



ANNUAL BUDGET

**for the
Fiscal Year Ended June 30, 2011**

**Board of Trustees
Community College District 528
Counties of McHenry, Boone, Kane and Lake
8900 U.S. Highway 14
Crystal Lake, IL 60012**

www.mchenry.edu

**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528
ANNUAL BUDGET**

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Board of Trustees



Bob DeWitt, Vice Chair
Crystal Lake
Term ends 2011



Donna Kurtz, Secretary
Crystal Lake
Term ends 2013



Carol Larson
Harvard
Term ends 2013



George Lowe
Cary
Term ends 2011



Mary Miller, Chair
Crystal Lake
Term ends 2015



Ronald Parrish
Woodstock
Term ends 2015



Barbara Walters
McHenry
Term ends 2013



Cody Sheriff, Student Trustee
McHenry
Term ends April 2011

Executive Administration

Tony Miksa, Vice President of
Academic and Student Affairs
Co-Lead Administrator

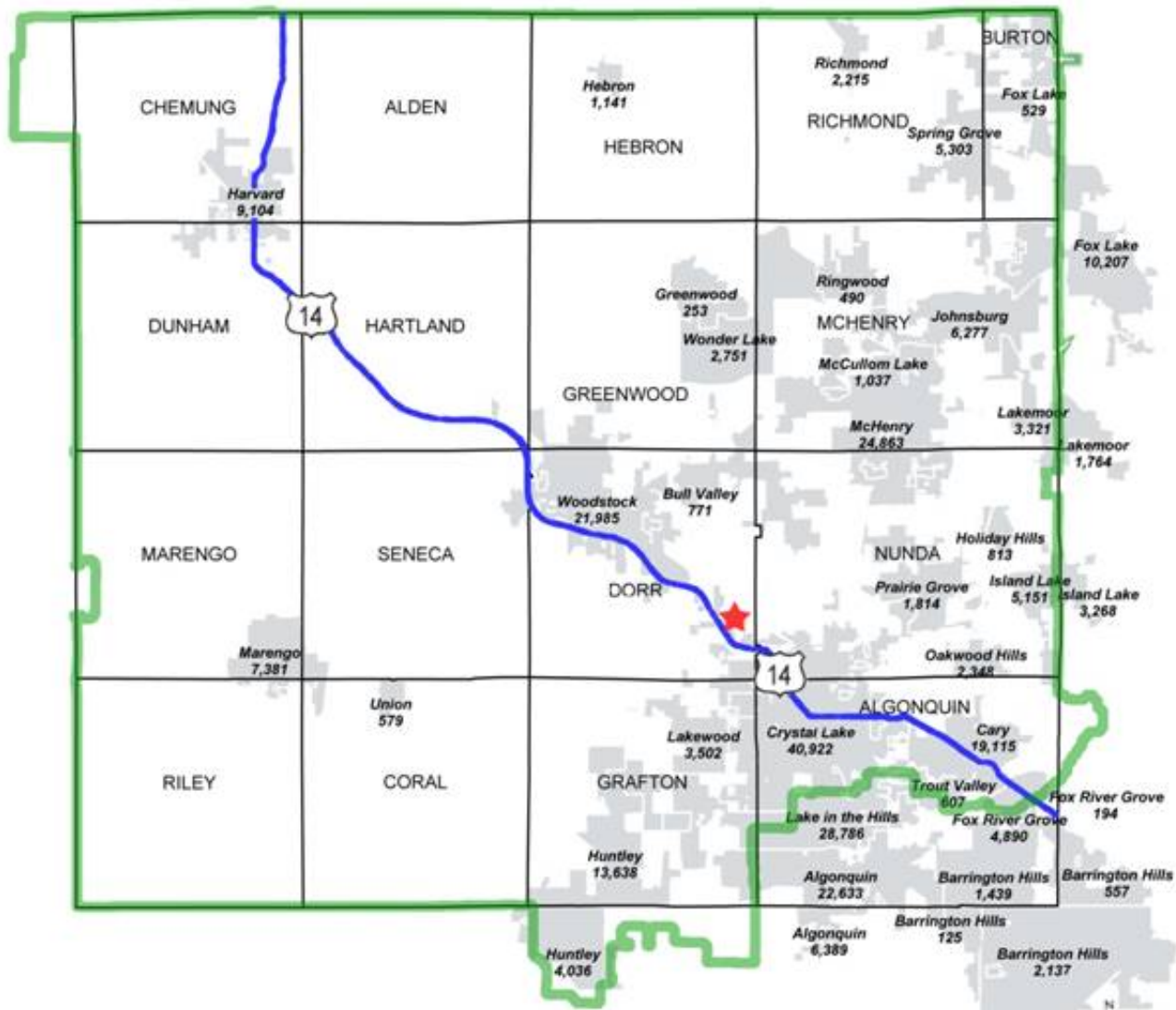
Vern Manke, Interim Vice President
for Administrative Services
Co-Lead Administrator

Jack Overcash, Interim Chief Information Officer

Pat Stejskal, Acting Executive Director
of Institutional Effectiveness

Donald L. Wilske, Interim Treasurer

McHenry County College Community College District 528 Map



Community College District 528 is one of 39 community college districts in the Illinois Community College System. It incorporates the following rural and suburban municipalities:

- | | | | |
|-------------------|-------------|-----------------|---------------|
| • Alden | • Hebron | • Oakwood Hills | • Union |
| • Cary | • Huntley | • Richmond | • Wonder Lake |
| • Crystal Lake | • Johnsburg | • Ringwood | • Woodstock |
| • Fox River Grove | • Marengo | • Solon Mills | |
| • Harvard | • McHenry | • Spring Grove | |

In addition to these municipalities, some addresses within Algonquin, Barrington, Garden Prairie, Hampshire, Huntley, Island Lake, Lake in the Hills and Lakemoor are also District residents. Lake and Kane County residents are out of district with some exceptions in Cary and Huntley. Please visit www.mchenry.edu/residency for details.

MCHENRY COUNTY COLLEGE STRATEGIC PLAN 2011-2013

MISSION

At McHenry County College, we value learning, and we put the interests of our students and community first. By providing high quality, affordable and accessible learning opportunities, we enable students to meet their educational, career and personal goals. By sharing our knowledge and resources, we support our community's educational, social, cultural and economic vitality.

VISION

The community's first choice for a lifetime of learning.

PROCESS

At a "College Update" session for all employees, presented during Spring Faculty Workshops on January 14, 2010, McHenry County College launched "42 Days of Strategic Planning." This effort was designed to encourage College employees to utilize data included in the Academic Quality Improvement Process (AQIP) Systems Portfolio, as well as feedback collected via the recent MAP community engagement project to develop a common set of strategic priorities for the next three years (FY 2011-2013).



PRINCIPLE

STRATEGIC PRIORITIES

Quality

To achieve excellence in teaching, learning and the services we provide by:

- Promoting student success through outstanding teaching and support services
- Attracting and retaining high-quality employees
- Promoting a culture of personal and professional development among employees
- Providing up-to-date facilities and equipment that meet student learning needs, support program growth, and promote employee effectiveness

Accessibility

To provide learning opportunities and support services that meet the needs of our diverse population by:

- Providing opportunities that allow students, employees and our diverse community to engage at MCC, inside and outside of the classroom
- Meeting student demand for coursework through diverse offerings and delivery methods
- Providing smooth transitions from one learning stage to another

Affordability

To offer opportunities to those at all economic levels to pursue their educational goals and personal enrichment by:

- Offsetting the financial burden of education on our students by using current resources efficiently and pursuing alternative sources of revenue
- Increasing financial aid resources available to students
- Strengthening the financial stability of the College

Innovation

To collaboratively generate creative and effective solutions by:

- Valuing, inspiring and cultivating people, partnerships and processes to embrace dynamic growth
- Creating, reinventing and promoting opportunities to encourage a lifetime of learning

Accountability

To promote a service-oriented and ethical culture of fiscal, social, professional and individual responsibility by:

- Increasing transparency in institutional policies, procedures and processes
- Improving internal controls
- Promoting and modeling sustainability and environmental stewardship
- Creating measurable targets and evaluation processes for key strategies and objectives

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July 22, 2010

To: Board of Trustees, McHenry County College
Illinois Community College District #528

From: Tony Miksa, Co-Lead Administrator/Vice President of Academic and Student Affairs *AM*
Vern Manke, Co-Lead Administrator/Interim Vice President for Administrative Services *VM*
Don Wilske, Interim Treasurer *DW*

Subject: Fiscal Year 2011 Budget

The fiscal year 2011 proposed budget represents the collective input of the college community for operating the college to meet the community needs within the financial constraints that the college must work. It also represents the initial phases of tying the college budget to the strategic plan.

The beginning framework for the fiscal year 2011 budget was the three-year financial plan presented to the Board of Trustees on March 29, 2010. That financial plan included a \$2.00 increase in in-district tuition to be effective with the fall semester that was approved by the Board of Trustees on April 1, 2010.

The operating budget for the Education and Operations and Maintenance Funds was prepared on a conservative basis for fiscal year 2011 revenues. Conservative estimates for credit hour enrollments, property tax revenue, non-credit training revenue and State of Illinois funding have been used to ensure to the greatest extent possible that any variances to budgeted revenue will be favorable to the college's financial picture.

