund Transfers

There are several legal requirements that regulate permanent transfers between funds. Absent specific statutory authority, public monies cannot be transferred permanently from one fund to another. Basically, the courts have ruled that tax monies should not be used for purposes other than that for which they were levied. Therefore, monies raised by levy for one public purpose cannot be diverted, i.e., permanently transferred, to another purpose. However, funds are defined differently by the courts and the

accounting profession. When the courts address transfers between funds, they are speaking about transfers between statutory funds established only by a levy. In the *FMM*, funds are established whenever a levy is made for a specific purpose, and some additional "accounting funds" have been established that are more specific due to either the source of funds or the scope of the expenditures. The basic concern of the courts is with the purpose for which the monies were raised. Accordingly, transfers between different funds with the same purpose have not been prohibited. Therefore, permanent operating transfers between the "educational purposes" funds, i.e., the Education Fund, the Auxiliary Enterprises Fund, and the Restricted Purposes Fund, are allowed. In legal terms, these funds are "subfunds" or "accounts" of the Education Fund. Colleges also may permanently transfer monies from the Operations and Maintenance Fund to either the Operations and Maintenance Fund (Restricted) or the Public Building Commission Operation and Maintenance Fund. However, statutory authority permits monies earned as interest from the investment of the Working Cash Fund to be transferred from the Working Cash Fund to Education Fund or Building and Operations and Maintenance Fund without any requirement of repayment, upon authority of the local board by separate resolution directing the treasurer to make such a transfer and stating the purpose of the transfer.

There are different statutes which govern permanent residual equity transfers. In addition to allowing residual equity transfers between the "subfunds" identified above, the statutes address closing out the Working Cash Fund, the Building Bond Proceeds Fund, and the Bond and Interest Fund. If certain conditions are met, the local board of trustees may permanently transfer the remaining assets in these funds to a specified fund. Business officers are urged to consult the *Public Community College Act* and their legal counsel before making any residual equity transfers.

6. Permanent Residual Equity Transfers

Section 3-21 of the *Public Community College Act* provides language authorizing the permanent transfer between funds of any excess monies existing in a fund upon retirement of bonds. Such excess monies generally exist in the Bond and Interest Fund after a bond issue is fully retired. This residual fund equity, by resolution of the local board, may be transferred permanently to the fund of the district which bears the nearest relation to the purpose for which the bonds from which such excess funds arose were issued. The courts have ruled that tax monies should not be used for purposes other than that for which they were levied. Therefore, generally, monies raised by levy for one public purpose cannot be diverted, i.e.; permanently transferred, to another purpose. The provision for residual equity transfers maintains the spirit of the courts' decisions while allowing for the transfer of the funds.

7. Student Tuition and Fees

Each community college district board of trustee's will establish its own student tuition and fee rates for in-district residents, in-state out-of-district residents, out-of-state residents, and out-of-country residents in accordance with state policies prescribed in 110 ILCS 805/6 of the *Public Community College Act* and ICCB Rule 1501.505. In-

district student tuition and fees may not exceed one-third of the per capita cost as defined in the chargeback reimbursement calculation. Out-of-district tuition rates shall at a minimum be 1.5 times the highest in-district tuition rate of any of its neighboring contiguous Illinois community college districts. Out-of-state and out-of-country tuition rates shall at a minimum be 1.67 times its in-district tuition rate. The tuition and fee charges have been interpreted historically to include the tuition and fee rates which normally are reported to the Illinois Student Assistance Commission as eligible for inclusion in the calculation of institutional cost.

For those districts which have a variable tuition policy it has been determined that, since there is no single tuition charge to compare with per capita cost, a weighted calculation of the tuition average could be employed in the comparison.

One of the following processes may be used to determine compliance with the one-third per capita cost limitation by those community college districts which, by resolution of the Board, have adopted variable tuition policies:

- a. Calculate the weighted average rate of the variable tuition and fee charges on a district basis and compare with one-third of the district's per capita cost.
- b. Calculate the weighted average rate of the variable tuition and fee charges on a college basis and compare with one-third of the college's per capita cost.

Example Involving Variable Tuition Based on Program Cost Variance

XYZ College

Baccalaureate Programs

Tuition/Fees: \$39/credit hour 2000 credit hours

Technical Programs

Tuition/Fees: \$42/credit hour 3000 credit hours

Health Programs

Tuition/Fees: \$42/credit hour 1000 credit hours

Adult Basic Education

Tuition/Fees: \$ 0/credit hour 500 credit hours

The weighted average tuition (T) would be calculated as follows:

$$T = \frac{\$39 \times 2000 + \$42 \times 3000 + \$42 \times 1000 + \$0 \times 500}{2000 + 3000 + 1000 + 500}$$

$$T = \frac{\$78,000 + \$126,000 + \$42,000 + 0}{6500}$$

$$T = \frac{\$246,000}{6500} = \underline{\underline{\$37.85}}$$

C. GRANT ACCOUNTABILITY AND TRANSPARENCY ACT (GATA) REQUIREMENTS FOR GRANT RECIPIENTS

GATA: In response to federal Uniform Guidance (2 CFR 200) effective December 2014 and the State of Illinois Grant Accountability and Transparency Act (GATA) effective July 2014, Illinois is implementing a state-wide initiative to establish a compliant, uniform framework for grant management. GATA is a collaborative effort between grant making agencies and the grantee community to standardize policies and procedures and remove redundancy in grant management.

ICCB staff have been working with existing college grantee staff to remind them of the following steps if they wish to receive a grant from ICCB. We want to remind college staff of those steps in this manual.

1. Register via the GATA web portal annually for a Pre-Qualification
2. During pre-qualification, Dun and Bradstreet verifications are performed including a check of Debarred and Suspended status and good standing with the Secretary of State. The pre-qualification process also includes a financial and administrative risk assessment utilizing an ICQ (Internal Controls Questionnaire). If applicable, the entity may be notified that it is ineligible for award as a result of the Dun and Bradstreet verification. The entity will be informed of corrective action needed to become eligible for a grant award if this occurs.
3. Complete Uniform Grant application and all program specific requirements in accordance with NOFO (Notice of Funding Opportunity). NOFO will be the State's vehicle for announcing all competitive grants and will be published on ICCB's website until grants.illinois.gov is operational.
4. Notice of State Award letter should then be reviewed, signed and returned to ICCB staff.
5. Prior to receiving the award, a programmatic risk assessment (in addition to the ICQ) will need to be completed and returned to ICCB. For FY17 this assessment will be given to providers by ICCB not through the GATA web portal.
6. Complete Uniform Budget using the proper indirect cost rate for your specific program. Some programs have a statutorily capped indirect cost rate and others will need to use the negotiated rate. Refer to your grant agreement for clarification.
7. End of year budget to actual calculations should be supplied to ICCB fiscal staff on the forms provided.
8. Depending on the results from the providers fiscal and administrative risk assessment as well as the programmatic risk assessment, monitoring and reporting will vary. Refer to your grant agreement to determine specific conditions.

*GATA Exemptions: The following ICCB grants are exempt from GATA: Base Operating, Equalization, Small College, City Colleges of Chicago Education, and State CTE Formula grants.

Section III

GUIDELINES FOR EXTERNAL AUDITORS**A. ICCB REQUIREMENTS AND RECOMMENDED STATEMENTS**

Two copies of the annual audit must be submitted to the ICCB on or before October 15, following the close of each fiscal year. If the audit cannot be completed by this date, the district Chief Executive Officer must submit a request for an extension to the President/Chief Executive Officer of the ICCB before October 1, following the end of the fiscal year. This request must be accompanied by an explanation of the circumstances which cause the report to be delayed, along with an estimated date of submission.

Community college districts are required to have an audit performed in accordance with the Office of Management and Budget (OMB) Circular A-133. This audit should include all federal dollars received directly from the federal government and passed through from another state or federal agency.

Audit Report Required and Recommended Statements, Schedules, and Disclosures

The ICCB does not require a set format for the audit report; however, it is recommended that the colleges adhere to GASB statements 33, 34, 35 and related statements and interpretations for financial accounting and reporting. The funds or a subset of the funds listed in this manual should be used for reporting financial transactions.

The *Public Community College Act* and the Rules of the ICCB mandate that the following be incorporated into each external audit. The independent certified public accountant should use this list as a checklist for meeting ICCB requirements.

- Note on Basis of Accounting (see section III A 7 in this section of the manual)
- Uniform Financial Statements (see section III A 10 in this section of the manual)
- Certificate of Chargeback Reimbursement (see section III A 11 in this section of the manual)
- State Grant Financial Compliance Section of the audit (see section III A 12 in this section of the manual)
- Federal Financial Compliance Section of the audit (see section III A 13 in this section of the manual)

1. Order of Presentation

Uniformity in the arrangement of the data is desirable. Major sections and their suggested order within reports are set forth below and in the sample audit report in Appendix C of this manual.

AUDIT REPORT

Table of Contents
 Auditor's Opinion
 Compliance Report Based on an Audit of the General Purpose Financial Statements
 Report on Internal Control Structure/General Purpose Financial Statements
 Financial Section
 Notes to Financial Statements
 Supplemental Financial Statements
 Supplemental Financial Information
 Uniform Financial Statements
 Certificate of Chargeback Reimbursement
 ICCB State Grant Financial-Compliance Section
 Federal Financial and Compliance Audit Section (includes all federal funds received by the college)

2. Table of Contents

The Table of Contents should set forth the page location of all major sections.

3. Auditor's Opinion

Refer to the sample audit report in Appendix C for suggested methods of presentation.

4. Compliance Report Based on the Audit of the General Purpose Financial Statements

A Compliance Report Based on the Audit of the General Purpose Financial Statements should be completed and included as part of the federal financial and compliance audit of federal funds.

5. Report on Adequacy of Internal Controls

A Report on Adequacy of Internal Control for the General Purpose Financial Statements is not required. However, the federal financial and compliance audit of federal funds must include a Report on the Study and Evaluation of Internal Accounting Controls Used in Administering Federal Financial Assistance Programs.

6. Financial Section

The financial statements contained herein are those recommended by the ICCB but are not necessarily the only acceptable method available to the auditor. It is the opinion of ICCB staff and advisors that the principles of accounting and reporting represented in this manual provide the information necessary to demonstrate compliance with the laws of the state of Illinois regarding community college finances. The funds or a subset of the funds listed in this manual should be used for reporting financial transactions. It is recommended that the auditor review authoritative literature sources such as NCGA statements; Governmental Accounting,

Auditing, and Financial Reporting, 1988, published by the Government Finance Officers Association; and Audits of State and Local Governmental Units, AICPA, to assist in reporting on the financial statements of Illinois public community colleges.

7. Notes to Financial Statements

Each audit is required to include a note which indicates the basis of accounting upon which the statements in the audit report have been prepared. An example of an acceptable note on the basis of accounting would be as follows:

The statements in this report have been prepared on the modified accrual basis in conformance with the provisions of NCGA Statement 1 and related interpretations.

8. Supplemental Financial Statements

Refer to sample audit report in Appendix C for suggested methods of presentation.

9. Supplemental Financial Information

Refer to sample audit report in Appendix C for suggested methods of presentation.

10. Uniform Financial Statements

The Uniform Financial Statements provide consistent audited data for every community college district. Regardless of the basis of accounting used for the college's balance sheet and statement of revenues and expenditures, the Uniform Financial Statements must be completed using the full accrual basis of accounting prescribed by the Government Accounting Standards Board (GASB) statements and related interpretations. The Uniform Financial Statements are required to be included in the supplemental financial information section of the audit report. Please refer to specific instructions sent under separate cover.

11. Certificate of Chargeback Reimbursement

Unless a contractual agreement exists, students not residing within the district of the community college they are attending must have a chargeback reimbursement paid by their "home" community college district. Appendix C contains the Certificate of Chargeback Reimbursement required to be filed as supplemental information in the audit report.

Colleges are required to use audited data when completing their Certificate of Chargeback Reimbursement. In addition, the college should follow ICCB Rule 1501.505, which specifies the depreciation rate used in completing the chargeback calculation. The credit hours specified in the chargeback calculation refer to all reimbursable credit hours carried through midterm in the district. (See Section 6-2 of the *Public Community College Act* for additional direction.) Moreover, state and

federal operating grants include grants from the State Board of Education and other noncapital grants, but no ICCB grants. (See Certificate of Chargeback Reimbursement on pages 166-167.)

12. ICCB State Grants Financial Compliance Section

The ICCB distributes several grants to the community college system on a periodic basis throughout the fiscal year. Please refer to Section 2-16 of the *Public Community College Act* for a detailed explanation of the funding mechanism and distribution guidelines for the grants. In order to facilitate the audit of each community college, the ICCB provides to each of the college's Chief Financial Officers a summary of ICCB grants (restricted and unrestricted) distributed throughout the year which the external auditor should obtain to use in verifying that restricted purposes funds have been properly accounted for and expended in accordance with state requirements. The auditor shall opine on the college's compliance with ICCB policy guidelines.

Currently, ICCB staff does not conduct audits of grants distributed by the ICCB or the enrollment and other data provided by the colleges used to calculate the grants. Therefore, tests of compliance of these state grants and enrollment (semester credit hour submissions) and other data must be included in the scope of the audits. Each community college certifies in writing annually the number of eligible semester credit hours (enrollment) generated during the fiscal year which is a major variable in calculating future years' funding levels. Audit procedures should include steps to verify that semester credit hour information is accurate and correct. ICCB restricted grants must be tested for compliance with ICCB policy guidelines. Policy guidelines can be found in the sample audit programs provided in the section III B of this manual.

Information on the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed must be verified, including the current year's semester credit hours supported with unrestricted and restricted hours by term and funding category (total reimbursable and correctional reimbursable), semester credit hours attending in-district and out-of-district on chargeback or contractual/cooperative agreement hours, and the district's equalized assessed valuation. Suggested audit procedures and ICCB Policy Guidelines on Restricted Grant Expenditures and Reporting for each grant are included in this chapter.

Audit procedures for verification of equalized assessed valuation are included in the audit program for equalization grants. The audit procedures for equalization grants must be performed by auditors for all colleges. The formula used to determine which colleges will receive grants requires verified data from all colleges regardless of whether or not the college will receive a grant.

The ICCB State Grant Financial Compliance Section should include the following and be arranged in the order set forth below:

- ❑ Auditor's Report on Compliance with State Requirements for Career and Technical Education Program Improvement Grant and Adult Education and Family Literacy grants.
- ❑ Career and Technical Education (CTE) Program Improvement Grant
 - CTE Program Improvement Grant Balance Sheet
 - CTE Program Improvement Grant Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
- ❑ Adult Education and Family Literacy
 - Adult Education and Family Literacy Grant Balance Sheet
 - Adult Education and Family Literacy Grant Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
- ❑ Notes to the Financial Statements
- ❑ Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed
 - Auditor's Report on Enrollment Data and Other Bases Upon Which Claims Are Filed (includes an opinion verifying enrollment data and other bases upon which claims are filed are accurate)
 - Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed semester credit hours supported with unrestricted and restricted hours by funding category and semester, correctional hours, in-district, chargeback and contractual/cooperative agreement hours, and dual credit and dual enrollment hours.
 - Total reimbursable semester credit hours by term and funding category
 - Total and restricted and unrestricted supported
 - Correctional
 - In-district
 - Chargeback and/or contractual/cooperative agreement
 - Dual credit and dual enrollment
 - Reconciliation of total reimbursable semester credit hours schedule
 - . Total and restricted and unrestricted supported
 - . Correctional
 - . In-district and chargebacks
 - . Dual Credit and Dual Enrollment
 - Equalized Assessed Valuation
- ❑ Background Information on State Grant Activity

The auditor's reports listed above and shown in the sample financial statements contained in Appendix C satisfy the requirement that the auditor give a report on restricted grants distributed to the district and Verification of Enrollment and Other Bases Upon Which Claims Are Filed Schedule. The reconciliation of credit hours schedule is required and should explain any differences between audited records and those credit hours certified as reimbursable to the ICCB (total, correctional, in-district, chargeback/contractual, and dual credit and dual enrollment).

The sample audit report in Appendix C shows suggested formats and headings for the state grants.

It is suggested that funds obligated for goods prior to June 30 for which the goods are received prior to August 31 be recorded as encumbrances. In accordance with ICCB Policy Guidelines for Restricted Grant Expenditures and Reporting, funds for services including salaries and benefits may not be obligated for services rendered after June 30.

Current year payments of prior grant year's encumbrances must be included in the scope of the audit and tested against the prior year's policy guidelines (if different than current policy guidelines). These payments should be identified as expenditures relating to the prior year's grant on the Statement of Revenue and Expenditures.

Unexpended funds must be returned, in accordance with restricted grant policy guidelines, to the ICCB by October 15 following the end of the fiscal year. It is suggested that unexpended funds be reported as a reduction of fund balance and a liability to the ICCB. Please refer to Appendix C for an example of an audit report for these grants.

13. Federal Financial and Compliance Audit

- a. Adult Education and Family Literacy Funds (CFDA # 84.002)
- b. Perkins Funds (CFDA # 84.048)
- c. Other federal funds distributed through the RFP process (CFDA number should be identified in grant agreement)

Each community college receiving federal funds shall submit two copies of its annual financial and compliance audit of these funds by October 15 following the end of the fiscal year. This report may be included in, or attached to, the college's regular audit report.

In order to meet this requirement, the college should contract with an independent certified public accounting firm to have an audit performed in accordance with OMB Circular A-133. Independent certified public accountants should use their professional judgment in determining the necessary procedures and reporting requirements.

Appendix C of this manual includes an example of an audit report for a single "entitywide" audit.