The expenditure side of the budget has been subjected to significant scrutiny, especially by the college's Executive Council, to ensure that budgets are representative of institutional needs. Four administrative and professional positions have been eliminated from the budget, while one new full-time faculty position has been added to the budget. Items included in the budget for capital equipment and locally-funded repairs and renovations were thoroughly reviewed and only the highest priority items are included in the proposed budget. Adequate funds have been budgeted in contingencies to allow the College to respond to emergencies and critical emerging needs.

The proposed fiscal year 2011 budget is consistent with the College's Mission and Vision statements.

With the proposed fiscal year 2011 budget the College is well-positioned to continue to serve the diverse needs of its many constituents.

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McHenry County College
Fiscal Year 2011 Budget
Summary Statement of Revenues, Expenditures, and Transfers
for Operating Funds

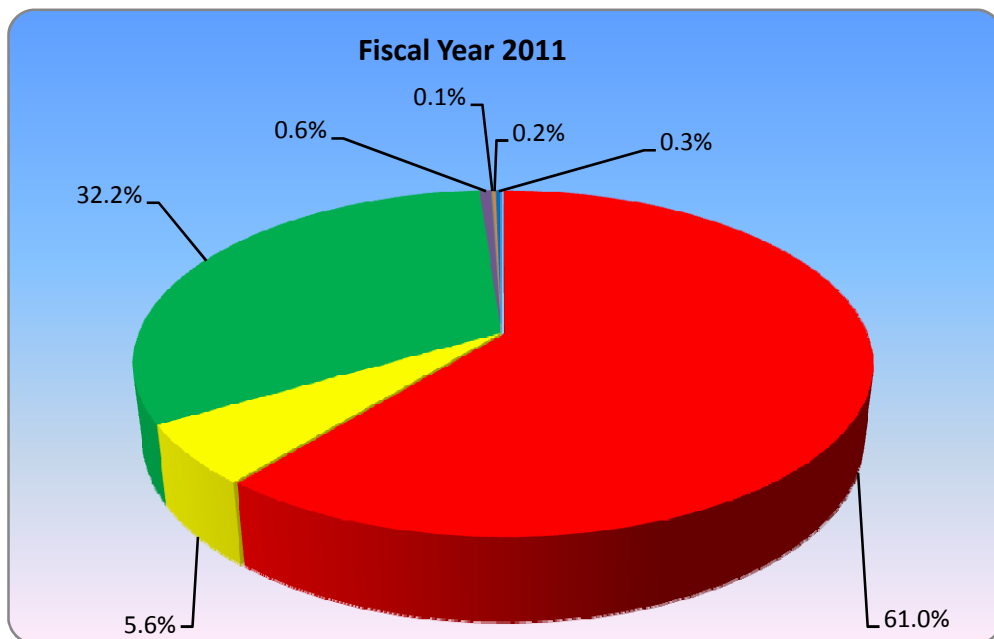
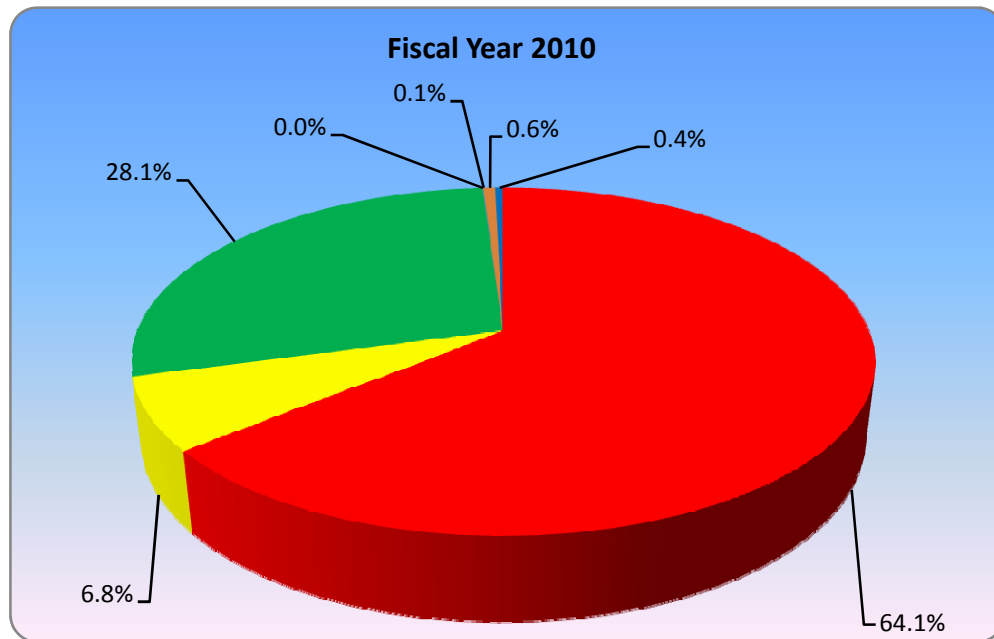
	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Education Fund</u>				
Revenue	\$ 35,297,972	\$ 35,415,998	\$ 118,026	0.33%
Expenditures	40,095,185	39,171,912	(923,273)	-2.30%
Excess/(Deficiency)	(4,797,213)	(3,755,914)	1,041,299	-21.71%
Transfers Out	(250,000)	(710,000)	(460,000)	184.00%
Fund Balance - Beginning of Year (est.)	15,026,720	14,379,507	(647,213)	-4.31%
Fund Balance - End of Year	<u>\$ 9,979,507</u>	<u>\$ 9,913,593</u>	<u>\$ (65,914)</u>	-0.66%
<u>Operations and Maintenance Fund</u>				
Revenue	\$ 6,026,053	\$ 6,221,192	\$ 195,139	3.24%
Expenditures	3,186,863	3,365,414	178,551	5.60%
Excess/(Deficiency)	2,839,190	2,855,778	16,588	0.58%
Transfers Out	(2,000,000)	(2,500,000)	(500,000)	25.00%
Fund Balance - Beginning of Year (est.)	1,957,085	2,796,275	839,190	42.88%
Fund Balance - End of Year	<u>\$ 2,796,275</u>	<u>\$ 3,152,053</u>	<u>\$ 355,778</u>	12.72%
<u>Total Operating Funds</u>				
Revenue	\$ 41,324,025	\$ 41,637,190	\$ 313,165	0.76%
Expenditures	43,282,048	42,537,326	(744,722)	-1.72%
Excess/(Deficiency)	(1,958,023)	(900,136)	1,057,887	-54.03%
Transfers Out	(2,250,000)	(3,210,000)	(960,000)	42.67%
Fund Balance - Beginning of Year (est.)	16,983,805	17,175,782	191,977	1.13%
Fund Balance - End of Year	<u>\$ 12,775,782</u>	<u>\$ 13,065,646</u>	<u>\$ 289,864</u>	2.27%

McHenry County College
Fiscal Year 2011 Budget
Comparative Operating Revenues by Sources
Operating Funds (Education and Operations & Maintenance Funds)

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
Local Government Sources				
Property Taxes	\$ 26,497,427	\$ 25,403,211	\$ (1,094,216)	-4.13%
Chargebacks	2,000	5,000	3,000	150.00%
Total Local Government Sources	26,499,427	25,408,211	(1,091,216)	-4.12%
State Government Sources				
ICCB Credit Hour Grants	2,416,755	1,996,240	(420,515)	-17.40%
Career and Technical Education	80,000	66,080	(13,920)	-17.40%
Corporate Personal Property Replacement Tax	300,000	285,000	(15,000)	-5.00%
Total State Government Sources	2,796,755	2,347,320	(449,435)	-16.07%
Student Tuition and Fees				
Tuition	8,913,968	10,571,228	1,657,260	18.59%
Technology and Lab Fees	1,540,515	1,959,756	419,241	27.21%
Other Student Fees	1,138,460	893,104	(245,356)	-21.55%
Total Student Tuition and Fees	11,592,943	13,424,088	1,831,145	15.80%
Revenue Contingency *	-	250,000	250,000	n/a
Sales and Service Fees	23,400	23,850	450	1.92%
Investment Income	250,000	70,000	(180,000)	-72.00%
Other Sources	161,500	113,721	(47,779)	-29.58%
Total Operating Revenue	<u>\$ 41,324,025</u>	<u>\$ 41,637,190</u>	<u>\$ 313,165</u>	0.76%