Minimally, the Federal Financial and Compliance Audit section must include the following items:

- . Auditor's Report on the Schedule of Federal Financial Assistance
- . Schedule of Federal Financial Assistance (all federal financial assistance expenditures listed)

- . Auditor's Reports on the Compliance with the Laws and Regulations Related to Major and Nonmajor Federal Financial Assistance Programs (Specific and General Requirements)
- . Study and Evaluation of Internal Accounting Controls Used in Administering Federal Financial Assistance Programs

It is essential that the user of this manual become familiar with the following authoritative literature when auditing federal funds:

- . 2 Code of Federal Regulations(CFR) 200 Uniform Administrative Requirements issued by United States Government
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- . Standards for Audit of Governmental Organizations, Programs, Activities, and Functions by the Comptroller General of the United States.
- . The Office of Management and Budget Compliance Supplement.
- . The Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations and related Compliance Supplement for Audits of Institutions of Higher Learning and Other Nonprofit Institutions.
- . The Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations.
- . Title II Adult Education and Family Literacy of the Workforce Investment Act of 1998, PL-105-220, 112 Statute 936
<http://www2.ed.gov/policy/adulted/leg/legis.html>
- . Education Department General Administrative Regulations (EDGAR) Parts 74, 75, 76, 77, 79, 80, 91, 82, 85, 86, 97, 98 and 99 of Title 34 Code of Federal Regulations (currently in transition see :
<http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>)
- . The Stevens Amendment of the Department of Defense Appropriations Act of 1998, PL-105-56, Section 8136
- . The Grant Agreement between the Subgrantee and the ICCB.
- . Statement on Auditing Standards #68 for Compliance Auditing Applicable to Governmental Entities and Other Recipients of Federal Financial Assistance (supersedes SAS #63).

- . The Office of Management and Budget Circular A-21, "Cost Principles for Educational Institutions."
- . The Office of Management and Budget Circular A-122, "Cost Principles for Nonprofit Organizations."

B. FINANCIAL COMPLIANCE AUDIT PROGRAM FOR ICCB STATE GRANTS

This section of the guide is intended to be helpful to the user in the auditing of ICCB state grants.

The audit procedures may not cover all situations encountered in the audit of these grants. The auditor should use professional judgment to determine the extent to which these tests are performed, as well as other tests which the auditor might perform. The following sources are suggested to assist the auditor:

- . Governmental Accounting and Financial Reporting Principles (NCGA Statement 1)
- . Grant Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments (NCGA Statement 2)
- . Chapter 5 of "Audits of State and Local Governmental Units"
- . GASB statement 33 Accounting and Financial Reporting for Nonexchange Transactions
- . GASB statement 34 Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments
- . GASB statement 35 Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34
- . GASB statement 54 Fund Balance Reporting and Governmental Fund Type Definitions, effective FY 2011--- Requires entities using the governmental funds model for external auditing purpose to use specific external reporting classifications for financial statements in the external audit. Since Illinois Community Colleges report external financial statement information using the Business Type Activities (BTA) Model, this statement should not impact Illinois Community College reporting.
- . GASB statement 61 The financial Reporting Entity; Omnibus, an amendment of GASB Statements No.14 and No.34, effective FY 2013 ---- Component units determination and presentation.

- . GASB statement 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, effective FY 2012 — Presentation issues associated with new financial position elements.
- . GASB statement 65 Items Previously Reported as Assets and Liabilities , effective FY 2014 — Determines whether certain transactions currently reported as assets and liabilities continue to be reported as such or be reported as deferred outflows or inflows of resources.
- . GASB statement 67 Financial Reporting for Pensions, an amendment of GASB Statement No. 25, effective FY 2014 — The objective of this statement is to improve financial reporting by state and local governmental pension plans.
- . GASB statement 68 Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, effective FY 2015 — Establishes accounting and financial reporting requirements related to pension plans that are covered by the scope of this statement.

1. AUDIT PROGRAM GUIDE: CERTIFIED CREDIT HOUR CLAIMS (SU and SR)

Contents

Section A - Introduction

Section B - Audit Objectives and Compliance Determinations

Section C - Rules and Regulations

Section D - Illustrative Audit Procedures

A. Introduction

Community colleges receive base operating grants based upon semester credit hours generated (SU claims) by students who are residents of the state of Illinois. Funding reimbursement rates for each instructional category of college classes are determined by formula calculation.

SU and SR claims and student residency impacts future college funding since these variables help determine 1) unrestricted and restricted grant calculations, and 2) the districts' calculated tax wealth on a statewide basis for equalization funding purposes in the funding formula calculation. Equalization funding is provided to community colleges based upon a districts' equalized assessed valuation (from the third preceding calendar year), in-district semester credit hours (from the second preceding fiscal year) plus those students' hours attending out of district at Illinois public community colleges on chargeback, cooperative or contractual agreements, and corporate personal property replacement tax revenue.

B. Audit Objectives and Compliance Determinations

1. Determine whether the college has generally complied with applicable laws, regulations, and rules for claiming credit hours for funding.
2. Determine whether reimbursable SU credit hours claimed for state funding are paid with 50% or more of unrestricted sources of college funding (110 ILCS 805/2-16.02).
3. Whether students claimed as attending in district and attending out of district at Illinois public community colleges on chargeback or contractual agreements are residents of the district in accordance with applicable laws, regulations, and rules for the classification of students by residency.
4. Whether equalized assessed valuations are presented fairly.

C. Rules and Regulations

In preparation for the review of semester credit hour grants, the auditor should review the *Public Community College Act*, Section 2-16.02 and be familiar with the following rules of the ICCB (1501.507 and 1501.501). The definition of residents for state funding purposes (referred to in ICCB Rule 1501.507c4) of the State of Illinois can be found in ICCB Rule

1501.501. Residency for state funding purposes and for tuition purposes may be different.

Section 1501.507 Credit Hour Grants

- a) Claims. Claims for credit hours shall be submitted within 30 days after the end of each term on forms provided by the ICCB.
- b) Course Requirements. Courses which produce credit hours eligible for ICCB grants shall satisfy the following requirements:
 - 1) Courses shall be offered for the number of credit hours for which they are approved by the ICCB.
 - 2) Courses which have variable credit hours shall be claimed in specified increments only up to the maximum credit value approved for the course.
 - 3) Course data shall be posted to the permanent academic record of each student claimed.
 - 4) Courses shall be a part of units of instruction which have been approved by the ICCB, or the courses must be authorized extensions of existing units of instruction.
 - 5) Courses shall have specific written objectives.
 - 6) A course outline shall be available for review by any student or citizen.
 - 7) Courses shall have a method of evaluating student performance which follows the adopted college grading system.
 - 8) Courses shall follow the adopted college policies on student tuition.
 - 9) The following categories of physical education courses shall be the only ones to produce eligible credit hours:
 - A) Elective physical education courses;
 - B) Required courses for majors and minors in physical education, recreational leadership, and related programs; and/or
 - C) Physical education courses in teacher education programs as required by the State Teachers Certification Board.
 - 10) Courses shall produce a maximum rate of one semester credit hour or equivalent per week. Requests for exceptions to this requirement may be submitted to the ICCB. The criteria utilized by the ICCB for exceptions shall include:
 - A) documentation of need for an intensified or accelerated schedule;
 - B) student population identified with testing and/or screening to indicate special needs and/or competencies;
 - C) how courses are instructed, including schedule of classes, study time allotted for students, method of instruction and how students are evaluated;
 - D) time period of instructional activity and projected termination date; and
 - E) procedures to evaluate the accelerated instructional activity.
 - 11) Courses offered by the college for high school students during the regular school day at the secondary school shall be college-level and shall meet the following

requirements:

- A) **State Laws and Regulations and Accreditation Standards.** All State laws, ICCB regulations, accreditation standards specified by the North Central Association, and local college policies that apply to courses, instructional procedures and academic standards at the college apply to college-level courses offered by the college on campus, at off-campus sites, and at secondary schools. These policies, regulations, instructional procedures and academic standards apply to students, faculty and staff associated with these courses.
 - B) **Instructors.** The instructors for these courses shall be selected, employed and evaluated by the community college. They shall be selected from full-time faculty and/or from adjunct faculty with appropriate credentials and demonstrated teaching competencies at the college level.
 - C) **Qualification of Students.** Students accepted for enrollment in college-level courses must have appropriate academic qualifications, a high level of motivation and adequate time to devote to studying a college-level course. The students' course selections shall be made in consultation with high school counselors and/or principals and ordinarily are restricted to students in the junior and senior years of high school. The students shall meet all college criteria and follow all college procedures for enrolling in courses.
 - D) **Placement Testing and Prerequisites.** Students enrolling in college-level courses must satisfy course placement tests or course prerequisites when applicable to assure that they have the same qualifications and preparation as other college students.
 - E) **Course Offerings.** Courses shall be selected from transfer courses that have been articulated with senior institutions in Illinois or from the first-year courses in ICCB approved associate in applied science degree programs.
 - F) **Course Requirements.** The course outlines utilized for these courses shall be the same as for courses offered on campus and at other off-campus sites and shall contain the content articulated with colleges and universities in the state. Course prerequisites, descriptions, outlines, requirements, learning outcomes and methods of evaluating students shall be the same as for on-campus offerings.
 - G) **Concurrent Credit.** The determination of whether a college course is offered for concurrent high school and college credit shall be made at the secondary level, according to the school's policies and practices of the district.
- c) **Student Requirements.** The following requirements shall apply to students who generate credit hours eligible for ICCB grants:

- 1) Students shall be certified by their instructors as being in attendance at midterm by including a certification statement on the midterm class roster, signed and dated by the instructor.
- 2) Students who complete a course with a passing grade by the end of the term and who were not certified as being in attendance at midterm by the instructor shall be considered as having been in attendance at midterm.
- 3) Students enrolled in variable entry/variable exit classes or short-term classes of less than eight weeks may be certified by their instructors as having been in attendance at midterm by including a certification statement on the final class roster, signed and dated by the instructor.
- 4) Students shall be residents of the state of Illinois.
- 5) Auditors or visitors in a course shall not produce eligible credit hours.
- 6) Students who repeat enrollment in a course shall produce credit hours eligible for ICCB grants when one of the following conditions is met:
 - A) If the student completed the course the first time of enrollment with less than a grade of C (or equivalent) and if the student was claimed for credit hour grant funding, the student may enroll and be claimed in the course one additional time, or
 - B) If the student enrolled in the course previously and withdrew before completing the course, and if the student was claimed for credit hour grant funding, the student may enroll and be claimed in the course one additional time, or
 - C) If a student completed the course previously and was claimed for credit hour grant funding, the student may be claimed for retaking the course if the student uses his/her option to retake the course tuition free under the college's educational guarantee program, or
 - D) If the last time the student completed the course was at least four years previously, the student may be claimed for credit hour grant funding if the student repeats the course to upgrade his/her skills in that area, or
 - E) If a course has been approved by the ICCB to be repeated, the student may repeat the course and be claimed as often as approved by the ICCB.

- d) Exceptions. The following credits will not be eligible for ICCB credit hour grants:
- 1) Credit by examination;
 - 2) Military service credit for physical education;
 - 3) Transfer of credit earned at other institutions or in the armed forces;
 - 4) Proficiency examinations;
 - 5) Advanced placement credits; and
 - 6) Other methods of program acceleration which do not include instruction.

Section 1501.501 Definition of Terms

Residency - Applicability-Verification of Status. As part of verification that its credit hours are eligible to receive ICCB grants, each community college district shall submit its process for verifying the residency status of its students to the ICCB each year with its certification of credit hours in accordance with 110 ILCS 805/2-16.02 as part of the annual external audit. The process shall include the methods for verifying residency as defined in the general provisions, special State provisions, and district provisions of this subsection. Each district shall file descriptions of any revisions to its process with the ICCB prior to their implementation.

Residency - General Provisions. The following provisions apply both to State and district residency definitions:

To be classified as a resident of the State of Illinois or of the community college district, each student shall have occupied a dwelling within the State or district for at least 30 days immediately prior to the date established by the district for classes to begin.

The district shall maintain documentation verifying State or district residency of students.

Students occupying a dwelling in the State or district who fail to meet the 30-day residency requirement may not become residents simply by attending classes at a community college for 30 days or more.

Students who move from outside the State or district and who obtain residence in the State or district for reasons other than attending the community college shall be exempt from the 30-day requirement if they demonstrate through documentation a verifiable interest in establishing permanent residency.

Residency - District Provisions. Students shall not be classified as residents of the district where attending even though they may have met the general 30-day residency provision if they are:

federal job corps workers stationed in the district;

inmates of state or federal correctional/rehabilitation institutions located in the district;

full-time students attending a postsecondary educational institution in the district who have not demonstrated through documentation a verifiable interest in establishing permanent residency; and

students attending under the provisions of a chargeback or contractual agreement with another community college.

Residency - Special State Provisions. Students shall be classified as residents of the State without meeting the general 30-day residency provision if they are:

federal job corps workers stationed in Illinois;

members of the armed services stationed in Illinois;

inmates of State correctional/rehabilitation institutions located in Illinois; or

employed full time in Illinois.

D. Illustrative Audit Procedures

1. Review the rules and Illinois Compiled Statutes which govern which credit hours generated by the college may be reported on the reimbursable semester credit hour claim and the claiming of students' hours according to their residency classification.
2. Obtain a copy of the reimbursable semester credit hours certified annually by the college to the ICCB.
3. Obtain from the college and review the latest ICCB Recognition Report (a compliance audit performed periodically by the ICCB). One general area of the evaluation is a validation of data to substantiate accuracy of semester credit hour claims.
4. Obtain an understanding of eligibility requirements and perform a sufficient level of testing (see items 6b and 6f in this section) to determine semester credit hours are reported accurately on the SU and SR records.

Eligibility for State Funding

- Only hours generated by courses whose costs are paid by 50% or more of unrestricted funds.
- Such eligible hours should be reported on the SU record in the appropriate column.
- All SU records are subject to the same eligibility requirements found in ICCB rule 1501.507.

Not Eligible for State Funding

- Hours generated by courses whose costs are paid by more than 50% of restricted funds.
- Such ineligible hours should be reported in the appropriate column of the SR record. While these hours are not used to generate credit hour grants they are used to calculate the equalization grant award and other restricted grants, where applicable.

5. Claims, Receipt of Funds

- a. Prepare a schedule of payments made by the ICCB for the period under examination and confirm grant amounts received from the ICCB by reviewing the summary of ICCB grants distributed throughout the year on the ICCB website and verify payments made by the State of Illinois Comptroller by accessing their vendor payment information for the college.
- b. Trace payments to college cash receipts journal.
- c. Prepare a schedule of semester credit hours (those reported on the SU and SR records in the specified layout) by funding category claimed for state funding for the period under examination (confirm the accuracy of hours claimed by reviewing the college process for properly reporting hours to the ICCB) based on college system records.
- d. Compare schedule in step c to semester credit hours certified to the ICCB by the college as reimbursable. Any discrepancies must be reported in the state grant compliance section of the audit (See sample in audit report section -Appendix C). The ICCB relies on the audit report to identify problems in the semester credit hour claims process.

6. Compare college's semester credit hour printout to midterm class lists.

- a. Obtain midterm class lists for the period under examination.

Normally, colleges produce class lists at midterm and end-of-term, as well as other times during the term as needed. A midterm class list usually will contain the following information:

- . Course prefix, number, and title
- . Meeting time and place
- . Instructor's name
- . Listing of student names and social security numbers
- . Student Residency Code
- . Instructor's verification and signature
- . Date of instructor's verification and signature

An example of an acceptable statement is shown below:

"I hereby certify that the above-listed students, except where noted otherwise, are currently enrolled and actively pursuing completion of the course at

midterm, and I have proper documentation to support this certification."

Instructor's Signature

Date

- b. Obtain a list of faculty and the courses they taught for the fiscal year.
- c. Select sample of course sections from ICCB Semester Credit Hour Claim Report printouts.

Each term the college submits a series of semester credit hour records.

The ICCB processes the records and produces a Semester Credit Hour Claim Report. The last page of the report summarizes credit hours by funding category. This report also shows the results of a verification check between the course as submitted and the course as shown on the ICCB Course Master File

- d. Compare totals from midterm class lists to sections listed on SU and SR printouts to determine proper classification as reimbursable or nonreimbursable.

The total number of students listed on the midterm class list should match the total number of reimbursable and nonreimbursable students reported on the SU and SR printouts. Columns two and three of the last page of the Semester Credit Hour Claim Report contain a summary of the reimbursable semester credit hours by funding category. Columns five, six, and seven list a summary of the nonreimbursable credit hours. The following students should be reported in the nonreimbursable columns of the SU and SR records:

- . Students "auditing" or "visiting" the class.
- . Students indicated by the instructor as not actively pursuing completion of the course at midterm unless the student receives a passing final grade for the course.
- . Out-of-state students.
- . Students who have withdrawn or initiated a withdraw from the course on or before the midterm.
- . Students repeating the course who received a passing grade previously, unless the course is approved for repetition by the ICCB. (If the student has not completed the course with a grade of "C" [or equivalent] or better and the course is necessary for a degree or certificate, the course may be repeated once.) See ICCB rule 1501.507c6.

Class lists should be traced to the SU and SR printout for one part of the sampling and then SU and SR printout sections traced into class lists for another part.

- e. Review sample of class lists for proper teacher verification.
To meet ICCB rules, each midterm class list must be signed and dated by the instructor verifying that the student currently is in attendance and also actively pursuing completion of the course. Students' hours claimed as reimbursable on the ICCB credit claim submission should only include those having been certified as actively pursuing course completion at the midterm of the class in addition to meeting other eligibility requirements (i.e. in state residency, repeat eligible, not auditing the course, etc.)

- f. Determine that the college properly classifies students' hours as SU or SR records.

To do this you will need to review a sample of class lists to determine 1) through examination of payroll information whether the faculty salary is paid from unrestricted or restricted funds, and 2) whether all costs of the course, given the source of the funds to pay the instructor salary, are paid in total with 50% or more of unrestricted funds to be claimed on the SU record. Courses whose costs are paid with more than 50% of restricted funds should be reported on the SR record.

7. Student Records

Trace a sample of student names from class lists to the student permanent records (transcripts) and review the following:

- a. Determine if credit hours are posted to the transcripts.
- b. Determine whether the college has procedures for excluding students from the credit hour claims who repeat a course (see ICCB Rule 1501.507c6 for conditions for repeat hours eligible for credit hour funding). Scan student transcripts for courses repeated and determine whether they were properly claimed for funding.

- 8. Secure a sample of names of students, from class lists, claimed as in district (SU and SR records) and test compliance with residency classification in accordance with ICCB rules.
- 9. On a test basis, review supporting documentation (billing from community college district teaching your student(s) or contractual agreement) for credit hours of students reported as attending out of district on chargeback, cooperative or contractual agreement on the Summary Credit Hour Report Form.
- 10. On a test basis, review supporting documentation (enrollment forms) for credit hours of students reported as dual credit or dual enrollment. Dual credit students are defined as a high school student participating in a college course and both the high school and college agree to grant credit for successfully completing the course. Dual enrollment students are defined as a high school student participating in a college course and only the college grants credit for successfully completing the course.

11. Verify with or examine documentation from the county clerk(s) supporting the equalized assessed valuation reported by the college.

2. AUDIT PROGRAM GUIDE: SPECIAL INITIATIVES GRANTS

Contents

Section A - Introduction

Section B - Audit Objectives and Compliance Determinations

Section C - Federal and State Regulations

Section D - Illustrative Audit Procedures

A. Introduction

Funding for special purposes grants occasionally may become available through the state of Illinois. Such grants fall under the purview of the Grants Accountability and Transparency Act (GATA). See section II C on page 46 of this manual.

B. Audit Objectives and Compliance Determinations

1. Determine whether the college has expended funds in accordance with the legal and contractually imposed restrictions for which such funds have been authorized by law and contractual agreement.

2. Determine whether the amounts indicated on the statements were received or receivable, properly classified, and adequately described.

C. Rules and Regulations

SUBPART E: FINANCE

Section 1501.501 Definition of Terms

Special Initiatives Grants. Special initiatives grants provide funds for conducting special initiatives activities.

Special Initiatives Activities. Special initiatives activities are based upon criteria as specified in the special initiatives contract which is executed each year with each district. As special initiatives change, the scope of activities specified in the contracts will also change.

Section 1501.519 Special Initiatives Grants

- a) Special initiatives grants shall be awarded to Illinois public community college districts after a request for proposal application process based upon criteria approved by the ICCB or specified in statute.
- b) Allowable expenditures for special initiative grants will be specified in the grant agreement between the college and the ICCB.
- c) Special initiatives grant funds shall be accounted for in a set of self-balancing

accounts within the Restricted Purposes Fund (see Section 1501.511a2).

- d) If specified in the grant agreement, by August 1 following the end of the fiscal year, the community college district shall file a report with the ICCB in a format used by the ICCB or in accordance with the grant agreement, detailing how the funds were utilized.
- e) Special initiatives grant funds shall be expended by the date specified in the grant agreement. If the grant agreement allows, goods and services for which funds have been obligated by the contract end date shall be received and paid for no later than 60 days after the grant agreement end date. Unexpended funds shall be returned to the ICCB no later than 90 days after the end of the grant agreement or as specified in the grant agreement.
- f) Special initiatives grant funds not used in accordance with the terms specified in the grant agreement regardless of the amount shall be returned to the ICCB within six months after receipt of the external audit report by the ICCB or other identification of improper expenditures subsequently verified by the ICCB.

D. Illustrative Audit Procedures

- 1. In addition to the following illustrative steps, review the GATA section (II C) of this manual for specific procedural steps to be followed by the college.
- 2. Review terms of the contract, scope of work, and budget.
- 3. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
- 4. Confirm grant amounts received from the ICCB by reviewing the summary of ICCB grants distributed throughout the year on the ICCB website and verify payments made by the State of Illinois Comptroller by accessing their vendor payment information for the college.
- 5. Test a sufficient sample size of expenditures for compliance with terms of the contract, scope of work, and budget to support a compliance opinion in the audit report.
- 6. Test grant records for the following:
 - a. Proper requests for modification to the scope of work if it appears the scope of work has changed during the year and in accordance with grant agreement requirements.
 - b. Proper requests for approval of line item budget modifications if required by the grant agreement.
 - c. General compliance with terms and requirements of the grant agreement.
- 7. Determine that no funds have been encumbered after June 30.

3. AUDIT PROGRAM GUIDE: ADULT EDUCATION AND FAMILY LITERACY GRANTS

Contents

Section A - Introduction

Section B - Audit Objectives and Compliance Determinations

Section C - Requirements for Adult Education and Family Literacy Restricted Grant Expenditures and Reporting

Section D - Illustrative Audit Procedures

A. Introduction

There is broad-based agreement in the state that the education provided for citizens will determine America's future role in the community of nations, the character of society, and the quality of individual lives. Thus, education has become the most important responsibility of the nation and state with an imperative for bold new directions and renewed commitments. This section is intended to provide technical assistance to the auditors as they review and audit this program. Such grants fall under the purview of the Grants Accountability and Transparency Act (GATA). See section II C on page 46 of this manual.

B. Audit Objectives and Compliance Determinations

The objective of a compliance review of the payments made to the Adult Education and Family Literacy provider are to apply audit procedures and gather audit evidence which will enable the auditor to determine with reasonable but not absolute assurance:

1. whether the provider has expended funds in accordance with the legal and contractually imposed restrictions for which such funds have been authorized by law and grant agreement, and
2. whether the amounts indicated on the statements were received or receivable, properly classified, and adequately described.
3. whether units of instruction data are reported properly in the DAIS-I reporting system.

C. Requirements for Restricted Grant Expenditures and Reporting

Section a - Purpose of Grant

Section b - Allowable Activities

Section c - Expenditure Limitations

Section d - Grant Administration Standards

a. Purpose of Grant

There is broad-based agreement in the state that the education provided for citizens will determine America's future role in the community of nations, the character of society, and

the quality of individual lives. Thus, education has become the most important responsibility of the nation and state with an imperative for bold new directions and renewed commitments. To meet the challenges and opportunities of this agreement, the ICCB will administer a program of funding that offers transparency, focuses on achievement, and assures adequate, stable, and flexible resources. In addition, there exists an effort to achieve the purpose of Title II Adult Education and Family Literacy of the Workforce Investment Act of 1998, which is to create a partnership among the federal government, states, and localities to provide, on a voluntary basis, Adult Education and Family Literacy services. These services are designed to:

1. assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency;
2. assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and
3. assist adults in the completion of a secondary school education.

b. Allowable Activities

Instructional and Student Services

- . Instruction
- . Social Work Services
- . Guidance Services
- . Assistive and Adaptive Equipment
- . Assessment and Testing
- . Student Transportation Services
- . Literacy Services
- . Child Care Services

Program Support

- . Improvement of Instructional Services
- . General Administration
- . Operation and Maintenance of Plant Services
- . Workforce Coordination
- . Data and Information Services
- . Approved Indirect Costs

c. Expenditure Limitations

Federal Basic

1. A minimum of 45% of the grant must be for Instruction..
2. Program Support expenditures do not exceed the approved program support rate.

EL/Civics

1. A minimum of 45% of the grant must be for Instruction.
2. Program Support expenditures do not exceed the approved program support rate.

State Basic

1. A minimum of 45% of the grant must be for Instruction.
2. General Administration costs must not exceed 15% of the grant.

Performance

1. No Minimums or Maximums for Instruction or Administration.

d. Grant Administration Standards

1. The grant funds shall be accounted for in a set of self-balancing accounts within the restricted purposes fund.
2. The grant funds shall be expended or obligated prior to June 30 each year, the last day of the fiscal year. Goods for which funds have been obligated shall be received and paid for prior to August 31 following the end of the fiscal year for which the funds were appropriated. Funds for services, including salaries and benefits, may not be obligated for services rendered after June 30. Unexpended funds must be returned to the ICCB by October 15th following the end of the fiscal year.
3. Grant funds not used in accordance with this criteria shall be returned to the ICCB by October 15 following the end of the fiscal year. Other identification of improper expenditures subsequently verified by the ICCB shall be returned upon notification by the ICCB.

D. Illustrative Audit Procedures

1. In addition to the following illustrative steps, review the GATA section (II C) of this manual for specific procedural steps to be followed by the college.
2. Review requirements for restricted grant expenditures and reporting which govern operation of the grant.
3. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
4. Confirm grant amounts received from the ICCB by reviewing the summary of ICCB grants distributed throughout the year on the ICCB website and verify payments made by the State of Illinois Comptroller by accessing their vendor payment information for the college. The AEFL End of Year Online Expenditure report under the Final Reports/Adult Education heading at <http://www.iccb.org/budget.grantreporting.html> will also be a resource in confirming payments made during the year.
5. Test a representative sample of expenditures for compliance with ICCB requirements for Restricted Grant Expenditures and Reporting.
6. Test grant records for the following:

Federal Basic

1. A minimum of 45% of the grant must be for Instruction.

2. Program Support expenditures do not exceed the approved program support rate.

EL/Civics

1. A minimum of 45% of the grant must be for Instruction.
2. Program Support expenditures do not exceed the approved program support rate.

State Basic

1. A minimum of 45% of the grant must be for Instruction.
2. General Administration costs must not exceed 15% of the grant.

7. Determine whether unexpended funds from the prior year's appropriation were returned by October 15.
8. Test payments of prior year's encumbrances (if applicable).
9. Review units of instruction for compliance and accuracy with DAIS-I reporting requirements.
 - a. Obtain an understanding of the eligibility and classification requirements by reviewing DAIS-I reporting requirements for student data which generates units of instruction.
 - b. Obtain a copy of the units of instruction certified annually by the providers to the ICCB. This is an available DAIS-I report which is printed and signed by provider officials annually.
 - c. Review small sample of student records from DAIS-I and test records for proper coding and classification.

(*Students in courses where the funding source is paid with at least 51% from AEFL grant funds are able to generate on DAIS-I. Those students in courses which are paid with non-AEFL funds should not be generating on DAIS-I. The funding is typically determined by what source the instructor was paid from.)

4. AUDIT PROGRAM GUIDE: CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANTS

Contents

Section A - Introduction

Section B - Audit Objectives and Compliance Determinations

Section C - Policy Guidelines for Restricted Grant Expenditures and Reporting

Section D - Illustrative Audit Procedures

A. Introduction

The Career and Technical Education Program Improvement Grant recognizes that keeping career and technical programs current and reflective of the highest quality practices in the workplace is necessary to prepare students to be successful in their chosen careers and to provide employers with the well-trained workforce they require. The grant funds are dedicated to enhancing instruction and academic support activities to strengthen and improve career and technical programs and services. Such grants fall under the purview of the Grants Accountability and Transparency Act (GATA). See section II C on page 46 of this manual.

B. Audit Objectives and Compliance Determinations

The objectives of a compliance review of the payments made to the college are to apply audit procedures and gather audit evidence which will enable the auditor to determine with reasonable but not absolute assurance:

1. Determine whether the college has expended funds in accordance with the legal and contractually imposed restrictions for which such funds have been authorized by law and contractual agreement.
2. Determine whether the amounts indicated on the statements were received or receivable, properly classified, and adequately described.

C. Policy Guidelines for Restricted Grant Expenditures and Reporting

Policy guidelines can be found on the ICCB website at <http://www.iccb.state.il.us/budget.guidelines.html>

Simply click on the fiscal year guidelines you wish to use and print the appropriate pages.

D. Illustrative Audit Procedures

1. In addition to the following illustrative steps, review the GATA section (II C) of this manual for specific procedural steps to be followed by the college.
2. Review Policy Guidelines for Restricted Grant Expenditures and Reporting which govern operation of the grant.
3. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
4. Confirm grant amounts received from the ICCB by reviewing the summary of ICCB grants distributed throughout the year on the ICCB website and verify payments made by the State of Illinois Comptroller by accessing their vendor payment information for the college.
5. Test a sufficient sample size of expenditures for compliance with ICCB Policy Guidelines for Restricted Grant Expenditures and Reporting to support a compliance opinion in the audit report.
6. Determine whether unexpended funds from the prior year's appropriation were returned by October 15.
7. Test payments of prior year's encumbrances (if applicable).

Appendix A

GLOSSARY AND ACRONYMS

GLOSSARY

Abatement. A reduction of a previously recorded expenditure or receipt by such things as refunds, rebates, and collections for loss or damages to school property.

Academic Term. Any period of time in which course work is offered by the institution and for which students seek enrollment; the term may include a regular session or a special session.

Account Number. A defined code for recording and summarizing financial transactions.

Accounting Period. A period at the end of which and for which financial statements are prepared.

Accrual Basis. An accounting system that records revenues when earned and expenditures when a liability is created, regardless of the accounting period in which cash payment is actually made. An encumbrance system may be used in conjunction with an accrual basis accounting system.

Accrued Expenses. Expenses which have been incurred and have not been paid as of a given date.

Accrued Interest. Interest earned between interest dates but not yet paid.

Accrued Liabilities. Amounts owed but not yet paid; for example, accrued interest on bonds or notes. See also Accrued Expenses.

Accrued Revenue. Revenue earned and not collected regardless of whether due or not.

Activity--Organizational Unit--Cost Center. A specific unit or group in an organization that performs work or provides a service as part of the organization's overall responsibility. Expenditures are readily identifiable to the activity, and a number of activities may form a department, division, or major functional area. For example, the biology department or security department are activities.

Appropriation. An authorization that enables the college to make expenditures and incur obligations for a specific purpose.

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

Assets. The entire property owned by a college.

Bonded Debt. The part of the local college debt which is covered by outstanding bonds.

Buildings. Facilities permanently affixed to the land, including their associated heating and air-conditioning systems, electrical and sound systems, plumbing and sewer systems, elevators, and other fixed equipment.

Cash. Money or its equivalent; usually ready money. Money in hand, either in currency, coin, or other legal tender, or in bank bills or checks paid and received, bank deposits and NOW accounts, bank notes or sight drafts, bank's certificates of deposit, municipal orders, warrants, or scrip.

Cash Basis. An accounting system that records only cash receipts and disbursements. An encumbrance system may be used in conjunction with a cash basis accounting system.

Categorical Aid. Educational support funds provided from a higher governmental level and specifically limited to a given purpose.

Character. A term that classifies expenditures based upon the period they benefit. There are three groups as follows: (1) expenses that benefit the current fiscal year; (2) capital outlay that benefits current and future fiscal years; and (3) provisions for the retirement of debt that benefit prior, current, and future fiscal years.

Chart of Accounts. A list of all accounts generally used in an accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

Contingent Fund. Assets or other resources set aside to provide for unforeseen expenditures or for anticipated expenditures of an uncertain amount.

Contingent Liabilities. Liabilities which are not now fixed and absolute but which will become so in case of the occurrence of some future and uncertain event.

Cost Benefit. Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it, or analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Cost Center. The smallest segment of a program that is separately recognized in the agency's records, accounts, and reports. Program-oriented budgeting, accounting, and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers.

Cost Effectiveness. The extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective.

Course. An educational unit within the instructional programs dealing with a particular subject consisting of instructional periods and one or more delivery systems.

Course Credit. Number of credits that will be earned by the student for successful completion of a course.

Course Equivalent. A figure (value) to indicate credit equivalence for noncredit courses.

Course Identifier. The official institutional number or other code that serves to uniquely identify

a course.

Course Level. The institutional categorization for the level of offering of a specific course. The categorization generally is derived from the level of student to which any particular course offering within a discipline is primarily directed.

Crossover Procedure. A procedure whereby the activities supported by the expenditures recorded in a fund accounting system are matched with the same activities in a similar organization.

Current. The term refers to the fiscal year in progress.

Current Assets. Cash or anything that can be readily converted into cash.

Current Expenses. Any expenditure except for capital outlay and debt service. Current expense includes total charges incurred, whether paid or unpaid.

Current Funds. Money received during the current fiscal year from revenue which can be used to pay obligations currently due and surpluses reappropriated for the current fiscal year.

Current Fund Revenues. Current fund revenues include all unrestricted gifts and other unrestricted resource earnings during the reporting period and restricted current funds to the extent that such funds were expended for current operating purposes.

Current Liabilities. Debts which are payable within a relatively short period of time, usually no longer than a year.

Current Loans. A loan payable in the same fiscal year in which the money was borrowed.

Debt Service. Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest on current loans.

Deferred Charges. Expenditures which are not chargeable to the fiscal period in which made but are carried on the asset side of the balance sheet pending amortization or other disposition. Deferred charges differ from prepaid expenses in that they usually extend over a long period of time and may or may not be regularly recurring costs of operation.

Depreciation. A fall in value, reduction of worth. The deterioration, or the loss or lessening in value, arising from age, use, and improvements due to better methods.

Direct Costs. Those elements of cost which can be easily, obviously, and conveniently identified with specific activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identified with specific activities. See also Indirect Costs.

Disbursements. The actual payment of cash by the college.

Double-Entry Accounting. An accounting system that requires for every entry made to the debit side of an account or accounts there must be an equal entry to the credit side of an account or

accounts.

Encumbrances. An anticipated or actual liability provided for by an appropriation which is recognized when a contract, purchase order, or salary commitment is made. It reduces the appropriation to avoid expenditure of funds needed to pay anticipated liabilities or expenditures.

Equalization. The act or process of making equal or bringing about conformity to a common standard. The process of equalizing assessments or taxes, as performed by "boards of equalization" in various states, consists of comparing the assessment made by the local officers of the various counties and other taxing districts within the jurisdiction of the board and reducing them to a common and uniform basis, increasing or diminishing by such percentage as may be necessary, so as to bring about with the entire territory affected a uniform and equal ratio between the assessed value and the actual market value of property. The term also is applied to a similar process of leveling or adjusting the assessment of individual taxpayers so that the property of one shall not be assessed at a higher or lower percentage of its market value than the property of another.

Equipment (Fixed). Apparatus that is permanently fastened to an interior or external structure.

Equipment (Movable). Apparatus that is not permanently fastened to an interior or external structure.

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

Fair Cash Value. The fair or reasonable cash price for which the property can be sold on the market.

Federal Revenue. Revenue directly provided by the federal government. Expenditures made with this revenue should be identifiable as federally supported expenditures.

Fees Required. Charges that are assessed to students for certain items not covered by tuition.

Financial Statement. A formal summary of accounting records setting forth the district's financial condition.