* - Fully offset by revenue growth expenditure contingency

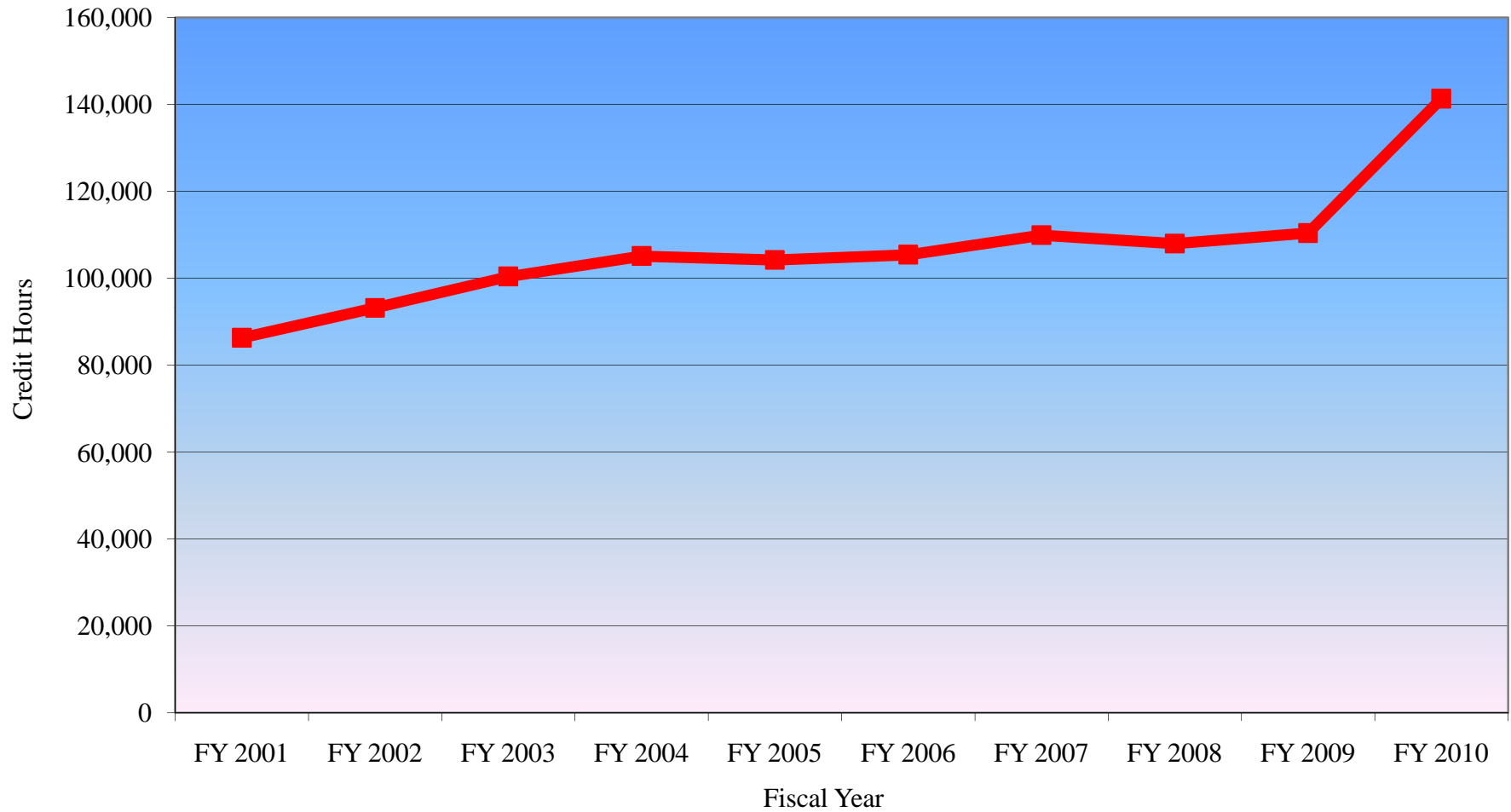
Budgeted Operating Revenues



- | | |
|--------------------------|--------------------------|
| Local Government Sources | State Government Sources |
| Student Tuition and Fees | Contingency |
| Sales and Service | Investment |
| Other | |

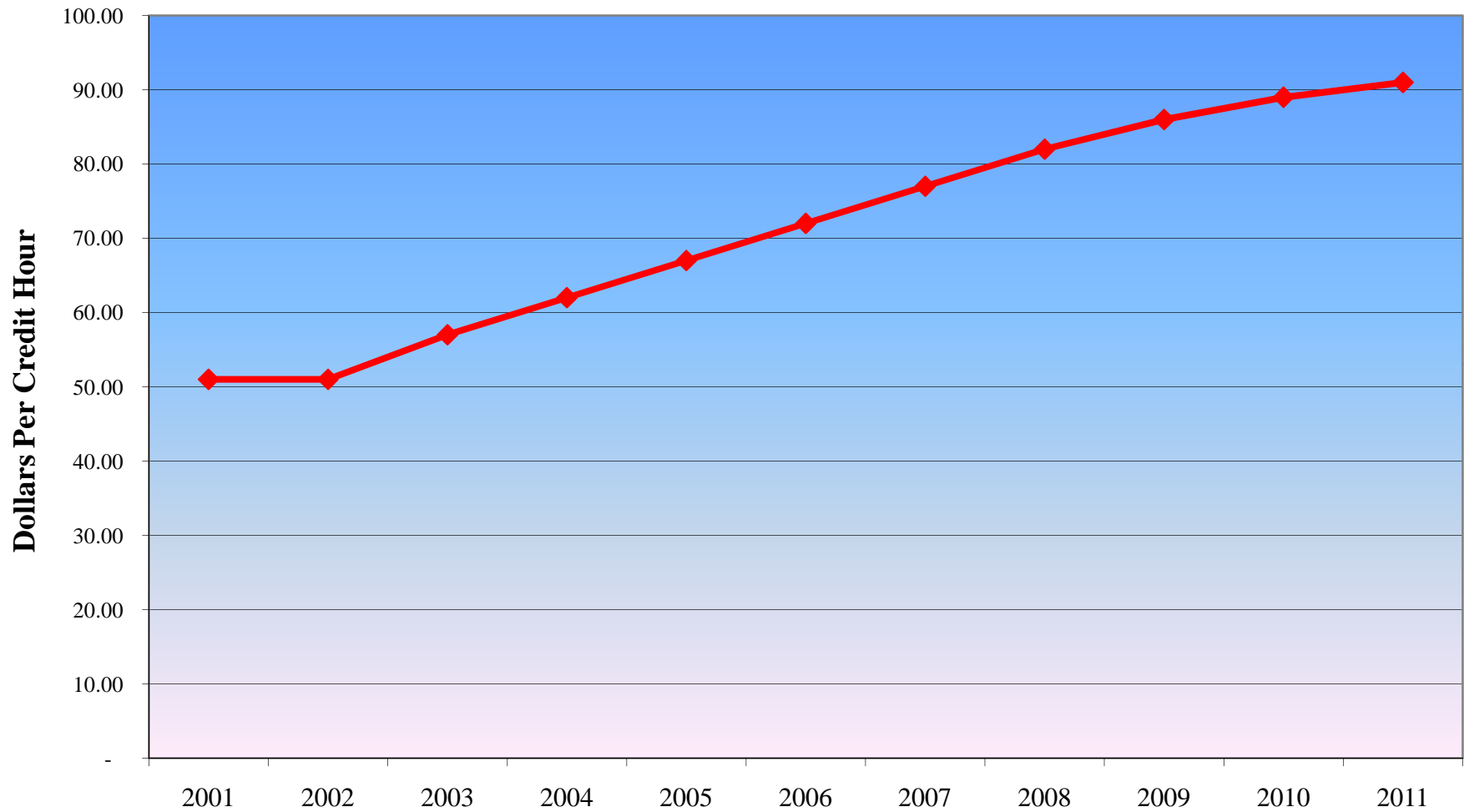
**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

CREDIT HOURS



**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

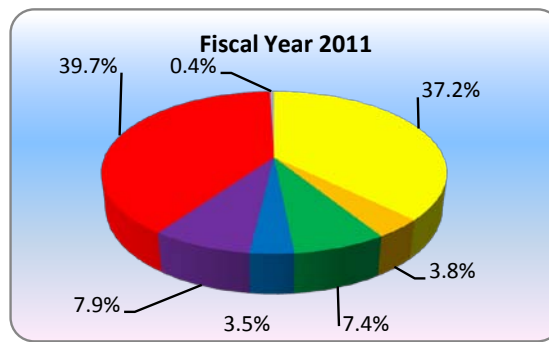
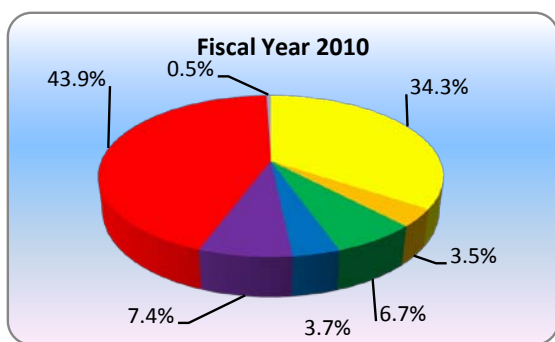
HISTORY OF TUITION AND FEE RATES



McHenry County College
Fiscal Year 2011 Budget
Comparative Operating Expenditures by Program
Operating Funds (Education and Operations & Maintenance Funds)

Program	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
Instruction	\$ 14,862,584	\$ 15,842,169	\$ 979,585	6.59%
Academic Support	1,531,753	1,629,472	97,719	6.38%
Student Services	2,904,316	3,132,192	227,876	7.85%
Public Services	1,614,948	1,471,375	(143,573)	-8.89%
Operations and Maintenance	3,186,863	3,365,414	178,551	5.60%
Institutional Support	18,981,584	16,906,704	(2,074,880)	-10.93%
Scholarships, Grants, Waivers	200,000	190,000	(10,000)	-5.00%
Total Operating Expenditures	<u>\$ 43,282,048</u>	<u>\$ 42,537,326</u>	<u>\$ (744,722)</u>	<u>-1.72%</u>