Fiscal Year. The year by or for which accounts are reckoned or the year between one annual time of settlement or balancing of accounts and another. A period of 12 months, not necessarily concurrent with the calendar year, with reference to which appropriations are made and expenditures authorized and at the end of which accounts are made up and the books balanced.

Fixed Assets. Assets essential to continuance of undertaking and proper operation of the college. Land, buildings, machinery, furniture, and other equipment which the local college intends to hold or continue in use over a long period of time.

Full Costs. The sum of direct costs and allocated support costs.

Fund Equity. The balance of a fund after all liabilities have been deducted from the assets of the fund.

Indirect Expenses. Those elements of cost necessary in the provision of a service which are of such nature that they cannot be readily or accurately identified with the specific service.

Inventory. A detailed list or record showing quantities, descriptions, values, and units of measure and unit prices of property on hand at a given time. Also, the cost of supplies and equipment on hand not yet distributed to requisitioning units.

Liabilities. Obligations incurred by the college when deed passes that must be liquidated, renewed, or refunded at a future date.

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

Net Expenditure. The actual cost incurred by the local education agency for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity.

Net Revenue. The balance remaining to the local education agency after deducting from the gross revenue for a given period all expenditures during the same period.

Object. This term applies to a level of data captured in the UFRS.

Performance Budget. A budget that is structured to allow for expenditure analysis based upon measurable performance of predetermined objectives established by each activity.

Prepaid Expenses. Expenses entered in the accounts for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation.

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

Program Budgeting. A resource allocation technique which facilitates the organization and identification of the activities of an institution in terms of its objectives, displays the cost of these activities over an extended time frame, and relates these activities and their costs to the outputs of the institution's programs. The budgeting aspect of a planning, programming, and budgeting system.

Program Classification Structure. The program classification structure is a means of identifying and organizing the activities of higher education institutions in a program-oriented manner.

Program Split. This term refers to dividing the function "instruction" by baccalaureate-oriented, occupational-oriented, general studies, adult and continuing education, and any other desired program.

Quasi-External Transactions. Interfund transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, e.g., billings for motor pools, central printing, duplicating services and central data processing can be accounted for as revenues, expenditures, or expenses in the funds involved. When aggregating data, the fund revenue, expenditure, or expense should be adjusted to remove the effects of quasi-external transactions.

Receipt. The actual receipt of cash.

Reimbursable Credit Hour. A certified instructional credit hour used as the basis for distributing ICCB grants.

Reimbursement. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it which are properly applicable to another fund, e.g., an expenditure properly chargeable to a Special Revenue Fund was initially made from the General Fund, which is subsequently reimbursed. These transactions are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Reserve. An account used to segregate a portion of the surplus not currently available for appropriations or expenditures.

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

Student Chargeback. A student of a given community college district attending a community college other than the one in his home district to pursue a curriculum not offered in the college of his home district and for which the given home community college district pays the college which the student is attending a chargeback. Also included are students whose residence is within a territory not served by a community college.

Student, Full-time Equivalent. The statistical student unit calculated by dividing all credit hours (both certificate and degree) generated at the college by 15 credit hours for any term. To determine the annual FTE student, divide all credit hours for that year by 30 semester hours for colleges on the semester system and by 45 quarter hours for colleges on the quarter calendar.

Student Tuition Charge. The amount of money charged to students for instructional services; tuition may be charged on a per term, per course, or per credit basis.

Subobject. A level of reporting more detailed than object level reporting.

Subprogram. A stratum of the program classification structure hierarchy. A subprogram is an aggregation level that structures program categories into subsets of the major missions of the institution.

Tax Anticipation Warrants. Warrants issued in anticipation of collection of taxes, usually retirable only from tax collections and frequently only from the tax collections anticipated with

issuance. The proceeds of tax anticipation notes or warrants are treated as current loans if paid back from the tax collections anticipated with the issuance of the notes.

Traditional Budget. A budget that is structured primarily upon objects of expenditure rather than a program or organizational structure.

Unit Cost. Expenditures for a function, activity, or service divided by the total number of units for which the function, activity, or service was provided.

Uniform Financial Reporting System. The system developed by the Illinois Community College Board to collect uniform financial data from all the Illinois community colleges for data analysis, comparisons, and review. See the *Uniform Financial Reporting Manual* which outlines reporting requirements for periodic financial data submissions from Illinois community colleges.

Uniform Financial Reporting Manual. The manual which outlines reporting requirements for periodic financial data submissions from Illinois community colleges.

ACRONYMS

ABE	Adult Basic Education
AICPA	American Institute of Certified Public Accountants
ASE	Adult Secondary Education
CFA	Catalog of Federal Domestic Assistance
DCEO	Department of Commerce and Economic Opportunity
DCMS	Department of Central Management Services
FMM	<i>Fiscal Management Manual</i>
GASB	Government Accounting Standards Board
IBHE	Illinois Board of Higher Education
ICCB	Illinois Community College Board
ISBE	Illinois State Board of Education
JTPA	Job Training Partnership Act
NCGA	National Council on Governmental Accounting
NOW	Negotiable Order Withdraw
OMB	Office of Management and Budget
UFRM	Uniform Financial Reporting Manual
UFRS	Uniform Financial Reporting System

Appendix B

FORMS FOR FINANCIAL REPORTING

Appendix B1

STATE OF ILLINOIS

COMMUNITY COLLEGE DISTRICT _____

Annual Budget for Fiscal Year 20__

District

Street Address

City

SUMMARY OF FISCAL YEAR 20__ BUDGET BY FUND

	General		Special Revenue			
	Education Fund	Operations and Maintenance Fund	Public Building Commission Operation & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection, & Settlement Fund

Beginning Balance

Budgeted Revenues

Budgeted Expenditures

Budgeted Transfers from
(to) Other Funds

Budgeted Ending Balance

	Debt Service		Capital Projects		Proprietary Fund
	Bond and Interest Fund	Public Building Commission Rental Fund	Operations and Maintenance Fund (Restricted)	Building Bond Proceeds Fund	Auxiliary Enterprises Fund

Beginning Balance

Budgeted Revenues

Budgeted Expenditures

Budgeted Transfers from
(to) Other Funds

Budgeted Ending Balance

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

Date

ATTEST: _____
Secretary, Board of Trustees

SUMMARY OF FISCAL YEAR 20__ ESTIMATED REVENUES

District _____	Dist. No. _____	Year Ended 20__		
	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Building Commission Operation and Maintenance Fund</u>	<u>Total Operating Funds</u>
<u>OPERATING REVENUES BY SOURCE</u>				
<i>Local Government</i>				
Local Taxes				
Corporate Personal Property				
Replacement Taxes				
Chargeback Revenue				
Other (List)				
TOTAL LOCAL GOVERNMENT	_____	_____	_____	_____
<i>State Government</i>				
ICCB Base Operating Grants				
ICCB Equalization Grants				
ICCB-Career and Technical Education				
ICCB-Adult Education				
Other (List)				
TOTAL STATE GOVERNMENT	_____	_____	_____	_____
<i>Federal Government</i>				
Dept. of Education				
Dept. of Labor				
Dept. of Health and Human Services				
Other (List)				
TOTAL FEDERAL GOVERNMENT	_____	_____	_____	_____
<i>Student Tuition and Fees</i>				
Tuition				
Fees				
Other Student Assessments				
TOTAL TUITION AND FEES	_____	_____	_____	_____
<i>Other Sources</i>				
Sales and Service Fees				
Facilities Revenue				
Investment Revenue				
Nongovernmental Grants				
Other (List)				
TOTAL OTHER SOURCES	_____	_____	_____	_____
TOTAL 20__ BUDGETED REVENUE	_____	_____	_____	_____
<i>Less Nonoperating Items*</i>				
Tuition Chargeback Revenue				
Instructional Service				
Contract Revenue				
ADJUSTED REVENUE	=====	=====	=====	=====

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

SUMMARY OF FISCAL YEAR 20__ OPERATING BUDGETED EXPENDITURES

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Building Commission Operation and Maintenance Fund</u>	<u>Total Operating Funds</u>	<u>%</u>
<u>BY PROGRAM</u>					
Instruction					
Academic Support					
Student Services					
Public Service/Continuing Education					
Organized Research					
Auxiliary Services					
Operation & Maint. of Plant					
Institutional Support					
Scholarships, Student Grants, and Waivers					
INTERFUND TRANSFERS					
TOTAL 20__ BUDGETED EXPENDITURES					
<i>Less Nonoperating Items*</i>					
Tuition Chargeback					
Instructional Service Contracts					
ADJUSTED EXPENDITURES					
<u>BY OBJECT</u>					
Salaries					
Employee Benefits					
Contractual Services					
General Materials & Supplies					
Travel and Conference/ Meeting Expenses					
Fixed Charges					
Utilities					
Capital Outlay					
Other					
Provision for Contingency					
INTERFUND TRANSFERS					
TOTAL 20__ BUDGETED EXPENDITURES					
<i>Less Nonoperating Items*</i>					
Tuition Chargeback					
Instructional Service Contracts					
ADJUSTED EXPENDITURES					

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

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>EDUCATION FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTRUCTION		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
ACADEMIC SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
STUDENT SERVICES		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
PUBLIC SERVICE/CONTINUING EDUCATION		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
ORGANIZED RESEARCH		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____

FISCAL YEAR 20__ BUDGETED EXPENDITURES
(Continued)

<u>EDUCATION FUND</u>	<u>Appropriations</u>	<u>Totals</u>
AUXILIARY SERVICES		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
OPERATION AND MAINTENANCE OF PLANT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
INSTITUTIONAL SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	
Provision for Contingency	_____	_____
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
INTERFUND TRANSFERS		

GRAND TOTAL		
		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>OPERATIONS AND MAINTENANCE FUND</u>	<u>Appropriations</u>	<u>Totals</u>
OPERATION AND MAINTENANCE OF PLANT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
INSTITUTIONAL SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	
Provision for Contingency	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>PUBLIC BUILDING COMMISSION</u> <u>OPERATION AND MAINTENANCE FUND</u>	<u>Appropriations</u>	<u>Totals</u>
<u>OPERATION AND MAINTENANCE OF PLANT</u>		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
<u>INSTITUTIONAL SUPPORT</u>		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	
Provision for Contingency	_____	_____
<u>INTERFUND TRANSFERS</u>		_____
<u>GRAND TOTAL</u>		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>OPERATIONS AND MAINTENANCE FUND</u> <u>(Restricted)</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources	_____	_____
Federal Governmental Sources	_____	_____
Other Sources		
Student Tuition and Fees	_____	
Sales and Service Fees	_____	
Facilities Revenue	_____	
Investment Revenue	_____	
Nongovernmental Gifts, Scholarships, Grants, and Bequests	_____	
Other	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>OPERATIONS AND MAINTENANCE FUND</u> <u>(Restricted)</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other Expenditures	_____	
Provision for Contingency	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>BUILDING BOND PROCEEDS FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Bond Proceeds	_____	_____
Other (Specify)	_____	_____
State Governmental Sources	_____	_____
Federal Governmental Sources	_____	_____
Other Sources		
Sales and Service Fees	_____	
Facilities Revenue	_____	
Investment Revenue	_____	
Nongovernmental Gifts, Grants, and Bequests	_____	
Other (Specify)	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>BUILDING BOND PROCEEDS FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other (Specify)	_____	
Provision for Contingency	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>AUXILIARY ENTERPRISES FUND</u>	<u>Revenues</u>	<u>Totals</u>
Sales and Service Fee Sources	_____	
Investment Revenue Sources	_____	
Nongovernmental Gifts, Grants, and Bequests Sources	_____	
Other Sources (Specify)	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>AUXILIARY ENTERPRISES FUND</u>	<u>Appropriations</u>	<u>Totals</u>
STUDENT SERVICES		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other (Specify)	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>BOND AND INTEREST FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes		
Corporate Personal Property	_____	
Replacement Taxes (CPPRT)	_____	_____
Chargeback Revenue	_____	
Other (Specify)	_____	_____
State Sources		
Other Sources		
Investment Revenue	_____	
Other (Specify)	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>BOND AND INTEREST FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Debt Principal Retirement	_____	
Interest (on Bonds)	_____	
Other Fixed Charges (Specify)	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>PUBLIC BUILDING COMMISSION RENTAL FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes		
Corporate Personal Property	_____	
Replacement Taxes (CPPRT)	_____	_____
Chargeback Revenue	_____	
Other (Specify)	_____	_____
State Sources		
Other Sources		
Investment Revenue	_____	
Other (Specify)	_____	_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>PUBLIC BUILDING COMMISSION RENTAL FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Rental--Facilities	_____	
Other Fixed Charges (Specify)	_____	_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>RESTRICTED PURPOSES FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources	_____	_____
State Governmental Sources		
ICCB Special Initiative Grant	_____	
Other ICCB Grants	_____	
Department of Corrections	_____	
ISBE Grants	_____	
Department of Veterans Affairs	_____	
Illinois Student Assistance Commission	_____	
Other Illinois Governmental Sources	_____	_____
Federal Governmental Sources		
Department of Education	_____	
Department of Labor	_____	
Department of Health and Human Services	_____	
Other Federal Governmental Sources	_____	_____
Other Sources		
Student Tuition and Fees	_____	
Sales and Service Fees	_____	
Facilities Revenue	_____	
Investment Revenue	_____	
Nongovernmental Gifts, Scholarships, Grants, and Bequests	_____	
Other Revenue	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>RESTRICTED PURPOSES FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTRUCTION		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
ACADEMIC SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
STUDENT SERVICES		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
PUBLIC SERVICE/CONTINUING EDUCATION		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
ORGANIZED RESEARCH		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____

FISCAL YEAR 20__ BUDGETED EXPENDITURES
(Continued)

<u>RESTRICTED PURPOSES FUND</u>	<u>Appropriations</u>	<u>Totals</u>
AUXILIARY SERVICES		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
OPERATION AND MAINTENANCE OF PLANT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	_____
INSTITUTIONAL SUPPORT		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	
Provision for Contingency	_____	_____
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS		
Salaries	_____	
Employee Benefits	_____	
Contractual Services	_____	
General Materials and Supplies	_____	
Travel and Conference/Meeting Expenses	_____	
Fixed Charges	_____	
Utilities	_____	
Capital Outlay	_____	
Other	_____	
Financial Aid	_____	_____
INTERFUND TRANSFERS		_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>AUDIT FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes	_____	
Chargeback Revenue	_____	
Other (Specify)	_____	_____
Other Sources		
Investment Revenue	_____	
Other (Specify)	_____	_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>AUDIT FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Contractual Services		
Audit Services	_____	
Consultants	_____	
Architectural Services	_____	
Maintenance Services	_____	
Legal Services	_____	
Office Services	_____	
Instructional Service Contracts	_____	
Other Contractual Services	_____	
Other (Specify)	_____	_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED REVENUES

<u>LIABILITY, PROTECTION, AND SETTLEMENT FUND</u>	<u>Revenues</u>	<u>Totals</u>
Local Governmental Sources		
Local Taxes	_____	
Chargeback Revenue	_____	
Other (Specify)	_____	_____
Other Sources		
Investment Revenue	_____	
Other (Specify)	_____	_____
GRAND TOTAL		=====

FISCAL YEAR 20__ BUDGETED EXPENDITURES

<u>LIABILITY, PROTECTION, AND SETTLEMENT FUND</u>	<u>Appropriations</u>	<u>Totals</u>
INSTITUTIONAL SUPPORT		
Employee Benefits	_____	
Fixed Charges	_____	
Other (Specify)	_____	_____
GRAND TOTAL		=====

Appendix B3

CERTIFICATE OF TAX LEVY

Community College District No. _____ County(ies) _____

Community College District Name: _____ and State of Illinois

We hereby certify that we require:

- the sum of \$ _____ to be levied as a tax for educational purposes(110 ILCS 805/3-1), and
- the sum of \$ _____ to be levied as a tax for operations and maintenance purposes (110 ILCS 805/3-1), and
- the sum of \$ _____ to be levied as an additional tax for educational and operations and maintenance purposes (110 ILCS 805/3-14.3), and
- the sum of \$ _____ to be levied as a special tax for purposes of the Local Governmental and Governmental Employees Tort Immunity Act (745 ICLS 10/9-107), and
- the sum of \$ _____ to be levied as a special tax for Social Security and Medicare insurance purposes (40 ILCS 5/21-110 and 5/21-110.1), and
- the sum of \$ _____ to be levied as a special tax for financial audit purposes (50 ILCS 310/9), and
- the sum of \$ _____ to be levied as a special tax for protection, health, and safety purposes (110 ILCS 805/3-20.3.01), and
- the sum of \$ _____ to be levied as a special tax for (specify) _____ purposes, on the taxable property of our community college district for the year 20__.

Signed this ____ day of _____, 20 ____

Chairman of the Board of Said Community College District

Secretary of the Board of Said Community College District

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

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

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

(DETACH AND RETURN TO COMMUNITY COLLEGE DISTRICT)

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

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

Date

County Clerk and County

Appendix B4

State of Illinois
Community College District _____

Annual Financial Report for Fiscal Year 20__

District

Street Address

City

(District Name)

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended 20__

Community College District No. ____, Counties _____, _____, _____, _____,
_____, _____, State of Illinois

Total District Assessed Valuation: \$ _____

Total District Bonded Debt: \$ _____

Tax Revenues:	<u>Extensions</u>	<u>Rates</u>
Education Fund	\$ _____	_____ ¢
Operations and Maintenance Fund	\$ _____	_____ ¢
Bond and Interest Fund	\$ _____	_____ ¢
Liability, Protection, and Settlement Fund	\$ _____	_____ ¢
Audit Fund	\$ _____	_____ ¢
Public Building Commission Operation and Maintenance Fund	\$ _____	_____ ¢
Operation and Maintenance Fund (Restricted) (Protection, Health, and Safety Levy)	\$ _____	_____ ¢
Public Building Commission Rental Fund	\$ _____	_____ ¢

STATEMENT OF REVENUE AND EXPENDITURES
For the Fiscal Year Ended 20__

	<u>Education Fund</u>	<u>Operations & Maintenance Fund</u>	<u>Bond & Interest Fund</u>	<u>Other Tax Funds</u>
<u>AUDITED REVENUE BY SOURCE</u>				
Local Government				
Local Taxes				
Corporate Personal Property	_____	_____	_____	_____
Replacement Taxes	_____	_____	_____	_____
Chargeback Revenue	_____	_____	_____	_____
Other (List)	_____	_____	_____	_____
TOTAL LOCAL GOVERNMENT	_____	_____	_____	_____
State Government				
ICCB Base Operating Grants	_____	_____	_____	_____
ICCB Equalization Grants	_____	_____	_____	_____
ICCB Career and Technical	_____	_____	_____	_____
Education Grant	_____	_____	_____	_____
All Other ICCB Grants	_____	_____	_____	_____
Other (List)	_____	_____	_____	_____
TOTAL STATE GOVERNMENT	_____	_____	_____	_____

	<u>Education Fund</u>	<u>Operations & Maintenance Fund</u>	<u>Bond & Interest Fund</u>	<u>Other Tax Funds</u>
Federal Government				
Dept. Of Education	_____	_____	_____	_____
Dept. Of Labor	_____	_____	_____	_____
Dept. Of Health and Human Services	_____	_____	_____	_____
Other (List)	_____	_____	_____	_____
TOTAL FEDERAL GOVERNMENT	_____	_____	_____	_____
Student Tuition & Fees				
Tuition	_____	_____	_____	_____
Fees	_____	_____	_____	_____
Other Student Assessments	_____	_____	_____	_____
TOTAL TUITION AND FEES	_____	_____	_____	_____
Other Sources				
Sales and Service Fees	_____	_____	_____	_____
Facilities Revenue	_____	_____	_____	_____
Investment Revenue	_____	_____	_____	_____
Nongovernmental Grants	_____	_____	_____	_____
Other (List)	_____	_____	_____	_____
TOTAL OTHER SOURCES	_____	_____	_____	_____
TOTAL REVENUE	=====	=====	=====	=====
<u>AUDITED EXPENDITURES BY PROGRAM</u>				
Instruction	_____	_____	_____	_____
Academic Support	_____	_____	_____	_____
Student Services	_____	_____	_____	_____
Public Services/Continuing Education	_____	_____	_____	_____
Organized Research	_____	_____	_____	_____
Auxiliary Enterprises	_____	_____	_____	_____
Operation & Maintenance of Plant	_____	_____	_____	_____
Scholarships, Student Grants, and Waivers	_____	_____	_____	_____
Institutional Support	_____	_____	_____	_____
TOTAL EXPENDITURES	=====	=====	=====	=====
TRANSFERS	_____	_____	_____	_____
Excess (or Deficiency) of Revenue over Expenditures	_____	_____	_____	_____
BEGINNING FUND BALANCE as of July 1, 20__	_____	_____	_____	_____
ENDING FUND BALANCE as of June 30, 20__	=====	=====	=====	=====

Along with the financial statement, the college will publish in brief narrative form a description of the programs offered, a statement of the goals of the college, and the following student and staff data:

Annual Enrollment Data by Semester or Quarter, Including the Summer Term:

Headcount _____ Full-time Equivalent _____

Staff Data by Program: Full-time _____ Part-time _____

Appendix B5

Illinois Community College Board

COMMUNITY COLLEGE TREASURER'S BOND

Community College District Name: _____ Dist. No. _____

County(ies) _____, _____, _____, _____,
_____, and State of Illinois.

Know All Men by These Present: That we, _____ and _____
_____ are held and firmly bound, jointly and severally, unto the Board of Community College
District No. _____, County(ies) of _____, _____, _____,
_____, _____, and State of Illinois in the penal sum of _____ dollars, for the payment
of which we bind ourselves, our heirs, executors and administrators firmly by these presents.

In witness whereof we have hereunto set our hands and seals this ___ day of _____, 20___. The
condition of this obligation is such that if _____, treasurer in the district aforesaid, faithfully
discharges the duties of his office, according to law, and shall deliver to his successor in office, after that
successor has qualified by giving bond as provided by law, all monies, books, papers, securities and property,
which shall come into his hands or control, as such treasurer, from the date of his bond up to the time that
his successor has qualified as treasurer, by giving such bond as is required by law, then this obligation to be
void; otherwise to remain in full force and virtue.

Signed: _____

Approved and accepted by the Board of Community College District No. _____ County(ies) of _____
_____, _____, _____, _____, _____, and State of Illinois.

By _____, Chairman _____, Secretary

Appendix C

RECOMMENDED AUDIT SCHEDULE FORMAT

ABC Community College
Community College District #1
Anywhere, Illinois

AUDITOR'S REPORT

As of June 30, 20XX

CPA Firm
Anywhere, Illinois

ABC Community College
Community College District #1

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ABC Community College
Community College District #1

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 Community College District #1
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The independent auditor should express his/her opinion (or disclaim an opinion) as to whether the financial statements present fairly the financial position, and results of operation of the various funds of the district in conformity with generally accepted accounting principles consistently applied. Following is a sample of a Unqualified Audit Opinion Report:

**Standard Report on Financial Statements
Issued in Accordance with Government Auditing Standards**

Independent Auditor's Report

To the Board of Trustees
ABC Community College
Community College District #1
Anywhere, Illinois XXXXX

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities of ABC Community College District #1 and the discretely presented component unit, ABC College Foundation, as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity and the discretely presented component unit of the ABC Community College, as of June 30, 20XX, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental financial information and accompanying information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

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

CPA Firm
Anywhere, Illinois

September 30, 20XX

MANAGEMENT DISCUSSION AND ANALYSIS GUIDELINES

A management discussion and analysis would be presented in the audit report. The following is not intended to be an actual MD & A section, but serves to identify the parameters for information to be communicated in an MD & A.

Previously optional, the management discussion and analysis (MD&A) is now required supplementary information in addition to the institution's financial statements. The MD&A should come after the financial statements in the audit. It should include a brief, objective, and easily readable analysis of the institution's financial activities based on currently known facts, decisions, or conditions. Additionally, current year results should be compared to prior year results, with an emphasis on the current year. Both positive and negative elements of the institution's financial position and operating results should be discussed. Further, use of charts, graphs, and tables are encouraged to visually enhance the reader's understanding of the document. Finally, the requirements of the MD&A have intentionally been kept general to encourage the reporting of only relevant information and discouraging standardized discussions.

Minimum Requirements

Analysis comparing current and prior year, including causes of significant changes in financial statement amounts.

- Includes both reasons for and amounts of changes.
- Includes important economic factors that significantly affect yearly outcomes.

Factors To Be Compared

1. Total assets, distinguishing between capital and other assets.
2. Total liabilities, distinguishing between long-term and other debt.
3. Total net assets, distinguishing between amounts invested in capital assets, (net of related debt), restricted amounts, and unrestricted amounts.
4. Program revenues, by major source.
5. General revenues, by major source.
6. Total revenues.
7. Program expenses (at a minimum by function).
8. Total expenses.
9. Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items and transfers.
10. Contributions.
11. Special and extraordinary items.
12. Change in net assets.
13. Ending net assets.

Source: NACUBO Basic Institutional Accounting for Public Institutions Workbook, 2002.

ABC Community College
Community College District #1

STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 20XX

ASSETS

Current Assets:

Cash and cash equivalents
Short-term investments
Accounts receivable, net
Inventories
Deposit with bond trustee
Notes and mortgages receivable, net
Other assets
Total current assets

\$ _____

Noncurrent assets

Restricted cash and cash equivalents
Endowment investments
Notes and mortgages receivable, net
Other long-term investments
Investments in real-estate
Capital assets, net
Total noncurrent assets
Total assets

\$ _____
\$ _____

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities
Deferred revenue
Long-term liabilities - current portion
Total current liabilities

\$ _____

Noncurrent liabilities

Deposits
Deferred revenue
Long-term liabilities
Total noncurrent liabilities
Total liabilities

\$ _____
\$ _____

ABC Community College
Community College District #1

STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 20XX

NET ASSETS

Invested in capital assets, net of related debt

Restricted for:

Nonexpendable:

Scholarships and fellowships

Research

Expendable:

Scholarships and fellowships

Research

Instructional department uses

Loans

Capital projects

Debt service

Other

Unrestricted

Total net assets

\$ _____

ABC Community College
Community College District #1

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 20XX

REVENUES

Operating revenues:	
Student tuition and fees	
Patient services	
Sales and services of educational departments	
Auxiliary enterprises	
Other operating revenues	
Total operating revenues	\$ _____

EXPENSES

Operating expenses:	
Salaries:	
Faculty	
Exempt staff	
Nonexempt wages	
Benefits	
Scholarships and fellowships	
Utilities	
Supplies and other services	
Depreciation	
Total operating expenses	\$ _____
Operating income (loss)	\$ _____

NONOPERATING REVENUES (EXPENSES)

State appropriations (includes state grants and contracts)	
Federal grants and contracts	
Local Sources:	
Property taxes	
Personal property replacement tax	
Nongovernmental grants and contracts (includes gifts)	
Investment income	
Interest on capital asset-related debt	
Other nonoperating revenues	
Net nonoperating revenues	\$ _____
Income before other revenues, expenses, gains, or losses	\$ _____
Capital appropriations	
Capital grants and gifts	
Additions to permanent endowments	
Increase in net assets	\$ _____

NET ASSETS

Net assets - beginning of year	\$ _____
Net assets - end of year	\$ _____

Note: Operating expense may be displayed using either object or functional classification.

ABC Community College
Community College District #1

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 20XX

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	
Research grants and contracts	
Payments to suppliers	
Payments to employees	
Loans issued to students and employees	
Collection of loans to students and employees	
Auxiliary enterprise charges:	
Bookstore	
Other receipts (payments)	
Net cash provided (used) by operating activities	\$ _____

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	
Gifts and grants received for other than capital purposes:	
Private gifts for endowment purposes	
Net cash flows provided by noncapital financing activities	\$ _____

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital debt	
Capital appropriations	
Capital grants and gifts received	
Proceeds from sale of capital assets	
Purchases of capital assets	
Principal paid on capital debt and lease	
Net cash used by capital and related financing activities	\$ _____

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	
Interest on investments	
Purchase of investments	
Net cash provided (used) by investing activities	\$ _____
Net increase (decrease) in cash	\$ _____
Cash - beginning of year	\$ _____
Cash - end of year	\$ _____

Note: The direct method of reporting cash flows is required.

ABC Community College
Community College District #1

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 20XX
(Continued)

Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:

Operating income (loss)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:
 Depreciation expense
 Change in assets and liabilities:
 Receivables, net
 Inventories
 Deposit with bond trustee
 Other assets
 Accounts payable
 Deferred revenue
 Deposits held for others
 Compensated Absences
Net cash provided (used) by operating activities

\$ _____

ABC Community College

Community College District #1

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20XX

Note (1) Summary of Significant Accounting Policies

The accounting policies of the ABC Community College District (the District) conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The college reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Review Boards of Committee on Accounting Procedures issues on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

(a) Reporting Entity

As defined by GASB Statement 14, "The Financial Reporting Entity", the College is not financially accountable for any other entity nor are there any other entities for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement Nos. 14, 39, and 61.

ABC Community College Foundation (Foundation) is a legally separate, tax exempt component unit of the College. The foundation was organized and operated exclusively for educational and charitable purposes designed to promote the welfare of the College. Because the resources of the Foundation are to be used substantially for the benefit of the College, the Foundation is considered a component unit of the College and is discreetly presented in the College's financial statements. Complete financial statement for the Foundation can be obtained from the administrative offices of the College.

(b) Basis of Accounting

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Non-exchange transactions, in which the college receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all

eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the college must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the college on a reimbursement basis.

© Net Position:

Net Investment in Capital Assets. This represents the College's total investments in capital assets, net of accumulated depreciation and outstanding debt incurred to acquire, construct, or improve those assets.

Restricted Component of Net Position. This represents restricted assets/resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by third parties reduced by liabilities and deferred inflow resources related to those assets.

Unrestricted Component of Net Position. This represents unrestricted assets/resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any lawful purpose.

(d) Classification of Revenues and Expenses

Operating revenue include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue include activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions. Operating expenses are those expenses directly attributable to the operations of the College. Incidental expenses are classified as non-operating expenses.

(e) Cash and Cash Equivalents

Cash includes deposits held at financial institutions and small amounts maintained for change and petty cash funds. Cash equivalents are defined as highly liquid investments readily converted to cash with original maturities of three months or less.

(f) Investments

Investments with a maturity date of less than one year at date of purchase and all nonnegotiable certificates of deposit are carried at cost or amortized cost, which approximates fair value. Investments with a maturity greater than one year when purchased are stated at fair value.

Note (2) Property Taxes

The College's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to Board of Trustee's resolution, property tax levies passed in December 20XX and the subsequent 20XX were allocated 50 percent for each of the two years after the levy year. Taxes must be levied by the last Tuesday in December for the following collection year. Tax bills are levied in December by passage of a tax levy ordinance. The levy

becomes an enforceable lien against the property as of January 1 of the levy year. Public Act 89-1 placed limitations on the annual growth of most local governments' property tax collections. Currently, the limitation is the lesser of 5 percent or the rate of inflation, measured by the Consumer Price Index. The statutory maximum tax rates and the respective rates for the December 31, 20XX, and previous year 20XX tax levies, per \$100 of assessed valuation, are reflected in the following table. **TABLE ILLUSTRATING RATES SHOULD BE INCLUDED AT THIS POINT.**

Note (3) Capital Assets

Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of XXXXXX or more and an estimated useful life in excess of X years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' live are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. **MAY WANT TO INCLUDE A COMMENT ABOUT DEPRECIATION METHOD AND USEFUL LIVES.**

Changes in General Fixed Assets

	<u>Balance July 1, 20XX</u>	<u>Additions</u>	<u>Balance Deletions</u>	<u>June 30, 20XX</u>
Land	\$ 1,241,558	\$	\$	\$ 1,241,558
Land Improvements	1,435,221			1,435,221
Buildings	12,684,911	215,125		12,900,036
Equipment	<u>3,923,577</u>	<u>483,264</u>	<u>27,612</u>	<u>4,379,229</u>
TOTALS	<u>\$19,285,267</u>	<u>\$698,389</u>	<u>\$27,612</u>	<u>\$19,956,044</u>

Total accumulated depreciate as of June 30, 20XX is \$XXXX. Current year depreciation expense of \$YYYY was calculated on the _____ method of depreciation over the estimated useful lives of # to ## years.

Note (4) Long-Term Debt

The following is a summary of long-term debt transactions of the College for the year ended June 30, 20XX.

	<u>Balance July 1, 20XX</u>	<u>Bonds Issued</u>	<u>Bonds Retired</u>	<u>Balance June 30, 20XX</u>
General Obligations	<u>990,000</u>	_____	<u>330,000</u>	<u>660,000</u>
	<u>\$990,000</u>	_____	<u>\$330,000</u>	<u>\$660,000</u>

Original issue \$3,750,000, date October 1, 20XX, provides for serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates of 3.0-4.5 percent.

At June 30, 20XX, the annual cash flow requirements of bond principal and interest were as follows:

<u>Year Ending June 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
20XX	3.0-4.5%	330,000	27,225	357,225
20XX	3.0-4.5%	330,000	16,335	346,335
20XX	3.0-4.5%	<u>330,000</u>	<u>5,445</u>	<u>335,445</u>

990,000 49,005 1,039,005

Note (5) Cash Deposits and Investments

As of June 30, 20XX and 20XX-1, the College had the following investments and maturities:

	<u>Maturity</u>	<u>20XX Fair Value</u>	<u>20XX-1 Fair Value</u>
Deposits			
Cash Accounts		\$x,xxx,xxx	\$x,xxx,xxx
Certificates of Deposit	< 1 year	<u>\$xx,xxx,xxx</u>	<u>\$xx,xxx,xxx</u>
Total Deposits		<u>\$xx,xxx,xxx</u>	<u>\$xx,xxx,xxx</u>
Investments:			
Money Market/Savings	< 1 year	\$xx,xxx,xxx	\$xx,xxx,xxx
The Illinois Funds	< 1 year	\$xx,xxx,xxx	\$xx,xxx,xxx
ISDLAF Plus	< 1 year	<u>\$ x,xxx,xxx</u>	<u>\$ x,xxx,xxx</u>
Total Investments		<u>\$xx,xxx,xxx</u>	<u>\$xx,xxx,xxx</u>
Total Cash Deposits and Equivalents		<u>\$xx,xxx,xxx</u>	<u>\$xx,xxx,xxx</u>
Current Assets:			
Cash		\$xx,xxx,xxx	\$xx,xxx,xxx
Investments	< 1 year	\$xx,xxx,xxx	\$xx,xxx,xxx
Noncurrent Assets:			
Restricted cash and cash equivalents		\$ x,xxx,xxx	\$ x,xxx,xxx
Certificates of Deposit	1 to 5 years	<u>\$ xxx,xxx</u>	<u>\$ xxx,xxx</u>
Total cash deposits & investments		<u>\$xx,xxx,xxx</u>	<u>\$xx,xxx,xxx</u>

Interest Rate Risk. Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College’s investment policy does not limit the maturities of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

The ISDLAF is an investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members . The ISDLAF is not registered with the SEC as an investment company. Investments in the ISDLAF are valued at share prices, which is the price the investment could be sold for.

Credit Risk. Credit risk is the risk that the College will not recover its investments due to the ability of the counterparty to fulfill its obligation. Illinois statutes authorize the College to invest in obligations of the U.S. Treasury and US Agencies, interest-bearing savings accounts, interest -bearing time deposits, money market mutual funds registered under the Investment Company Act of 1940 (limited to US Government obligations), shares issued savings and loan associations (provided the investments are insured by the FSLIC, short term discount obligations issued by the FNMA. Share accounts of certain credit unions, investments in the Illinois School District Liquid Asset Fund, and certain repurchase agreements.