Budgeted Expenditures by Program

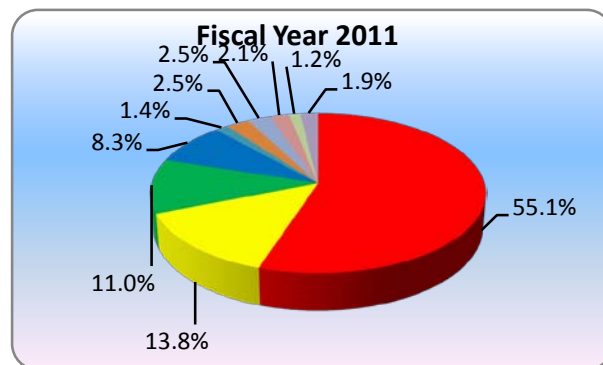
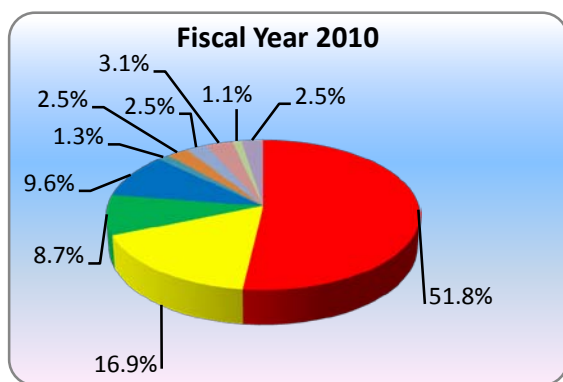


- Instruction
 Academic Support
 Student Services
- Public Services
 Operations and Maintenance
 Institutional Support
- Scholarships, Grants, Waivers

McHenry County College
Fiscal Year 2011 Budget
Comparative Operating Expenditures by Object
Operating Funds (Education and Operations & Maintenance Funds)

Object	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
Salaries	\$ 22,429,864	\$ 23,439,914	\$ 1,010,050	4.50%
Benefits	7,325,630	5,888,276	(1,437,354)	-19.62%
Contractual Services	3,766,206	4,686,148	919,942	24.43%
Supplies & Materials	4,150,580	3,547,679	(602,901)	-14.53%
Conference & Meeting Expense	574,698	589,223	14,525	2.53%
Fixed Charges	1,079,450	1,083,555	4,105	0.38%
Utilities	1,067,414	1,073,598	6,184	0.58%
Capital Outlay	1,342,631	888,913	(453,718)	-33.79%
Other Expenditures	473,060	513,470	40,410	8.54%
Contingency	1,072,515	826,550	(245,965)	-22.93%
Total Operating Expenditures	<u>\$ 43,282,048</u>	<u>\$ 42,537,326</u>	<u>\$ (744,722)</u>	-1.72%

Budgeted Expenditures by Object



■ Salaries
■ Contractual Services
■ Conference & Meeting Expense
■ Utilities
■ Other Expenditures

■ Benefits
■ Supplies & Materials
■ Fixed Charges
■ Capital Outlay
■ Contingency

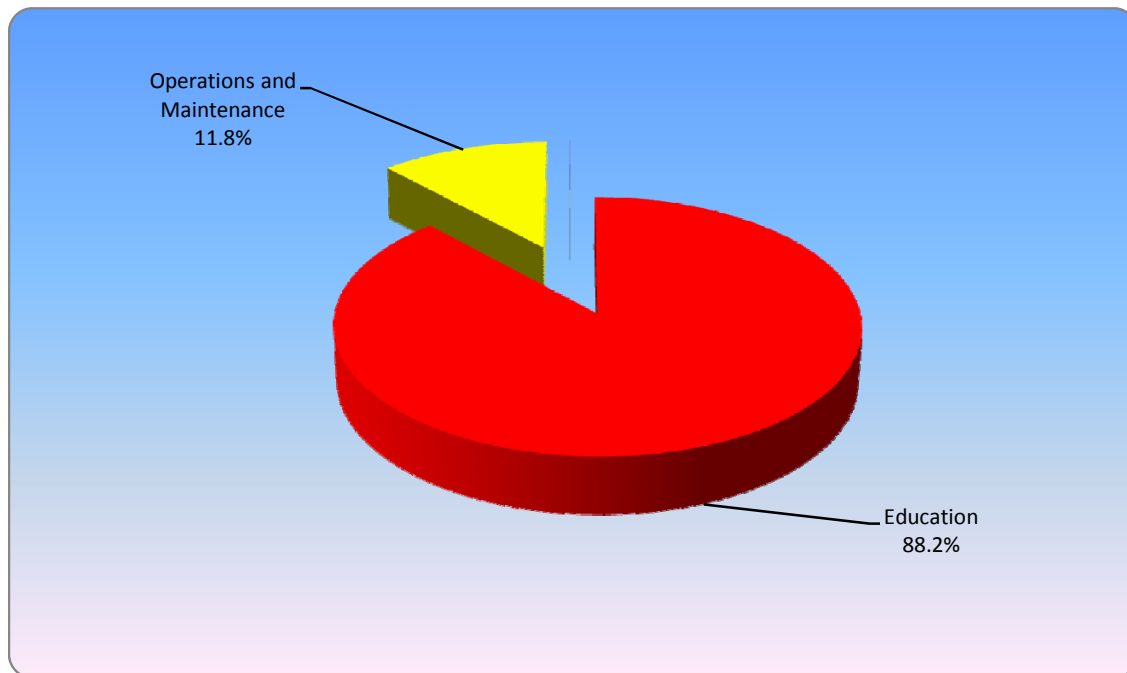
McHenry County College
Fiscal Year 2011 Budget
Comparative Operating Expenditures by Object
Operating Funds (Education and Operations & Maintenance Funds)

Object Accounts	Education Fund							Operations & Maintenance Fund	Total Operating Funds	Percent of Operating Funds Budget
	Instruction	Academic Support	Student Services	Public Services	Institutional Support	Scholarships, Grants, Waivers	Total			
12 Salaries	\$ 13,258,010	875,681	\$ 2,425,945	838,264	\$ 4,825,134	\$ -	\$ 22,223,034	\$ 1,216,880	\$ 23,439,914	55.10%
Benefits	1,714,615	190,059	572,205	155,661	2,849,258	-	5,481,798	406,478	5,888,276	13.84%
Contractual Services	206,034	243,000	42,007	341,046	3,609,034	-	4,441,121	245,027	4,686,148	11.02%
Supplies & Materials	502,414	312,079	47,985	106,728	2,382,581	-	3,351,787	195,892	3,547,679	8.34%
Conference & Meeting Expense	124,165	8,653	43,550	20,276	357,886	-	554,530	34,693	589,223	1.39%
Fixed Charges	1,701	-	-	3,400	1,074,654	-	1,079,755	3,800	1,083,555	2.55%
Utilities	1,104	-	-	1,000	6,210	-	8,314	1,065,284	1,073,598	2.52%
Capital Outlay	1,700	-	-	5,000	809,853	-	816,553	72,360	888,913	2.09%
Other Expenditures	32,426	-	500	-	290,544	190,000	513,470	-	513,470	1.21%
Contingency	-	-	-	-	701,550	-	701,550	125,000	826,550	1.94%
Total Operating Expenditures	<u>\$ 15,842,169</u>	<u>\$ 1,629,472</u>	<u>\$ 3,132,192</u>	<u>\$ 1,471,375</u>	<u>\$ 16,906,704</u>	<u>\$ 190,000</u>	<u>\$ 39,171,912</u>	<u>\$ 3,365,414</u>	<u>\$ 42,537,326</u>	<u>100.00%</u>
Percent of Total	37.24%	3.83%	7.36%	3.46%	39.75%	0.45%	92.09%	7.91%	100.00%	

**McHenry County College
Fiscal Year 2011 Budget
Property Tax Extensions**

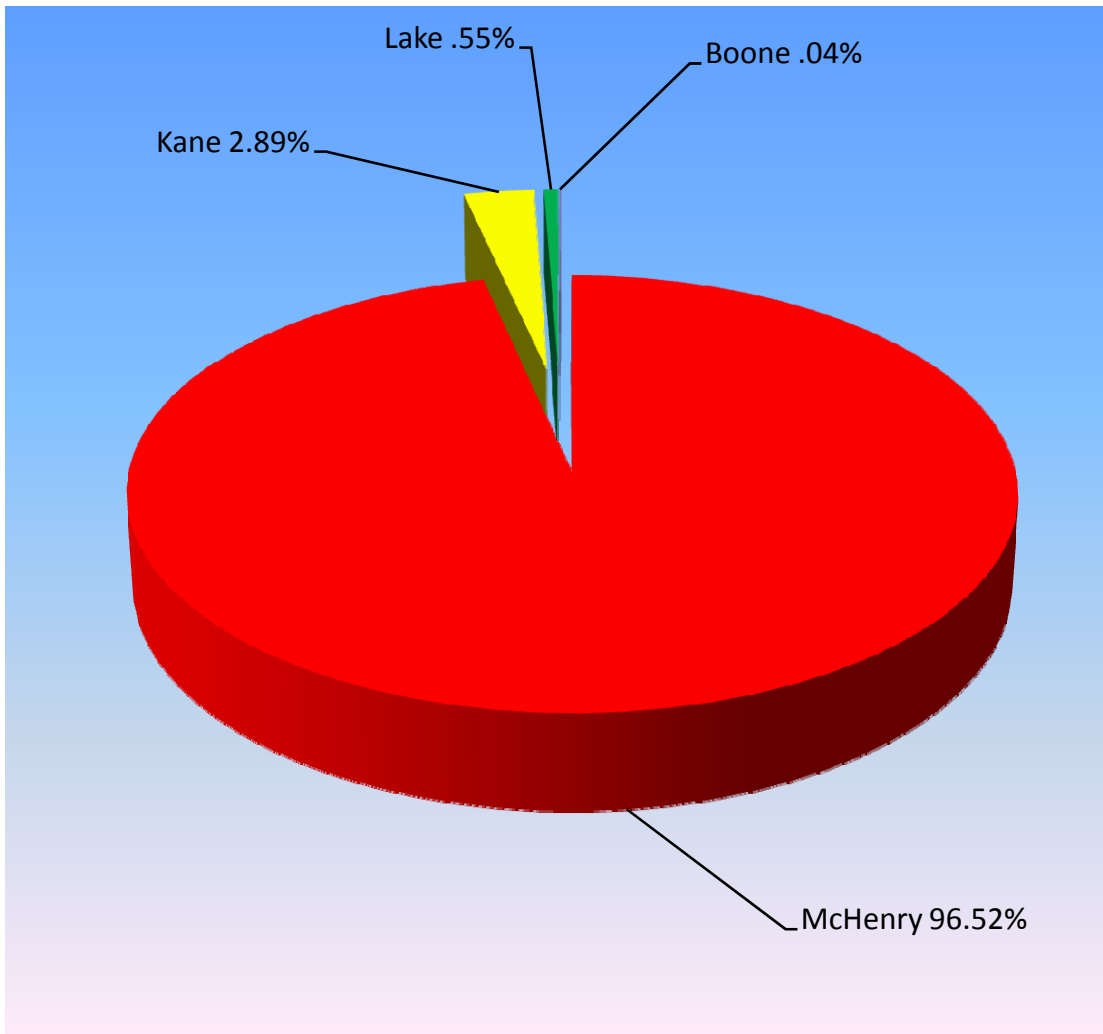
Fiscal Year Split	FY 2010/2011	FY 2009/2010	FY 2008/2009	FY 2007/2008
Tax Levy Year	2009	2008	2007	2006
Education Fund	\$ 22,414,594	\$ 22,427,906	\$ 20,689,019	\$ 19,567,859
Operations & Maintenance Fund	3,001,117	2,934,551	2,313,342	2,179,065
Audit Fund	938	1,455	54,381	41,988
Liability, Protection, and Settlement Fund	1,876	2,910	834,909	888,805
Total Extension	<u>\$ 25,418,525</u>	<u>\$ 25,366,822</u>	<u>\$ 23,891,651</u>	<u>\$ 22,677,717</u>

2009 Tax Rate Distribution



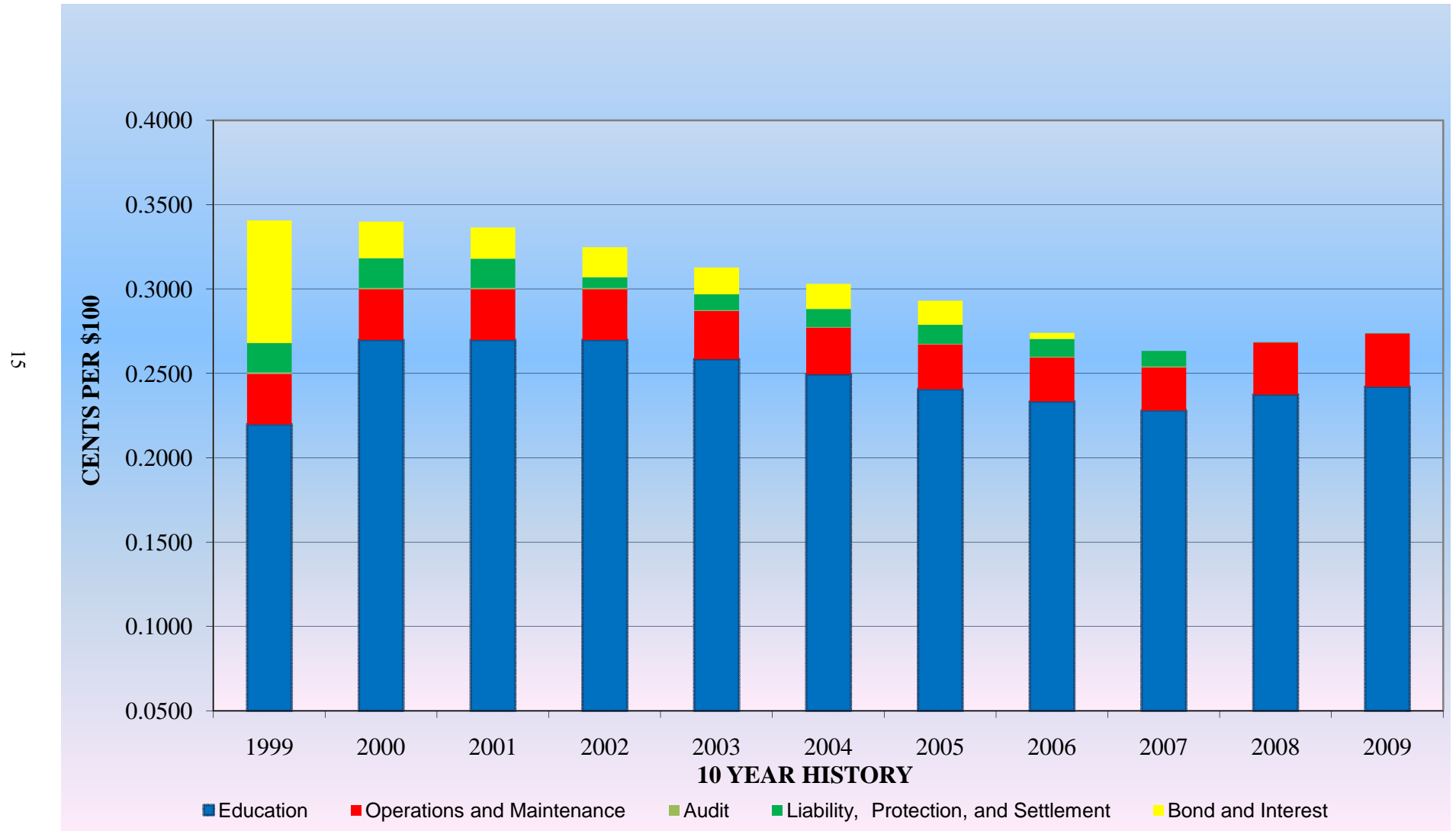
District Property Valuation

2009 Estimate by County



**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

TAX RATE HISTORY



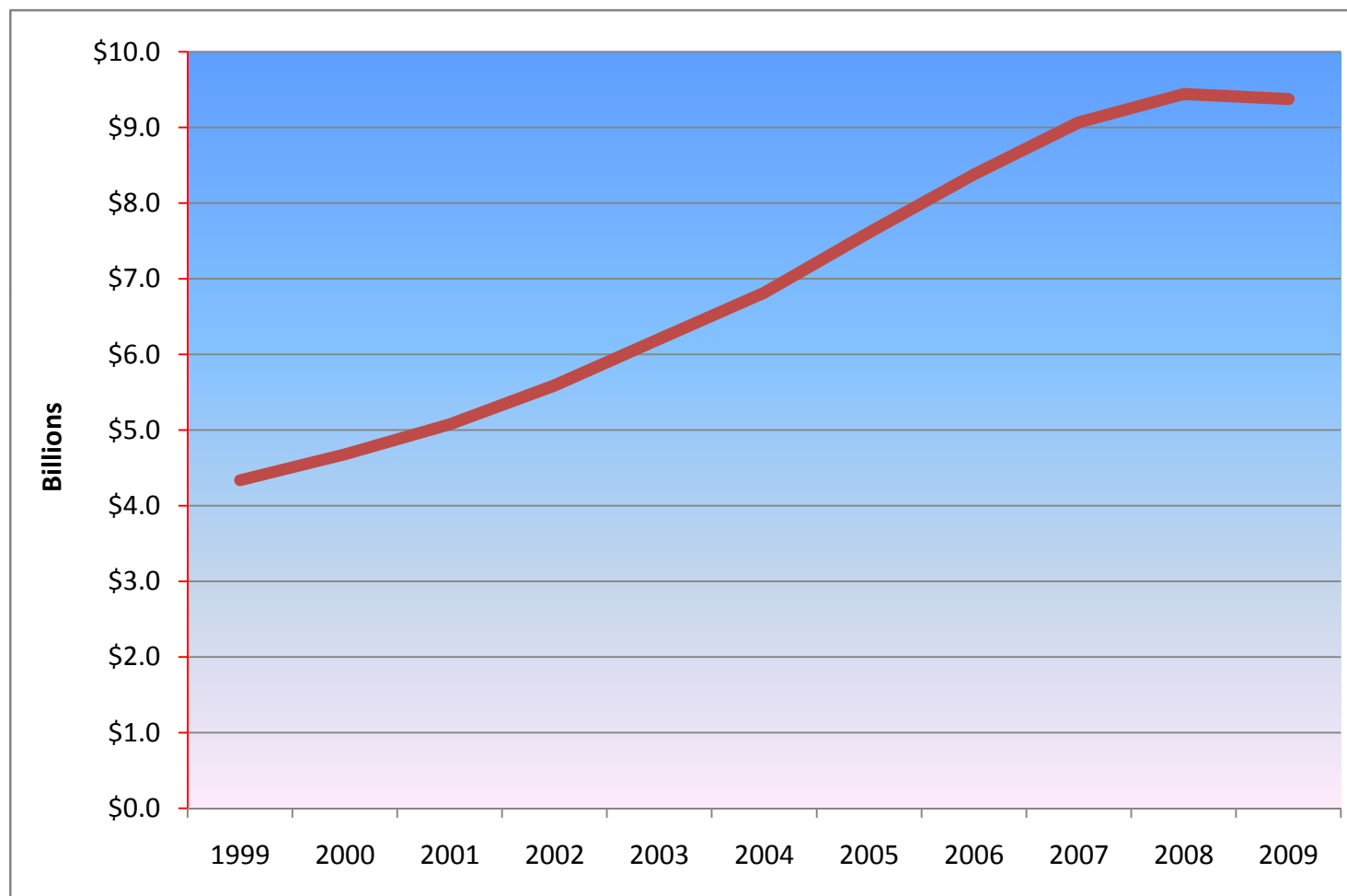
**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