The College is also authorized to invest in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if such obligations are rated at the time of purchase within the three highest classifications established by two or more standard rating services, the obligations mature within 180 days, no more than 1/3 of the total average balances from all funds available at the end of each month is invested in such obligations at any time and such purchases do not exceed 10% of a corporation’s outstanding obligations. Investments may be made only in banks, which are insured by the FDIC.

The College’s investment policy does not further limit its investment choices. The college’s investments in the Illinois School District Liquid Asset Fund, money markets, repurchase agreements, and FNMA notes were rated AAA by Standard and Poor’s.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The Colleges’s investment policy does not limit the amount the College may invest in any one issuer. The college is considered to have a concentration of credit risk if its investment in any one single issue is greater than 5% of the total fixed income investments. At June 30, 20XX and 20XX-1, the College did not have a concentration of credit risk.

Note (6) Pension Plan/Retirement Commitments

Plan Description ABC Community College contributes to the State Universities Retirement System of Illinois (SURS), a cost -sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS is considered a component unit of the State of Illinois’ financial reporting entity and is included in the state’s financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

Funding Policy Plan members are required to contribute 8 percent of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate (for FY 20XX) is xx.xx% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The employer contributions to SURS directly appropriated by the State for the years ending June 30, 20XX3, 20XX2 and 20XX1 were \$#####, \$#####, and \$##### respectively, equal to the required contributions each year. In accordance with GASB 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, the college has recorded in revenues and expenditures of the operating fund an equal and offsetting amount which reflect the payments made by the State Universities Retirement System on behalf of the college’s employees. However, when district employees are paid from special trust or federal funds which are administered by the District, the District must pay to the system the retirement costs normally paid by the state. The District paid \$XXXX, the total required contribution for the current fiscal year.

Note (7) Contingencies and Commitments

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

<u>Year Ended</u> <u>June 30</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
20X3	\$ 50,000	\$ 25,000	\$ 75,000
20X4	50,000	25,000	75,000
20X5	50,000	25,000	75,000
20X6	50,000	25,000	75,000
20X7	50,000	25,000	75,000
Thereafter	<u>135,000</u>	<u>--</u>	<u>135,000</u>
TOTAL	<u>\$385,000</u>	<u>\$125,000</u>	<u>\$510,000</u>

20XX rent expense was \$75,000.

Further, the District is a defendant in litigation where the plaintiff, a former employee, alleges that he/she had been improperly terminated and seeks relief based on this allegation. The plaintiff is seeking damages of \$200,000. Outside counsel for the District is of the opinion that the defendant will prevail.

There are several other pending lawsuits in which the District is involved. The District's attorney estimates that the potential claims against the District not covered by insurance resulting from such litigations would not materially affect the financial statements of the District.

Note (8) Accumulated Vacation and Sick Leave

As of June 30, 20XX, employees had earned but not taken annual vacation leave which at salary rates in effect at the end of the year totaled approximately \$220,000. The District has accrued this amount in the General Revenue Fund.

Note (9) Risk Management

The college is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health insurance and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

Note (10) Discreetly Presented Component Unit

[Disclosures as appropriate]

Note (11) Subsequent Events

[Include as applicable or as subsequent events arise]

Note (12) Related Party Transactions/Note

[Include as applicable or necessary]

SUPPLEMENTAL FINANCIAL STATEMENTS

ABC Community College
Community College District #1

COMBINED BALANCE SHEET

ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Governmental Fund Types</u>	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Total</u>
	Special Debt Capital <u>General Revenue Service Projects</u>	<u>Enterprise</u>	<u>Trust and Agency Funds</u>	<u>Memorandum Only)</u>
ASSETS				
Cash				
Investments				
Accounts Receivable:				
Taxes				
Government Claims				
Student Loans				
Other Receivables				
Due From Other Funds				
Inventories				
Deferred Expense				
Fixed Assets				
Balance Available in Debt Service Fund				
To Retire Bonds and Pay Interest				
Amount to be Provided by Further Tax				
Levies to Retire Bonds and Pay Interest				
 TOTAL ASSETS				

ABC Community College
Community College District #1

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Governmental Fund Types</u>			<u>Total</u>
	<u>Special</u>	<u>Debt</u>	<u>Capital</u>	<u>(Memorandum</u>
	<u>General</u>	<u>Revenue</u>	<u>Service</u>	<u>Projects</u>
				<u>Only)</u>
Revenues:				
Local Government				
State Government				
Federal Government				
Tuition and Fees				
Other Sources				
TOTAL REVENUE				
Expenditures:				
Instruction				
Academic Support				
Student Services				
Public Service/Continuing Education				
Organized Research				
Auxiliary Services				
Operation and Maintenance of Plant				
Institutional Support				
Scholarships, Student Grants, and Waivers				
TOTAL EXPENDITURES				
Excess Revenue Over (Under) Expenditures				
Transfer From (To) Other Funds				
Excess Revenue Over (Under) Expenditures and Transfers				
Fund Balance July 1, 20XX				
Fund Balance June 30, 20XX				

See Notes to Financial Statements.

ABC Community College
Community College District #1

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

ALL BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
	<u>Budget</u> <u>Actual</u>	<u>Budget</u> <u>Actual</u>	<u>Budget</u> <u>Actual</u>	<u>Budget</u> <u>Actual</u>
Revenues:				
Local Government				
State Government				
Federal Government				
Tuition and Fees				
Other Sources				
	_____	_____	_____	_____
TOTAL REVENUE	_____	_____	_____	_____
Expenditures:				
Instruction				
Academic Support				
Student Services				
Public Service/Continuing Education				
Organized Research				
Auxiliary Services				
Operation and Maintenance of Plant				
Institutional Support				
Scholarships, Student Grants, and Waivers				
	_____	_____	_____	_____
TOTAL EXPENDITURES	_____	_____	_____	_____
Excess Revenue Over (Under) Expenditures	_____	_____	_____	_____
Transfer From (To) Other Funds	_____	_____	_____	_____
Excess Revenue Over (Under) Expenditures and Transfers	_____	_____	_____	_____
Fund Balance July 1, 20XX	_____	_____	_____	_____
Fund Balance June 30, 20XX	_____	_____	_____	_____

See Notes to Financial Statements.

ABC Community College
Community College District #1

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL, PROPRIETARY FUND TYPE, AND SIMILAR TRUST FUNDS
RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Fiduciary Fund Type</u>		<u>Proprietary Fund Type</u>	
	<u>Nonexpendable Trust</u>		<u>Enterprise Fund</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Operating Revenues:				
Sales and Service Fees				
Other Sources				
	_____	_____	_____	_____
TOTAL OPERATING REVENUE	_____	_____	_____	_____
Operating Expenses:				
Salaries				
Employee Benefits				
Contractual Services				
General Materials and Supplies				
Travel and Conference/Meeting Expense				
Fixed Charges				
Utilities				
Capital Outlay				
Other				
	_____	_____	_____	_____
TOTAL OPERATING EXPENSES	_____	_____	_____	_____
OPERATING INCOME	_____	_____	_____	_____
Nonoperating Revenues (Expenses)				
Interest				
Bond Proceeds				
Other				
	_____	_____	_____	_____
TOTAL NONOPERATING REVENUES (EXPENSES)	_____	_____	_____	_____
NET INCOME	_____	_____	_____	_____
Retained Earnings July 1, 20XX	_____	_____	_____	_____
Retained Earnings June 30, 20XX	_____	_____	_____	_____

See Notes to Financial Statements.

ABC Community College
Community College District #1

COMBINED STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Proprietary Fund Types</u>	<u>Fiduciary Funds</u>
Cash Flows from Operating Activities:		
Cash Received from Customers		
Cash Payment to Suppliers and Others		
Cash Payment to Employees for Services		
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Cash Flows from Noncapital Financing Activities:		
Operating Transfers Out		
Operating Transfers In		
Change Due from/to Other Funds		
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES		
Cash Flows from Investing Activities:		
Interest on Investments		
Net Increase (Decrease) in Cash and Equivalents		
Cash and Equivalents at July 1, 20XX		
CASH AND EQUIVALENTS AT JUNE 30, 20XX		
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)		
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Increase/Decrease in Inventory		
Increase/Decrease in Accounts Receivable and Other		
Increase/Decrease in Accounts Payable		
Increase/Decrease in Accrued Payroll and Other Liabilities		
TOTAL ADJUSTMENTS		
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

GOVERNMENTAL FUND TYPES - GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Bldg. Commission Operation and Maintenance Fund</u>	<u>Total General Fund</u>
ASSETS				
Cash				
Investments				
Accounts Receivable				
Property Taxes				
Governmental Claims				
Other Receivables				
Due From Other Funds				
Inventories				
Deferred Expenditures	_____	_____	_____	_____
TOTAL ASSETS	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				
Accounts Payable				
Accrued Expenditures				
Deferred Revenue				
Due To Other Funds	_____	_____	_____	_____
TOTAL LIABILITIES	_____	_____	_____	_____
Fund Balance				
Reserved				
Unreserved	_____	_____	_____	_____
TOTAL FUND BALANCE	_____	_____	_____	_____
TOTAL LIABILITIES AND FUND BALANCE	=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUE</u>	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Bldg. Commission Operation and Maintenance Fund</u>	<u>Total</u>
Local Government Sources:				
Current Property Taxes				
Corporate Personal Property				
Replacement Taxes				
Chargeback Revenues				
Other Local Government Sources				
State Government Sources:				
ICCB State Grants				
Department of Corrections				
Illinois State Board of Education				
Department of Veteran's Affairs				
IL Student Assistance Commission				
Other State Government Sources				
Federal Government Sources:				
Department of Education				
Department of Labor				
Department of Health and Human Services				
Other Federal Government Sources				
Other Sources:				
Student Tuition and Fees				
Facilities Revenue				
Investment Revenue				
Nongovernmental Gifts, Grants, and Bequests	_____	_____	_____	_____
TOTAL REVENUE	=====	=====	=====	=====

EXPENDITURES

Instruction
Academic Support
Student Services
Public Service/Continuing Education
Institutional Support
Scholarships, Student Grants,
and Waivers

UPON THE DISCRETION OF THE COMMUNITY
COLLEGE DISTRICT AND ITS EXTERNAL
AUDITOR, EXPENDITURES BY OBJECT MAY
BE REPORTED BENEATH EACH PROGRAM
EXPENDITURE TOTAL.

TOTAL EXPENDITURES	_____	_____	_____	_____
---------------------------	-------	-------	-------	-------

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX
(Continued)

<u>REVENUE</u>	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Public Bldg. Commission Operation and Maintenance Fund</u>	<u>Total</u>
Excess Revenue Over (Under) Expenditures	_____	_____	_____	_____
Transfer From (To) Other Funds	_____	_____	_____	_____
Excess Revenue Over (Under) Expenditures and Transfers	_____	_____	_____	_____
Fund Balance July 1, 20XX	_____	_____	_____	_____
Fund Balance June 30, 20XX	=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>ASSETS</u>	<u>Restricted Purposes Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection, and Settlement Fund</u>	<u>Total Special Revenue Fund</u>
Cash				
Investments				
Accounts Receivable				
Property Taxes				
Governmental Claims				
Other Receivables				
Due From Other Funds				
Deferred Expenditures	_____	_____	_____	_____
TOTAL ASSETS	=====	=====	=====	=====
 <u>LIABILITIES AND FUND BALANCE</u>				
Accounts Payable				
Accrued Expenditures				
Deferred Revenue				
Due to Other Funds	_____	_____	_____	_____
TOTAL LIABILITIES	_____	_____	_____	_____
Fund Balance				
Reserved				
Unreserved	_____	_____	_____	_____
TOTAL FUND BALANCE	_____	_____	_____	_____
TOTAL LIABILITIES AND FUND BALANCE	=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUE</u>	<u>Restricted Purposes Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection, and Settlement Fund</u>	<u>Total Special Revenue Fund</u>
Local Government Sources:				
Current Property Taxes				
Corporate Personal Property Replacement Taxes				
Chargeback Revenues				
Other Local Government Sources				
State Government Sources:				
ICCB State Grants				
Department of Corrections				
Illinois State Board of Education				
Department of Veteran's Affairs				
Illinois Student Assistance Commission				
Other State Government Sources				
Federal Government Sources:				
Department of Education				
Department of Labor				
Department of Health and Human Services				
Other Federal Government Sources				
Other Sources:				
Student Tuition and Fees				
Facilities Revenue				
Investment Revenue				
Nongovernmental Gifts, Grants, and Bequests	_____	_____	_____	_____
 TOTAL REVENUE	 =====	 =====	 =====	 =====

EXPENDITURES

Instruction
Academic Support
Student Services
Public Service/Continuing Education
Institutional Support
Scholarships, Student Grants,
and Waivers

UPON THE DISCRETION OF THE COMMUNITY COLLEGE DISTRICT AND ITS EXTERNAL AUDITOR, EXPENDITURES BY OBJECT MAY BE REPORTED BENEATH EACH PROGRAM EXPENDITURE TOTAL.

TOTAL EXPENDITURES

_____	_____	_____	_____
=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX
(Continued)

<u>REVENUE</u>	<u>Restricted Purposes Fund</u>	<u>Audit Fund</u>	<u>Liability, Protection, and Settlement Fund</u>	<u>Total Special Revenue Fund</u>
Excess Revenue Over (Under) Expenditures	_____	_____	_____	_____
Transfer From (To) Other Funds	_____	_____	_____	_____
Excess Revenue Over (Under) Expenditures and Transfers	_____	_____	_____	_____
Fund Balance July 1, 20XX	_____	_____	_____	_____
Fund Balance June 30, 20XX	=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

GOVERNMENTAL FUND TYPES - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 20XX

<u>ASSETS</u>	<u>Bond and Interest Fund (Construction Issue #7)</u>	<u>Bond and Interest Fund (Working Cash Issue #2)</u>	<u>Total Debt Service Fund</u>
Cash			
Investments			
Accounts Receivable			
Property Taxes			
Other Receivables			
Due from Other Funds			
Deferred Expenditures	_____	_____	_____
 TOTAL ASSETS	 =====	 =====	 =====
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable			
Bond Principal			
Interest			
Deferred Revenue			
Due to Other Funds	_____	_____	_____
 TOTAL LIABILITIES	 _____	 _____	 _____
 TOTAL FUND BALANCE	 _____	 _____	 _____
 TOTAL LIABILITIES AND FUND BALANCE	 _____	 _____	 _____

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUE</u>	<u>Bond and Interest Fund (Construction Issue #7)</u>	<u>Bond and Interest Fund (Working Cash Issue #2)</u>	<u>Total Debt Service Fund</u>
Local Government Sources:			
Current Property Taxes			
Corporate Personal Property			
Replacement Taxes			
Chargeback Revenues			
Other Local Government Revenue			
State Government Sources:			
Other Sources:			
Investment Revenue			
Nongovernmental Gifts, Grants, and Bequests	_____	_____	_____
 TOTAL REVENUE	 =====	 =====	 =====
 <u>EXPENDITURES</u>			
Institutional Support:			
Fixed Charges			
Bond Principal			
Interest and Fees	_____	_____	_____
 TOTAL EXPENDITURES	 _____	 _____	 _____
Excess Revenue Over (Under) Expenditures	_____	_____	_____
Transfer From (To) Other Funds	_____	_____	_____
Excess Revenue Over (Under) Expenditures and Transfers	_____	_____	_____
Fund Balance July 1, 20XX	_____	_____	_____
Fund Balance June 30, 20XX	_____	_____	_____

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

GOVERNMENTAL FUND TYPES - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>ASSETS</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Building Bond Proceeds Fund (Library Construction)</u>	<u>Building Bond Proceeds Fund (P.E. Facility Construction)</u>	<u>Total Capital Projects Fund</u>
Cash				
Investments				
Accounts Receivable				
Property Taxes				
Other Accounts Receivable				
Due From Other Funds				
TOTAL ASSETS				
 <u>LIABILITIES AND FUND BALANCE</u>				
Accounts Payable				
Accrued Expenditures				
Deferred Revenues				
TOTAL LIABILITIES				
TOTAL FUND BALANCE				
TOTAL LIABILITIES AND FUND BALANCE				

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUES</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Building Bond Proceeds Fund (Library Construction)</u>	<u>Building Bond Proceeds Fund (P.E. Facility Construction)</u>	<u>Total Capital Projects Fund</u>
-----------------	---	---	---	--

Local Government Sources:

- Current Property Taxes
- Corporate Personal Property Replacement Taxes
- Chargeback Revenues
- Bond Proceeds
- Other Local Government Sources

State Government Sources:

- ICCB State Grants
- Department of Corrections
- Illinois State Board of Education
- Department of Veteran's Affairs
- Illinois Student Assistance Commission
- Other State Government Sources

Other Sources:

- Student Tuition and Fees
- Facilities Revenue
- Investment Revenue
- Nongovernmental Gifts,
Grants, and Bequests

TOTAL REVENUE

EXPENDITURES

- Salaries
- Employee Benefits
- Contractual Services
- General Materials and Supplies
- Travel and Conference/Meeting Expenses
- Fixed Charges
- Utilities
- Capital Outlay
- Other

TOTAL EXPENDITURES

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX
(Continued)

<u>REVENUES</u>	<u>Operations and Maintenance Fund (Restricted)</u>	<u>Building Bond Proceeds Fund (Library Construction)</u>	<u>Building Bond Proceeds Fund (P.E. Facility Construction)</u>	<u>Total Capital Projects Fund</u>
Excess Revenue Over (Under) Expenditures	_____	_____	_____	_____
Transfers From (To) Other Funds	_____	_____	_____	_____
Excess Revenue Over (Under) Expenditures and Transfers	_____	_____	_____	_____
Fund Balance July 1, 20XX	_____	_____	_____	_____
Fund Balance June 30, 20XX	=====	=====	=====	=====

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>ASSETS</u>	<u>Auxiliary Enterprise Fund</u>		
	<u>Auxiliary Service</u>	<u>Book Store</u>	<u>Total</u>
Cash			
Accounts Receivable			
Inventory			
Fixed Assets (Net of Accumulated Depreciation)	_____	_____	_____
TOTAL ASSETS	=====	=====	=====
 <u>LIABILITIES AND RETAINED EARNINGS</u>			
Accounts Payable			
Accrued Expenses			
Deferred Revenue			
Other			
TOTAL LIABILITIES	_____	_____	_____
RETAINED EARNINGS	_____	_____	_____
TOTAL LIABILITIES AND RETAINED EARNINGS	=====	=====	=====

ABC Community College
Community College District #1

COMBINING STATEMENT OF
REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUES</u>	<u>Auxiliary Enterprise Fund</u>		
	<u>Auxiliary Service</u>	<u>Book Store</u>	<u>Total</u>
Operating Revenue			
Student Tuition and Fees			
Facilities Revenue			
Investment Revenue			
	_____	_____	_____
TOTAL OPERATING REVENUE	_____	_____	_____
Operating Expenses			
Salaries			
Employee Benefits			
Contractual Services			
General Materials and Supplies			
Travel and Conference/Meeting Expenses			
Fixed Charges			
Utilities			
Capital Outlay			
Other			
	_____	_____	_____
TOTAL OPERATING EXPENSES	_____	_____	_____
OPERATING INCOME	_____	_____	_____
Nonoperating Revenue (Expenses)	_____	_____	_____
TOTAL NONOPERATING REVENUE (EXPENSES)	_____	_____	_____
NET INCOME	_____	_____	_____
Retained Earnings July 1, 20XX	_____	_____	_____
Retained Earnings June 30, 20XX	=====	=====	=====

ABC Community College
Community College District #1

COMBINING STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Auxiliary Enterprise Fund</u>		
	<u>Auxiliary Service</u>	<u>Book Store</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash Received from Customers			
Cash Payment to Suppliers and Others			
Cash Payment to Employees for Services	_____	_____	_____
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	_____	_____	_____
Cash Flows from Noncapital Financing Activities:			
Operating Transfers Out			
Operating Transfers In			
Change Due from/to Other Funds	_____	_____	_____
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	_____	_____	_____
Cash Flows from Investing Activities:			
Interest on Investments			
Net Increase (Decrease) in Cash and Equivalents			
Cash and Equivalents at July 1, 20XX	_____	_____	_____
CASH AND EQUIVALENTS AT JUNE 30, 20XX	=====	=====	=====
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	_____	_____	_____
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Increase/Decrease in Inventory			
Increase/Decrease in Accounts Receivable and Other			
Increase/Decrease in Accounts Payable			
Increase/Decrease in Accrued Payroll and Other Liabilities	_____	_____	_____
TOTAL ADJUSTMENTS	_____	_____	_____
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	=====	=====	=====

ABC Community College
Community College District #1

COMBINING BALANCE SHEET

FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>ASSETS</u>	Nonexpendable Trust <u>Working Cash</u>	<u>Agency Funds</u>	<u>Total</u>
Cash			
Investments			
Accounts Receivable			
Due From Other Funds			
TOTAL ASSETS			
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Accounts Payable			
Accrued Expenses			
Due to Other Funds			
TOTAL LIABILITIES			
Fund Balance			
Reserved			
Unreserved			
TOTAL FUND BALANCE			
TOTAL LIABILITIES AND FUND BALANCE			

ABC Community College
Community College District #1

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE

FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

	Nonexpendable Trust Funds <u>Working Cash</u>
Operating Revenue:	
Local Government Bond Proceeds	
Interest Revenue	
 TOTAL OPERATING REVENUE	 _____
 TOTAL OPERATING EXPENSES	 _____
 NET INCOME	 _____
 Fund Balance July 1, 20XX	 _____
 Fund Balance June 30, 20XX	 =====

ABC Community College
Community College District #1

COMBINING STATEMENT OF CASH FLOWS

FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

	Nonexpendable Trust Funds <u>Working Cash</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	
Cash Payment to Suppliers and Others	
Cash Payment to Employees for Services	_____
 NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	 _____
Cash Flows from Noncapital Financing Activities:	
Operating Transfers Out	
Operating Transfers In	
Change Due from/to Other Funds	_____
 NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	 _____
Cash Flows from Investing Activities:	
Interest on Investments	
Net Increase (Decrease) in Cash and Equivalents	
Cash and Equivalents at July 1, 20XX	_____
 CASH AND EQUIVALENTS AT JUNE 30, 20XX	 =====
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	_____
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Increase/Decrease in Inventory	
Increase/Decrease in Accounts Receivable and Other	
Increase/Decrease in Accounts Payable	
Increase/Decrease in Accrued Payroll and Other Liabilities	_____
 TOTAL ADJUSTMENTS	 _____
 NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	 =====

ABC Community College
Community College District #1

SUMMARY OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Balance July 1, 20XX</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 20XX</u>
Land				
Land Improvements				
Buildings				
Equipment				
TOTAL				

SUPPLEMENTAL FINANCIAL INFORMATION

ABC Community College
Community College District #1

ASSESSED VALUATIONS AND TAXES EXTENDED

GOVERNMENTAL FUND TYPES
LEVY YEARS 20XX, 20XX, and 20XX

	<u>20XX Levy</u>	<u>20XX Levy</u>	<u>20XX Levy</u>
Assessed Valuation (by county)			
County 1	_____	_____	_____
County 2	_____	_____	_____
Tax Rates (Per \$100 of Assessed Valuation)			
Education Fund			
Operations and Maintenance Fund			
Bond and Interest Fund			
Audit Fund			
Liability, Protection, and Settlement Fund	_____	_____	_____
TOTAL	=====	=====	=====
Taxes Extended			
Education Fund			
Operations and Maintenance Fund			
Bond and Interest Fund			
Audit Fund			
Liability, Protection, and Settlement Fund	_____	_____	_____
TOTAL	=====	=====	=====

ABC Community College
Community College District #1

SUMMARY OF TAXES RECEIVABLE AND TAX COLLECTIONS

GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 20XX

<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Combined Rate</u>	<u>Total Collected to Taxes Extended</u>	<u>Collected During Year Ended June 30, 20XX</u>	<u>Total Collected to June 30, 20XX</u>	<u>Percent Collected June 30, 20XX</u>	<u>Allowance for Uncollectible June 30, 20XX</u>	<u>Balance After Taxes Allowance</u>
20XX	_____	_____	_____	_____	_____	_____	_____	_____
20XX	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL	=====	=====	=====	=====	=====	=====	=====	=====

20XX TAXES EXTENDED

	<u>Uncollected June 30, 20XX</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Balance After Allowance</u>
Education Fund	_____	_____	_____
Operations and Maintenance Fund	_____	_____	_____
Bond and Interest Fund	_____	_____	_____
Liability, Protection, and Settlement Fund	_____	_____	_____
Audit Fund	_____	_____	_____
TOTAL	=====	=====	=====

ABC Community College
Community College District #1

SCHEDULE OF DEBT MATURITIES

GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Bond Number</u>	<u>Interest Rate</u>	<u>Amounts Due During Year</u>			<u>June 30, 20XX, Unpaid Principal Balance</u>
			<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
20X2-20X3						
20X3-20X4						
20X4-20X5						
20X5-20X6						
20X6-20X7						
20X7-20X8						
20X8-20X9						
20X9-20X0						
TOTAL	_____	_____	_____	_____	_____	_____

Interest is due January 1 and July 1; principal is due January 1.

ABC Community College
Community College District #1

SCHEDULE OF LEGAL DEBT MARGIN
FOR THE YEAR ENDED JUNE 30, 20XX

Assessed Valuation - 20XX Levy	_____
Debt Limit, 2.875% of Assessed Valuation (50 ILCS 405/1)	_____
Indebtedness	_____
Legal Debt Margin	_____

UNIFORM FINANCIAL STATEMENT

ABC Community College
Community College District #1

SUMMARY OF CAPITAL ASSETS AND LONG TERM DEBT
UNIFORM FINANCIAL STATEMENT NO. 2
FISCAL YEAR ENDED JUNE 30, 20XX

	Capital Assets/ Long Term Debt			Capital Assets/ Long Term Debt
	<u>July 1, 20XX</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 20XX</u>
Fixed Assets				
Land				
Buildings				
Equipment				
Other Fixed Assets	_____	_____	_____	_____
Accumulated Depreciation	_____	_____	_____	_____
NET FIXED ASSETS	=====	=====	=====	=====
Fixed Debt				
Bonds Payable				
Other Fixed Liabilities	_____	_____	_____	_____
TOTAL FIXED LIABILITIES	=====	=====	=====	=====
	<u>Outstanding</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding</u>
	<u>July 1, 20XX</u>			<u>July 1, 20XX</u>
Education Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
Operations and Maintenance Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
Bond and Interest Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
Audit Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
Liability, Protection, & Settlement Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
PBC Rental Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				
PBC Operations & Maintenance Fund				
Tax Anticipation Warrants				
Tax Anticipation Notes				

ABC Community College
Community College District #1

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3
FISCAL YEAR ENDED JUNE 30, 20XX

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
OPERATING REVENUES BY SOURCE				
Local Government Revenue:				
Local Taxes				
CPPRT				
Chargeback Revenue				
Other				
TOTAL LOCAL GOVERNMENT				
State Government:				
ICCB Credit Hour Grants				
ICCB Equalization Grants				
ICCB - Career and Technical Education				
ICCB - Adult Education				
ICCB - Other				
Other				
TOTAL STATE GOVERNMENT				
Federal Government:				
Dept. of Education				
Dept. of Labor				
Dept. of Health & Human Services				
Other				
TOTAL FEDERAL GOVERNMENT				
Student Tuition and Fees:				
Tuition				
Fees				
Other Student Assessments				
TOTAL TUITION AND FEES				
Other Sources:				
Sales and Service Fees				
Facilities Revenue				
Investment Revenue				
Nongovernmental Grants				
Other				
TOTAL OTHER REVENUE				
TOTAL REVENUE				
Less: Nonoperating Items*				
Tuition Chargeback Revenue				
Instruction Service Contracts				
ADJUSTED REVENUE				

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

ABC Community College

Community College District #1

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 3
FISCAL YEAR ENDED JUNE 30, 20XX

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
OPERATING EXPENDITURES				
BY PROGRAM				
Instruction				
Academic Support				
Student Services				
Public Service/Continuing Education				
Organized Research				
Auxiliary Services				
Operation and Maintenance				
Institutional Support				
Scholarships, Grants, and Waivers				
Transfers	_____	_____	_____	_____
TOTAL EXPENDITURES	=====	=====	=====	=====
Less Nonoperating Items*				
Tuition Chargeback				
Instructional Service Contracts				
Transfers to Nonoperating Funds				
Transfer to Nonoperating Funds	_____	_____	_____	_____
ADJUSTED EXPENDITURES	=====	=====	=====	=====
BY OBJECT				
Salaries				
Employee Benefits				
Contractual Services				
General Materials and Supplies				
Library Materials**				
Travel and Conference/Meeting Expenses				
Fixed Charges				
Utilities				
Capital Outlay				
Other				
Student Grants and Scholarships**				
Transfers	_____	_____	_____	_____
TOTAL EXPENDITURES	=====	=====	=====	=====
Less Nonoperating Items*				
Tuition Chargeback				
Instructional Service Contracts				
Transfers to Nonoperating Funds	_____	_____	_____	_____
ADJUSTED EXPENDITURES	=====	=====	=====	=====

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

** Non-add line

ABC Community College
Community College District #1

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT NO. 4
FISCAL YEAR JUNE 30, 20XX

	Restricted Purposes Fund
REVENUE BY SOURCE:	
TOTAL LOCAL GOVERNMENT	_____
State Government:	
ICCB - Program Improvement Grant	
ICCB - Adult Education	
ICCB - (Other)	
Dept. of Corrections	
Illinois Student Assistance Commission	
Other	_____
TOTAL STATE GOVERNMENT	_____
Federal Government:	
Dept. of Education	
Dept. of Labor	
Dept. of Health and Human Services	
Other	_____
TOTAL FEDERAL GOVERNMENT	_____
Other Sources:	
Tuition and Fees	
Other	_____
TOTAL OTHER SOURCES	_____
TRANSFERS	_____
TOTAL RESTRICTED PURPOSES FUND REVENUES	=====
EXPENDITURES BY PROGRAM	
Instruction	
Academic Support	
Student Services	
Public Service/Continuing Education	
Organized Research	
Auxiliary Services	
Operations and Maintenance	
Institutional Support	
Scholarships, Student Grants, and Waivers	_____
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	=====
EXPENDITURES BY OBJECT	
Salaries	
Employee Benefits	
Contractual Services	
General Materials and Supplies	
Library Materials*	
Travel and Conference/Meeting Expenses	
Fixed Charges	
Utilities	
Capital Outlay	
Other	
Student Grants and Scholarships*	_____
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	=====

*Non-add line

ABC Community College
Community College District #1

CURRENT FUNDS* EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT NO. 5
FISCAL YEAR ENDED JUNE 30, 20XX

INSTRUCTION	
Instructional Programs	
Other	
Total Instruction	_____

ACADEMIC SUPPORT	
Library Center	
Instructional Materials Center	
Educational Media Services	
Academic Computing Support	
Academic Administration and Planning	
Other	
Total Academic Support	_____

STUDENT SERVICES	
Admissions and Records	
Counseling and Career Guidance	
Financial Aid Administration	
Other	
Total Student Services	_____

PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	
Customized Training (Instructional)	
Community Services	
Other	
Total Public Service/Continuing Education	_____

ORGANIZED RESEARCH	_____

AUXILIARY SERVICES	_____

OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	
Custodial Services	
Grounds	
Campus Security	
Transportation	
Utilities	
Administration	
Other	
Total Operations and Maintenance of Plant	_____

INSTITUTIONAL SUPPORT	
Executive Management	
Fiscal Operations	
Community Relations	
Administrative Support Services	
Board of Trustees	
General Institution	
Institutional Research	
Administrative Data Processing	
Other	
Total Institutional Support	_____

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	_____

TOTAL CURRENT FUNDS EXPENDITURES	=====

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

CERTIFICATE OF CHARGEBACK REIMBURSEMENT

(This a required audit form which should be signed by the district CEO and CFO)

**INSTRUCTIONS FOR COMPLETING
CERTIFICATE OF CHARGEBACK REIMBURSEMENT**

This required form is to be calculated as part of the fiscal year 2016 audit and should be utilized when requesting the college's fiscal year 2017 chargeback reimbursement from other districts:

- Lines 1-9 Audited non-capital expenditures from listed funds. Include funds from all sources of revenue. Exclude costs associated with capital bond initiatives, construction, and remodeling.
- Line 10 Sum of lines 1 through 9.
- Line 11 **DEPRECIATION ON CAPITAL OUTLAY EXPENDITURES FROM SOURCES OTHER THAN STATE AND FEDERAL FUNDS.**
Use capital outlay expenditures for equipment, buildings, and fixed equipment from all funds (including building funds not listed in items 1-9).
Equipment purchases within the last eight years depreciated at 12.5 percent per year.
Building expenditures are depreciated at 2 percent per year for permanent facilities and 12.5 percent for temporary buildings.
- Line 12 Sum of lines 10 and 11.
- Line 13 **TOTAL CERTIFIED SEMESTER CREDIT HOURS FOR FY 2016**
This number should equal the number of reimbursable semester hours as certified to the ICCB including credit hours supported with restricted and unrestricted funds.
- Line 14 **PER CAPITA COST**
Line 12 divided by line 13.
- Line 15 **STATE AND FEDERAL OPERATING GRANTS FOR NONCAPITAL EXPENDITURES**
This item excludes all ICCB grants.
- Line 16 Line 15 divided by line 13.
- Line 17 **DISTRICT'S AVERAGE ICCB GRANT RATE FOR FY 2017**
This line should represent all grants, except equalization, from the ICCB. This number is provided to the colleges by the ICCB or may be calculated by dividing total fiscal year 2017 ICCB grants (less equalization) by the greater of either fiscal year 2015 total certified reimbursable credit hours or the average of fiscal years 2013, 2014, and 2015 certified reimbursable credit hours. Either method utilizes credit hours supported with restricted and unrestricted funds since this line is used to calculate remaining costs to be recovered through the chargeback calculation.
- Line 18 **DISTRICT'S STUDENT TUITION AND FEE RATE FOR FY 2017**
The rate utilized herein should incorporate the institution's most current in-district tuition rate combined with the rate for fees uniformly charged all students. The chargeback form should be revised if changes in tuition and fees occur during the year. Quarter system districts should convert tuition and fees to semester credit hour equivalency.
- Line 19 **CHARGEBACK REIMBURSEMENT FOR FY 2017**
Line 14 (Per Capita Cost) minus lines 16, 17, and 18.

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2017

ALL FISCAL YEAR 2016 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	\$ _____	
2	Operations and Maintenance Fund	\$ _____	
3	Public Building Commission Operation and Maintenance Fund	\$ _____	
4	Bond and Interest Fund	\$ _____	
5	Public Building Commission Rental Fund	\$ _____	
6	Restricted Purposes Fund	\$ _____	
7	Audit Fund	\$ _____	
8	Liability, Protection, and Settlement Fund	\$ _____	
9	Auxiliary Enterprises Fund (subsidy only)	\$ _____	
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)		\$ _____
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$ _____	
12	TOTAL COSTS INCLUDED (line 10 plus line 11)		\$ _____
13	Total certified semester credit hours for FY 2016	\$ _____	
14	PER CAPITA COST (line 12 divided by line 13)		\$ _____
15	All FY 2016 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	\$ _____	
16	FY 2016 state and federal grants per semester credit hour (line 15 divided by line 13)		\$ _____
17	District's average ICCB grant rate (excluding equalization grants) for FY 2017		\$ _____
18	District's student tuition and fee rate per semester credit hour for FY 2017		\$ _____
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		\$ _____

Approved: _____
Chief Fiscal Officer Date _____

Approved: _____
Chief Executive Officer Date _____

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL COMPLIANCE SECTION**

SAMPLE OF UNQUALIFIED AUDITOR'S OPINION**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS FOR CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT GRANTS AND ADULT EDUCATION & FAMILY LITERACY GRANTS**

To the Board of Trustees
ABC Community College
Community College District #1
Anywhere, Illinois XXXXX

Report on the Financial Statements

We have audited the accompanying balance sheets of the Career and Technical Education Improvement and Adult Education and Family Literacy grants of ABC Community College District #1 as of June 30, 20XX, and the related statements of revenues, expenditures and changes in fund balance - actual for the year then ended.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the College's management. Management's responsibilities include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of laws, regulations, contracts, and grants between the ABC Community College District #1 and the State of Illinois and Illinois Community College Board (ICCB). We believe that our audit provides a reasonable basis for our opinion, and the College is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Career and Technical Education-Program Improvement and Adult Education and Family Literacy grants of ABC Community College District #1 at June 30, 20XX, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Information

The accompanying balance sheets and statements of revenue and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles

generally accepted in the United States of America.