HISTORY OF ASSESSED VALUATION BY COUNTY

Tax Levy	McHenry County EAV	Kane County EAV	Lake County EAV	Boone County EAV	Total EAV	% Change	Tax Cap %	Dollar Change	Dollar Change Attributable to New Construction	Percent Change Attributable to New Construction
1999	4,302,553,789	17,427,394	15,463,281	2,825,117	4,338,269,581	6.18%	1.6%	252,390,588	185,715,329	4.5%
2000	4,606,828,576	53,743,842	15,943,443	2,865,411	4,679,381,272	7.86%	2.7%	341,111,691	238,660,034	5.5%
2001	4,990,327,795	66,184,539	16,891,933	2,912,595	5,076,316,862	8.48%	3.4%	396,935,590	227,278,846	4.9%
2002	5,492,137,490	77,209,095	18,751,514	2,889,526	5,590,987,625	10.14%	1.6%	514,670,763	252,953,214	5.0%
2003	6,076,741,342	104,221,973	21,528,692	2,863,941	6,205,355,948	10.99%	2.4%	614,368,323	275,310,469	4.9%
2004	6,650,934,973	137,364,542	25,947,240	2,870,051	6,817,116,806	9.86%	1.9%	611,760,858	308,508,589	5.0%
2005	7,414,364,834	165,520,005	31,495,855	3,056,189	7,614,436,883	11.70%	2.8%	797,320,077	309,976,106	4.5%
2006	8,153,570,390	183,311,833	40,087,663	3,246,909	8,380,216,795	10.06%	2.5%	765,779,912	289,104,331	3.5%
2007	8,800,717,398	221,112,372	44,440,185	3,526,043	9,069,795,998	8.23%	2.5%	689,579,203	243,180,063	2.7%
2008	9,133,680,149	254,008,464	51,347,750	3,788,968	9,442,825,331	4.11%	0.1%	373,029,333	174,189,847	1.7%
2009	9,051,763,075	271,240,063	51,759,284	3,728,988	9,378,491,410	-0.68%	2.7%	(64,333,921)	109,650,997	-

The Property Tax Extension Limitation Act was effective with the 1991 Tax Levy.

Equalized Assessed Valuation (EAV)



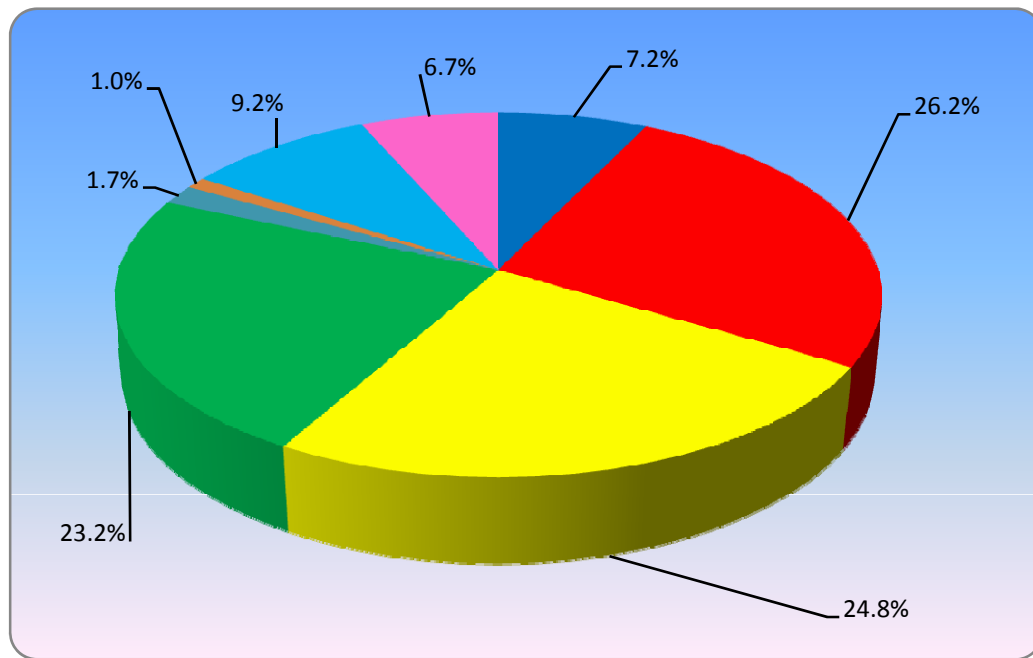
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McHenry County College
Full-Time Equivalent Employees by Function and Type
Fiscal Year 2011 Budget

Employee Type	Education Fund					Operations & Maintenance Fund	Auxiliary Services Fund	Liability, Protection & Settlement Fund	Total	% by Type
	Instruction	Academic Support	Student Services	Public Services	Institutional Support	Operations & Maintenance	Independent Operations	Operations & Maintenance		
Administrators-Full Time & Part Time	10.00	1.00	5.00	3.00	15.75	1.00	4.00	1.00	40.75	7.1%
Professional Staff-Full Time	23.60	6.50	27.00	9.70	47.50	6.00	5.30	5.00	130.60	22.9%
Professional Staff-Part Time	5.35	-	5.03	0.79	0.50	-	7.63	-	19.30	3.4%
Teaching Faculty-Full Time	92.00	-	-	-	-	-	-	-	92.00	16.1%
Teaching Faculty-Full Time-Overload	17.78	-	-	-	-	-	-	-	17.78	3.1%
Teaching Faculty-Full Time-Summer	12.99	-	-	-	-	-	-	-	12.99	2.3%
Teaching Faculty-Full Time-Independent Study	0.91	-	-	-	-	-	-	-	0.91	0.2%
Teaching Faculty-Full Time-Reassigned Time	2.90	0.40	-	-	3.80	-	-	-	7.10	1.2%
Teaching Faculty-Full Time-Stipends	10.03	0.10	0.53	-	0.59	-	-	-	11.25	2.0%
Teaching Faculty-Part Time	124.11	-	-	0.64	-	-	-	-	124.75	21.8%
Teaching Faculty-Part Time-Independent Study	5.69	-	-	-	-	-	-	-	5.69	1.0%
Teaching Faculty-Part Time-Stipends	1.03	0.18	-	-	1.06	-	-	-	2.27	0.4%
Academic Support Faculty-Full Time	-	2.90	3.00	-	-	-	-	-	5.90	1.0%
Academic Support Faculty-Full Time-Summer	-	1.17	2.83	-	-	-	-	-	4.00	0.7%
Academic Support Faculty-Part Time	-	3.31	2.33	-	-	-	-	-	5.64	1.0%
Office Staff-Full Time	3.55	2.00	5.00	2.00	8.00		2.00	-	22.55	3.9%
Office Staff-Part Time	7.82	1.51	8.36	3.63	3.45	0.25	4.88	-	29.90	5.2%
Service Staff-Full Time	-	-	-	-	-	24.00	1.00	-	25.00	4.4%
Service Staff-Part Time	1.63	-	-	-	-	1.73	6.55	3.13	13.04	2.3%
Total Full Time Equivalent Employees	319.39	19.07	59.08	19.76	80.65	32.98	31.36	9.13	571.42	100.0%
 % by Program	 55.9%	 3.3%	 10.3%	 3.5%	 14.1%	 5.8%	 5.5%	 1.6%	 100.0%	

Note: This chart does not include employees funded by external grant revenue sources nor have FTEs been assigned to student employees.

Staffing by Employee Classification



- | | |
|--------------------------------------|--------------------------------------|
| ■ Administrators | ■ Professional Staff |
| ■ Faculty-Full Time | ■ Faculty-Part Time |
| ■ Academic Support Faculty-Full Time | ■ Academic Support Faculty-Part Time |
| ■ Office Staff | ■ Service Staff |

McHenry County College
Fiscal Year 2011 Budget
Summary Statement of Special Funds

	2010		2011 Changes from	
	Approved	2011	2010 Approved Budget	
	Budget	Budget	Increase/(Decrease)	
			Amount	Percent
<u>Operations & Maintenance Restricted Fund</u>				
Revenue	\$ 837,500	\$ 797,500	\$ (40,000)	-4.78%
Expenditures	1,837,579	1,814,400	(23,179)	-1.26%
Excess/(Deficiency)	(1,000,079)	(1,016,900)	(16,821)	1.68%
Transfers In	2,000,000	2,500,000	500,000	25.00%
Fund Balance - Beginning of Year	6,333,894	7,333,815	999,921	15.79%
Fund Balance - End of Year	<u>\$ 7,333,815</u>	<u>\$ 8,816,915</u>	<u>\$ 1,483,100</u>	20.22%
<u>Auxiliary Services Fund</u>				
Revenue	\$ 4,657,623	\$ 5,731,698	\$ 1,074,075	23.06%
Expenditures	4,580,265	5,499,220	918,955	20.06%
Excess/(Deficiency)	77,358	232,478	155,120	200.52%
Transfers In	250,000	325,000	75,000	30.00%
Fund Balance - Beginning of Year	319,029	646,387	327,358	102.61%
Fund Balance - End of Year	<u>\$ 646,387</u>	<u>\$ 1,203,865</u>	<u>\$ 557,478</u>	86.25%
<u>Restricted Purposes Fund</u>				
Revenue	\$ 12,007,117	\$ 12,000,000	\$ (7,117)	-0.06%
Expenditures	12,007,117	12,000,000	(7,117)	-0.06%
Excess/(Deficiency)	-	-	-	n/a
Fund Balance - Beginning of Year	51,681	51,681	-	0.00%
Fund Balance - End of Year	<u>\$ 51,681</u>	<u>\$ 51,681</u>	<u>\$ -</u>	0.00%
<u>Working Cash Fund</u>				
Revenue	\$ 6,500	\$ 800	\$ (5,700)	-87.69%
Expenditures	-	-	-	n/a
Excess/(Deficiency)	6,500	800	(5,700)	-87.69%
Fund Balance - Beginning of Year	2,810,719	2,817,219	6,500	0.23%
Fund Balance - End of Year	<u>\$ 2,817,219</u>	<u>\$ 2,818,019</u>	<u>\$ 800</u>	0.03%