CPA Firm
Anywhere, Illinois

September 30, 20XX

ABC Community College
Community College District #1

BALANCE SHEET

STATE ADULT EDUCATION RESTRICTED FUNDS
AS OF JUNE 30, 20XX

<u>ASSETS</u>	<u>State Basic</u>	<u>Performance</u>	<u>Total</u> (Memorandum Only)
Cash			
Accounts Receivable			
Due From Other Funds			
Inventories			
Deferred Expenditures	\$ _____	\$ _____	\$ _____
TOTAL ASSETS	\$ _____	\$ _____	\$ _____
 <u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable			
Accrued Expenditures			
Deferred Revenue			
Due To Other Funds	\$ _____	\$ _____	\$ _____
TOTAL LIABILITIES	\$ _____	\$ _____	\$ _____
Fund Balance	\$ _____	\$ _____	\$ _____
TOTAL FUND BALANCE	\$ _____	\$ _____	\$ _____
 TOTAL LIABILITIES AND FUND BALANCE	 \$ _____	 \$ _____	 \$ _____

ABC Community College
Community College District #1

COMBINED STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

STATE ADULT EDUCATION RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 20XX

<u>REVENUES</u>	<u>State Basic</u>	<u>Performance</u>	<u>Total</u> (Memorandum Only)
Grant Revenue	\$ _____	\$ _____	\$ _____
EXPENDITURES BY PROGRAM			
Instruction			
Social Work Services			
Guidance Services			
Assistive and Adaptive Equipment			
Assessment and Testing			
Student Transportation Services			
Literacy Services			
Child Care Services			
SUBTOTAL INSTRUCTIONAL & STUDENT SERVICES	\$ _____	\$ _____	\$ _____
PROGRAM SUPPORT			
Improvement of Instructional Services			
General Administration			
Operation & Maintenance of Plant Services			
Workforce Coordination			
Data & Information Services			
Approved Indirect Costs			
SUBTOTAL PROGRAM SUPPORT	\$ _____	\$ _____	\$ _____
TOTAL COSTS			
EXCESS REVENUE OVER (UNDER) EXPENDITURES	\$ _____	\$ _____	\$ _____
Fund Balance July 1, 20XX	\$ _____	\$ _____	\$ _____
Fund Balance June 30, 20XX	\$ _____	\$ _____	\$ _____

See accompanying Notes to Financial Statements.

**ICCB COMPLIANCE STATEMENT FOR THE
ADULT EDUCATION AND FAMILY LITERACY GRANT**

EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY
FOR THE YEAR ENDED JUNE 30, 20XX
(sample)

Enter the dollar amounts and percentages of actual, audited expenditures for the following grant stream:

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% Minimum Required)		
General Administration (15% Maximum Allowed)		

ABC Community College
Community College District #1

CAREER AND TECHNICAL EDUCATION-PROGRAM IMPROVEMENT

BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 20XX

ASSETS

Cash \$

LIABILITIES AND FUND BALANCE

Accounts Payable \$

Due to the Illinois Community College Board \$

TOTAL LIABILITIES \$

Fund Balance - Reserved for Encumbrances \$

Fund Balance - Unreserved \$

TOTAL FUND BALANCE \$

TOTAL LIABILITIES AND FUND BALANCE \$

See accompanying Notes to Financial Statements.

ABC Community College
Community College District #1

CAREER AND TECHNICAL EDUCATION GRANT PROGRAM

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 20XX

	<u>Actual</u>
REVENUE*	
State Sources	\$ _____
EXPENDITURES*	
Current Year's Grant	
Salaries	
Employee Benefits	
Contractual Services	
Materials and Supplies	
Conference and Meeting Expenses	
Utilities	\$ _____
Payment of Prior Year's <u>Encumbrances (Note 2)</u>	
Materials and Supplies	\$ _____
Other (Specify)	_____
TOTAL EXPENDITURES	\$ _____
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	\$ _____
Fund Balance July 1, 20XX	\$ _____
Fund Balance June 30, 20XX	\$ _____

*Report ICCB grant funds only.

See accompanying Notes to Financial Statements.

ABC Community College
Community College District #1

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20XX

1. Summary of Significant Accounting Policies

a. General

The accompanying statements include only those transactions resulting from the Career and Technical Education-Program Improvement and Adult Education & Family Literacy grants programs. These transactions have been accounted for in a Restricted Purposes Fund.

b. Basis of Accounting

The statements have been prepared on the full accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 20XX. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

c. Fixed Assets

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

2. Payments of Prior Year's Encumbrances

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

SAMPLE OF UNQUALIFIED AUDITOR'S OPINION

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED

To the Board of Trustees
ABC Community College
Community College District #1
Anywhere, Illinois XXXXX

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of ABC Community College District #1 for the year ended June 30, 20XX.

Management's Responsibility

The Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is the responsibility of the College's Management. Management's responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based upon our examination. Our examination was made in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Opinion

In our opinion, the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed is fairly presented in accordance with the provisions of the aforementioned guidelines.

CPA Firm
Anywhere, Illinois

September 30, 20XX

**COLLEGE NAME AND DISTRICT #
 SCHEDULE OF CREDIT HOUR DATA AND OTHER BASES
 UPON WHICH CLAIMS ARE FILED
 YEAR ENDED JUNE 30, 20XX**

Total Reimbursable Semester Credit Hours by Term				
Credit Hour Categories	Summer Term		Fall Term	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate				
Business Occupational				
Technical Occupational				
Health Occupational				
Remedial/Developmental				
Adult Education				
Total	_____		_____	

Credit Hour Categories	Spring Term		Total All Terms	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Baccalaureate				
Business Occupational				
Technical Occupational				
Health Occupational				
Remedial/Developmental				
Adult Education				
Total	_____		_____	

In-District (All terms)	
Unrestricted Hours	Restricted Hours

Reimbursable Credit Hours:

Credit Hours on Chargeback or Contractual Agreement: _____

Dual Credit (All Terms)		Dual Enrollment (All Terms)	
Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours

Reimbursable Credit Hours:

District Equalized Assessed Valuation: _____

Correctional Semester Credit Hours			
Credit Hour Categories	Summer	Fall	Spring
	Correctional Hours	Correctional Hours	Correctional Hours
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial/Developmental			
Adult Education			
Total	_____		

Signature: _____ Signature: _____
 Chief Executive Officer Chief Financial Officer

**COLLEGE NAME AND DISTRICT #
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
YEAR ENDED JUNE 30, 20XX**

<u>Credit Hour Categories</u>	<u>Total Reimbursable Semester Credit Hours</u>		<u>Difference</u>
	<u>Total</u>	<u>Total</u>	
	<u>Reported in Audit Unrestricted Hours</u>	<u>Certified to ICCB Unrestricted Hours</u>	
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial/Developmental			
Adult Education			

Total:

<u>Credit Hour Categories</u>	<u>Total</u>	<u>Total</u>	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial/Developmental			
Adult Education			

Total:

	<u>Total</u>	<u>Total</u>	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Unrestricted Hours</u>	<u>Unrestricted Hours</u>	
In-District Credit Hours:			
Dual Credit Hours:			
Dual Enrollment Hours:			

	<u>Total</u>	<u>Total</u>	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
In-District Credit Hours:			
Dual Credit Hours:			
Dual Enrollment Hours:			

<u>Credit Hour Categories</u>	<u>Total Correctional Semester Credit Hours</u>		<u>Difference</u>
	<u>Total</u>	<u>Total</u>	
	<u>Reported in Audit Unrestricted Hours</u>	<u>Certified to ICCB Unrestricted Hours</u>	
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial/Developmental			
Adult Education			

Total:

<u>Credit Hour Categories</u>	<u>Total</u>	<u>Total</u>	<u>Difference</u>
	<u>Reported in Audit</u>	<u>Certified to ICCB</u>	
	<u>Restricted Hours</u>	<u>Restricted Hours</u>	
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial/Developmental			
Adult Education			

Total:

DOCUMENTATION OF RESIDENCY VERIFICATION STEPS

Following are the guidelines provided to districts to assist them in developing a summary outline of their processes and procedures in maintaining appropriate documentation to verify student residency on the credit hour claims. The districts's actual summary of processes and procedures should be included in this section of the audit not the ICCB guidelines. Contact ICCB Financial Compliance and Program Accountability division if you have any questions.

Illinois Community College Board

GUIDELINES ON MAINTAINING APPROPRIATE DOCUMENTATION TO VERIFY STUDENT RESIDENCY

Current ICCB residency rules specify that each district shall adopt a process for verifying the residency status of its students and shall file a description of this process with the ICCB each year with its certification of credit hours in accordance with 110 ILCS 805/2-16.02 as part of the annual external audit. Further, these rules specify that districts "shall maintain documentation verifying state or district residency of students." Guidelines are being provided to assist colleges in determining what constitutes acceptable methods of maintaining such documentation.

The community college districts of Illinois are very diverse. Districts vary in size, demographic orientation, financial support, and in the methodology used to register and maintain records on individual students. The residency rules were written with this diversity in mind and, therefore, do not prescribe a particular form or forms of documentation. Rather, they prescribe that each district file a description of its own process which adheres to the standards identified in the rule.

The college should include an outline of the process it uses to determine residency status for both tuition and state funding purposes as part of the certification of credit hours section in the annual external audit. Residency determination for state funding versus tuition purposes is often different since, for instance a student who lives out of district but works in the district is eligible for in-district tuition rates but should be classified as out of district for state funding purposes.

These guidelines are offered as examples of acceptable forms of documentation in the college's description of its process:

- ▶ A copy of the student's driver's license, voter registration card, property tax statement, or other item providing verification of the student's address;
- ▶ An affidavit signed by a staff member from the college who registered the student and who personally evaluated an item (such as one of those identified in #1 above) verifying the student's address;
- ▶ A procedure by which the student certified his/her address along with an indication that appropriate follow-up was pursued by the college to verify the certification (e.g., sending correspondence to the address); and
- ▶ An employer signed affidavit verifying a student works full time at the employers business location in the college district is provided;

A class schedule from another post secondary higher education institution within the district which verifies the student is attending that institution of higher education (used in conjunction with that student's address to distinguish between tuition and state funding eligibility);

College policy regarding students:

- In correctional facilities (county, state, or federal)
- In/on military bases
- Who are not U.S. Citizens
- Who live out of district but work in district
- Attending another post secondary higher education institution in the district
- Who are athletes

There may be other acceptable means of documenting residency. The college should document them and they will be reviewed on a college-by-college basis.

In summary, each college is expected to be able to provide, upon request, an indication (not necessarily in hard copy form) that any particular student's residency has been evaluated through a formalized process and that process leads to a proper classification for state funding purposes.

ABC Community College
Community College District #1

SUMMARY OF ASSESSED VALUATIONS
Most recent three years

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2014	
2013	
2012	_____
TOTAL	=====

BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

Unrestricted Grants

Base Operating Grants. General operating funds provided to colleges based upon credit enrollment.

Performance Grants. Grants provided to colleges based on measures for advancing success of students who are academically or financially at risk and focus on increasing college course, certificate, and degree completion.

Small College Grants. Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the “fixed costs” of operating a smaller institution.

Equalization Grants. Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

Restricted Grants/Special Initiatives

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

Statewide Initiatives

Special Incentive Grants. A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the state of Illinois.

Lincoln’s Challenge Grants. Funding for a military style boot camp for at-risk teenagers who have not completed high school. After successfully completing the program, students are eligible to receive a scholarship to attend a community college.

Other Grants. These other grants are additional contractual grants provided for special or specific system-related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Adult Education Grants/State

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

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

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of Trustees
ABC Community College
Community College District #1
Anywhere, Illinois XXXXX

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business type activity and the discreetly presented component unit of ABC Community College District #1 (the "District") as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated September 30, 20XX.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. Finding XX-XX.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We also noted certain matters that we reported to management of the College , in a separate letter dated September 30, 20XX.

Purpose of the Report

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

CPA Firm
Anywhere, Illinois

September 30, 20XX

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR
A-133

To the Board of Trustees
ABC Community College
Community College District #1
Anywhere, Illinois XXXXX

Report on Compliance for Each Major Federal Program

We have audited ABC Community College District #1's compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 20XX. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for the Financial Statements

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the college's compliance.

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 20XX.

Report on Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major

federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

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

CPA Firm
Anywhere, Illinois

September 30, 20XX

ABC Community College
Community College District #1

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 20XX

<u>Federal Grantor/Pass-Through Grant or/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Fund Balance July 1, 20XX</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance June 30, 20XX</u>
U.S. Department of Education:							
Direct Grants:							
Pell Grant Program	84.063	NA	\$323,000	-0-	\$323,000	\$323,000	-0-
College Work-Study Program	84.033	NA	150,000	-0-	150,000	150,000	-0-
Perkins Loan	84.038	NA	80,000	-0-	80,000	80,000	-0-
Passed through the Illinois State Board of Education:							
Minority Achievement	84.042	XX-XXXX	23,000	-0-	23,000	23,000	-0-
Passed through the Illinois Community College Board:							
Adult Education and Family Literacy:							
Federal Basic	84.002A	N/A	-0-	100,000	100,000	-0-	-0-
EL/Civics	84.002A	N/A	-0-	10,000	10,000	-0-	-0-
Vocational Ed-Basic Grants to States:							
Perkins-Adult Training and Retraining	84.048	XX-XXXX	<u>-0-</u>	<u>13,000</u>	<u>13,000</u>	<u>-0-</u>	<u>-0-</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			\$576,000	\$223,000	\$223,000	\$576,000	-0-

Sample example only--a complete schedule will list all federal funds.

BACKGROUND INFORMATION ON GRANT ACTIVITY

Restricted Adult Education Grants/Federal

Federal Basic. Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and to assist adults in completing a secondary school education.

EL/Civics. Grant awarded to Adult Education and Family Literacy providers for educational programs that emphasize contextualized instruction on the rights and responsibilities of citizenship, naturalization procedures, civic participation, and U.S. history and government to help students acquire the skills and knowledge to become active and informed parents, worker, and community members.

Restricted Vocational Education Grants to State (Perkins)/Federal

Grant awarded to community colleges as a result of the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 21st century. The central goals of this new vision are improving student achievement and preparing students for postsecondary education, further learning, and careers. The grant allows community colleges to focus on those programs and student populations they feel will allow for the greatest improvement in overall performance while assuring success for all students in career and technical education programs.

Appendix D

SUMMARY OF CHANGES SINCE AUGUST 2013 FMM

Current Year Changes:**Summary of July 2016 Fiscal Management Manual (FMM) Changes**

- Changes throughout to update the year reference for this Manual (Fiscal Year 2016, Calendar Year July 2016).
- **Page i** Added Part C to Section II of the Table of Contents
- **Page 21** Deactivated account 42010-20 from the ICCB chart of accounts. The AEFL public assistance grant was combined with the state basic grant and no longer needs to be reported/accounted for separately.
- **Page 46** Added Government Accountability and Transparency Act (GATA) section
- **Page 54** Added 2 Code of Federal Regulations (CFR) 200 as an authoritative reference
- **Page 67** Added GATA reference in A) Introduction section
- **Page 68** Added item #1 in illustrative audit procedures and renumbered remaining section
- **Page 69** Added GATA reference in A) Introduction section
- **Page 70** Deleted Public Assistance expenditure limitation as this AEFL grant was discontinued and funds combined with State Basic Grants
- **Page 71** Added item #1 in illustrative audit procedures and renumbered remaining section
- **Page 72** Deleted the AEFL Public Assistance grant from records to be tested as this AEFL grant was discontinued and funds combined with State Basic Grants
- **Page 73** Added GATA reference in A) Introduction section
- **Page 74** Added item #1 in illustrative audit procedures and renumbered remaining section
- **Page 171-172** Deleted State Public Aid columns from the financial statements as this AEFL grant was discontinued and funds combined with State Basic Grants
- **Page 173** Deleted State Public Assistance section from compliance reporting form as this AEFL grant was discontinued and funds combined with State Basic Grants
- **Page 184** Deleted Public Assistance grant description narrative as this AEFL grant was discontinued and funds combined with State Basic Grants

Prior Year Changes (note that FMM page numbering may have changed in more recent manual versions):

Summary of July 2015 Fiscal Management Manual (FMM) Changes

- Changes throughout to update the year reference for this Manual (Fiscal Year 2015, Calendar Year July 2015).
- **Page 4** Removed reference to deferred maintenance grants which the state has not funded in a number of years.
- **Page 41** Added clarification that investments in repurchase agreements are subject to the Government Securities Act of 1986
- **Page 42** Added Interest bearing bonds as an eligible investment. While a new addition to the FMM, this allowable investment has been part of state statute and is not a new allowable investment.
- **Pages 62, 67, 70, & 73.** Modified respective illustrative audit step on these pages to clarify that auditors should confirm ICCB grant allocations by viewing those allocations on the ICCB website and confirming payments made by the State Comptroller by accessing the Comptroller's vendor payment page. The ICCB no longer routinely generates a Summary of Grants Awarded or Paid and auditors will be directed to these web sites to independently verify the amounts.
- **Page 160** Modified the State Government revenue classification in UFS #4 to match the Excel table classifications.
- **Page 162 - 164** Updated the Certification of Chargeback Reimbursement (year references)
- **Page 163** Clarified that Bond and interest payments on line 4 of the form would only include non capital related (operating) bond and interest payments.
- **Page 179** Changed illustrated years to 2014, 2013, and 2012 in the Summary of Assessed Valuations.