McHenry County College
Fiscal Year 2011 Budget
Summary Statement of Special Funds
(continued)

Student Grant & Loan Fund

Revenue	\$ 2,579,800	\$ 4,422,500	\$ 1,842,700	71.43%
Expenditures	<u>2,579,800</u>	<u>4,422,500</u>	<u>1,842,700</u>	71.43%
Excess/(Deficiency)	-	-	-	n/a
Fund Balance - Beginning of Year	<u>48,557</u>	<u>48,557</u>	<u>-</u>	0.00%
Fund Balance - End of Year	<u><u>\$ 48,557</u></u>	<u><u>\$ 48,557</u></u>	<u><u>\$ -</u></u>	0.00%

Audit Fund

Revenue	\$ 1,221	\$ 993	\$ (228)	-18.67%
Expenditures	<u>71,000</u>	<u>71,057</u>	<u>57</u>	0.08%
Excess/(Deficiency)	(69,779)	(70,064)	(285)	0.41%
Fund Balance - Beginning of Year	<u>242,029</u>	<u>172,250</u>	<u>(69,779)</u>	-28.83%
Fund Balance - End of Year	<u><u>\$ 172,250</u></u>	<u><u>\$ 102,186</u></u>	<u><u>\$ (70,064)</u></u>	-40.68%

Liability, Protection, & Settlement Fund

Revenue	\$ 5,692	\$ 2,436	\$ (3,256)	-57.20%
Expenditures	<u>1,075,027</u>	<u>1,375,409</u>	<u>300,382</u>	27.94%
Excess/(Deficiency)	(1,069,335)	(1,372,973)	(303,638)	28.40%
Transfers In	-	385,000	385,000	n/a
Fund Balance - Beginning of Year	<u>3,147,359</u>	<u>2,078,024</u>	<u>(1,069,335)</u>	-33.98%
Fund Balance - End of Year	<u><u>\$ 2,078,024</u></u>	<u><u>\$ 1,090,051</u></u>	<u><u>\$ (987,973)</u></u>	-47.54%

Group Insurance Fund

Revenue	\$ 5,025,665	\$ 5,038,076	\$ 12,411	0.25%
Expenditures	<u>5,025,665</u>	<u>5,038,076</u>	<u>12,411</u>	0.25%
Excess/(Deficiency)	-	-	-	n/a
Fund Balance - Beginning of Year	<u>562,980</u>	<u>562,980</u>	<u>-</u>	0.00%
Fund Balance - End of Year	<u><u>\$ 562,980</u></u>	<u><u>\$ 562,980</u></u>	<u><u>\$ -</u></u>	0.00%

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Operations & Maintenance Restricted Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
State Government Sources				
Other State Sources	\$ 787,500	\$ 787,500	\$ -	0.00%
Total Local Government Sources	787,500	787,500	-	0.00%
Investment Income	50,000	10,000	(40,000)	-80.00%
Total Revenues	<u>\$ 837,500</u>	<u>\$ 797,500</u>	<u>\$ (40,000)</u>	-4.78%
<u>Expenditures</u>				
Contractual Services	250,000	250,000	-	0.00%
Capital Outlay	1,587,579	1,564,400	(23,179)	-1.46%
Total Expenditures	<u>\$ 1,837,579</u>	<u>\$ 1,814,400</u>	<u>\$ (23,179)</u>	-1.26%

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Auxiliary Services Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Student Tuition and Fees	\$ 1,347,437	\$ 1,470,698	\$ 123,261	9.15%
Sales and Service Fees	3,121,686	4,086,000	964,314	30.89%
Other Sources	188,500	175,000	(13,500)	-7.16%
Transfers In	250,000	325,000	-	
Total Revenues and Transfers In	<u>\$ 4,907,623</u>	<u>\$ 6,056,698</u>	<u>\$ 1,074,075</u>	21.89%
<u>Expenditures</u>				
Salaries	\$ 1,306,343	\$ 1,184,663	\$ (121,680)	-9.31%
Benefits	157,637	177,325	19,688	12.49%
Contractual Services	498,152	660,332	162,180	32.56%
Supplies & Materials	2,370,956	3,330,504	959,548	40.47%
Conference & Meeting Expense	76,687	73,712	(2,975)	-3.88%
Fixed Charges	134,770	35,780	(98,990)	-73.45%
Utilities	8,526	3,525	(5,001)	-58.66%
Capital Outlay	16,695	22,879	6,184	37.04%
Other Expenditures	10,500	10,500	-	0.00%
Total Expenditures	<u>\$ 4,580,266</u>	<u>\$ 5,499,220</u>	<u>\$ 918,954</u>	20.06%

**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528
RESTRICTED PURPOSE FUNDS
PRELIMINARY BUDGET PROJECTION 2011**

	FY 2010 Estimated Award	FY 2011 Estimated Award
STATE GOVERNMENT RESOURCES		
ICCB		
Workforce Preparation Grant	\$ 50,000	\$ 50,000
State Basic Adult Education	133,626	137,700
State Performance	125,064	114,400
CTE Program Improvement	11,302	10,854
Student Success Grant	-	213,865
IIA Student Grant	42,000	64,000
Illinois Secretary of State		
Community Literacy Program	50,989	47,200
Illinois Judicial		
Family Violence Grant	27,623	19,500
State University Retirement System (SURS) Pass Through		
	10,000,000	9,000,000
Sub-Total State	<u>10,440,604</u>	<u>9,657,519</u>
FEDERAL GOVERNMENT RESOURCES		
ICCB		
Workforce Investment Act	55,000	150,000
Perkins IV Postsecondary Basic	146,992	140,022
CTE Regional Collaborative	2,000	6,000
Federal Basic Adult Education	134,000	125,500
English Literacy / Civics	24,000	18,700
CTE Innovation Grant	14,374	14,374
Shifting Gears	42,500	-
SMALL BUSINESS DEVELOPMENT CENTER RESOURCES		
DCEO		
ETIP	-	230,000
SBDC	72,000	80,000
McHENRY COUNTY COOPERATIVE FOR EMPLOYMENT EDUCATION RESOURCES		
CEE Tech Prep Transit Grant	50,000	42,000
US DEPARTMENT OF LABOR RESOURCES		
F.A.S.T. Grant Part One	-	317,303
F.A.S.T. Grant Continuation	-	250,000
Sub-Total Federal	<u>540,866</u>	<u>1,373,899</u>
PRIVATE RESOURCES		
McCormick Tribune Grant	-	20,000
Marchi Endowment	4,866	-
Friends of MCC mini grants	7,500	-
Program Revenue (SBDC)	9,782	-
Contingency	1,003,499	948,582
Grand Total	<u><u>\$ 12,007,117</u></u>	<u><u>\$ 12,000,000</u></u>

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Working Cash Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Interest	\$ 6,500	\$ 800	\$ (5,700)	-87.69%
Total Revenues	<u>\$ 6,500</u>	<u>\$ 800</u>	<u>\$ (5,700)</u>	-87.69%
<u>Expenditures</u>				
	\$ -	\$ -	\$ -	0.00%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.00%

**McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Student Grant & Loan Fund**

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Federal Government	\$ 2,579,800	\$ 4,422,500	\$ 1,842,700	71.43%
Total Revenues	<u>\$ 2,579,800</u>	<u>\$ 4,422,500</u>	<u>\$ 1,842,700</u>	71.43%
<u>Expenditures</u>				
Scholarships, Grants, Waivers	\$ 2,579,800	\$ 4,422,500	\$ 1,842,700	71.43%
Total Expenditures	<u>\$ 2,579,800</u>	<u>\$ 4,422,500</u>	<u>\$ 1,842,700</u>	71.43%

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Audit Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Local Government	\$ 1,221	\$ 993	\$ (228)	-18.67%
Total Revenues	<u>\$ 1,221</u>	<u>\$ 993</u>	<u>\$ (228)</u>	-18.67%
<u>Expenditures</u>				
Contractual Services	\$ 71,000	\$ 71,057	\$ 57	0.08%
Total Expenditures	<u>\$ 71,000</u>	<u>\$ 71,057</u>	<u>\$ 57</u>	0.08%

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Liability, Protection, & Settlement Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Local Government	\$ 2,442	\$ 1,986	\$ (456)	-18.67%
Interest	3,250	450	(2,800)	-86.15%
Transfers In	-	385,000	385,000	n/a
Total Revenues	<u>\$ 5,692</u>	<u>\$ 387,436</u>	<u>\$ 381,744</u>	6706.68%
<u>Expenditures</u>				
Salaries	\$ 326,518	\$ 411,590	\$ 85,072	26.05%
Benefits	589,758	724,119	134,361	22.78%
Contractual Services	800	23,800	23,000	2875.00%
Supplies & Materials	3,550	18,500	14,950	421.13%
Conference & Meeting Expense	3,800	3,800	-	0.00%
Fixed Charges	150,000	125,000	(25,000)	-16.67%
Utilities	600	600	-	0.00%
Capital Outlay	-	68,000	68,000	n/a
Total Expenditures	<u>\$ 1,075,026</u>	<u>\$ 1,375,409</u>	<u>\$ 300,383</u>	27.94%

McHenry County College
Fiscal Year 2011 Budget
Statement of Revenues and Expenditures
Group Insurance Fund

	2010 Approved Budget	2011 Budget	2011 Changes from 2010 Approved Budget Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Other Sources	\$ 5,025,655	\$ 5,038,076	\$ 12,421	0.25%
Total Revenues	<u>\$ 5,025,655</u>	<u>\$ 5,038,076</u>	<u>\$ 12,421</u>	0.25%
<u>Expenditures</u>				
Benefits	\$ 5,025,655	\$ 5,038,076	\$ 12,421	0.25%
Total Expenditures	<u>\$ 5,025,655</u>	<u>\$ 5,038,076</u>	<u>\$ 12,421</u>	0.25%

McHenry County College
Fiscal Year 2011
Statement of Cash Flow

	Education Fund	Operations & Maint. Fund	Auxiliary Enterprises Fund	Operations & Maint. Fund (Restricted)	Restricted Purposes Fund	Student Grant and Loan Fund	Working Cash Fund	Audit Fund	Liability, Protection & Settlement Fund	Group Insurance Fund
Cash & Equivalents, beginning balance (est.)	\$20,605,466	\$1,313,539	\$981,451	\$8,685,458	\$51,681	\$48,557	\$2,717,219	\$173,040	\$1,947,153	\$1,304,364
Cash Receipts	35,415,998	6,221,192	6,056,698	2,510,000	12,000,000	4,422,500	800	993	387,436	5,038,076
Cash Disbursements	(39,881,912)	(5,865,414)	(5,499,220)	(1,026,900)	(12,000,000)	(4,422,500)	-	(71,057)	(1,375,409)	(5,038,076)
Cash & Equivalents, ending balance (est.)	\$16,139,552	\$1,669,317	\$1,538,929	\$10,168,558	\$51,681	\$48,557	\$2,718,019	\$102,976	\$959,180	\$1,304,364

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**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

GLOSSARY OF TERMS

ACADEMIC SUPPORT. (See FUNCTION).

ACADEMIC TERM. An academic term is 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. The College uses the semester system, which consists of the summer, fall, and spring semesters.

ACCOUNT NUMBER. An account number is a defined code for recording and summarizing financial transactions.

ACCOUNTING PERIOD. The accounting period is a period at the end of which and for which financial statements are prepared.

ACCRUAL BASIS. Accrual basis accounting is an accounting system that records revenues when earned and expenditures when a fund 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 EXPENDITURES. Accrued expenditures are those expenditures which have been incurred and have not been paid as of a given date.

ACCRUED INTEREST. Accrued interest is interest earned between interest dates but not yet paid.

ACCRUED LIABILITIES. Accrued liabilities are those amounts owed but not yet paid as of a given date.

ACCRUED REVENUE. Accrued revenue is revenue earned and not yet collected regardless of whether due or not.

APPROPRIATION. An appropriation is an authorization that enables the College to make expenditures and incur obligations for a specific purpose.

ASSESSED VALUATION. The assessed valuation is the value on each unit of property for which a prescribed amount must be paid as property taxes.

ASSETS. The entire property owned by the College.

AUDIT. An audit is an examination of the financial records of the College to obtain reasonable assurance that the financial statements prepared by the College are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It further includes an assessment of the accounting principles and procedures used and of the significant financial estimates made by management.

AUDIT FUND. (See FUND).

AUXILIARY ENTERPRISES FUND. (See FUND).

BALANCED BUDGET. The budget is balanced if revenues equal expenditures.

BOND. A bond is a written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date, and with periodic interest payments at a rate specified in the bond. A bond is generally issued for a specific purpose or project, such as construction of a new facility.

BOND AND INTEREST FUND. (See FUND).

BONDED DEBT. Bonded debt is the part of the College debt which is covered by outstanding bonds.

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. The budget is a legal document once it has been approved by the Board.

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.

CAPITAL OUTLAY. (See OBJECT).

CASH. Cash is 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, deposits and NOW accounts, bank notes or sight drafts, bank's certificates of deposits, municipal orders, warrants, or scrip.

CHART OF ACCOUNTS. A chart of accounts is 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.

CONFERENCE AND MEETING. (See OBJECT).

CONTINGENCY. (See OBJECT).

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.

CONTRACTUAL SERVICES. (See OBJECT).

CORPORATE PERSONAL PROPERTY REPLACEMENT TAX. The corporate personal property replacement tax is collected by the Illinois Department of Revenue as a replacement for the personal property tax.

COST BENEFIT. Cost benefit analyses are those studies 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 EFFECTIVENESS. Cost effectiveness refers to the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective.

COURSE. A course is the official educational unit within the instructional programs dealing with a particular subject consisting of instructional periods and one or more delivery systems. Courses are generally classified by the discipline they belong to and the level of instruction.

COURSE CREDIT. Course credit is the number of credits that will be earned by the student for successful completion of a course.

CREDIT HOUR GRANT. Credit hour grants are received for courses for each credit hour or equivalent for students who were certified as being in attendance at midterm of the semester during the fiscal year. There are no special restrictions on the use of these funds.

CURRENT ASSETS. Current assets are cash or anything that can be readily converted into cash.

CURRENT EXPENDITURES. Current expenditures are any expenditure except for capital outlay and debt service. They include total charges incurred, whether paid or unpaid.

CURRENT LIABILITIES. Current liabilities are debts which are payable within a short period of time, usually no longer than one year.

DEBT SERVICE. Debt service includes expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest on current loans, which are loans payable in the same fiscal year in which the money was borrowed.

DEBT SERVICE FUND. The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long term debt principal, interest, and related costs. The Bond and Interest Fund is the Debt Service Fund of the College.

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

DEFERRED REVENUES. Deferred revenues are those monies or entitlements which have been recognized as revenues but have not been received and are therefore not available for use.

DEFICIT. A deficit is a shortfall of revenues and transfers in under expenditures and transfers out.

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

DISBURSEMENTS. Disbursements are the actual payments of cash by the College.

DOUBLE ENTRY ACCOUNTING. Double entry accounting is 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.

EDUCATION FUND. (See FUND).

EMPLOYEE BENEFITS. (See OBJECT).

ENCUMBRANCES. Encumbrances are anticipated or actual liabilities provided for by 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 GRANT. The equalization grant attempts to reduce the disparity in local funds available per student among districts. Equalized assessed valuations, full time equivalent students, corporate personal property replacement tax revenue, fixed costs, and the district's program mix are considered in the equalization calculations.

EXPENDITURES. Expenditures are the total charges incurred by the College regardless of the time of payment.

FEDERAL GOVERNMENT SOURCES. Federal government sources is that revenue provided directly from the Federal government. Expenditures made with this revenue should be identifiable as federally supported expenditures.

FINANCIAL STATEMENT. A financial statement is a formal summary of accounting records setting forth the District's financial condition and results of operations.

FISCAL YEAR. The fiscal year is the year by or for which accounts are reckoned or the year between one annual time of settlement or balancing of accounts and another. It consists of a period of twelve months, not necessarily concurrent with the calendar year, with reference to which appropriations are made and expenditures are authorized and at the end of which accounts are made up and the books are closed. The College's fiscal year is the period from July 1 to June 30 of the following calendar year.

FIXED ASSETS. Fixed assets are those assets essential to continuance of proper operation of the College. They include land, buildings, machinery, furniture, and other equipment which the College intends to hold or continue to use over a long period of time.

FIXED CHARGES. (See OBJECT).

FULL-TIME EQUIVALENT. The full-time equivalent indicator for students is the statistical student unit calculated by dividing all credit hours (both certificate and degree) generated by the College, by fifteen credit hours for any given academic term. To determine the annual full-time equivalent student, the total credit hours for the year are divided by thirty. The full-time equivalent for faculty is thirty instructional hour equivalents per year. The full-time equivalent for classified staff is forty hours of work per week.

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

ACADEMIC SUPPORT. Academic support 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. It also includes expenditures for all equipment, materials, supplies, and costs that are necessary to support this function.

INDEPENDENT OPERATIONS. Independent operations 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.

INSTITUTIONAL SUPPORT. Institutional support consists of those costs that benefit the entire college and are not readily assignable to a particular cost center. Administrative data processing, business office, personnel services, insurance costs, legal fees, provision for contingencies, and nonoperating expenditures, are examples of items included in this area.

INSTRUCTION. Instruction consists of those activities dealing with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, and remedial 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.

OPERATIONS AND MAINTENANCE. Operations consists of housekeeping activities necessary in order to keep the physical facilities open and ready for use. Maintenance 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.

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.

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

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.

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.

FUND. A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. College resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. Following are the funds and account groups used by the College.

AUDIT FUND (a Special Revenue Fund). The Audit Fund is used for recording the payment of auditing expenditures.

AUXILIARY ENTERPRISES FUND (a Special Revenue Fund). The Auxiliary Enterprises Fund accounts for college services where a fee is charged to students and/or staff. Each enterprise/service should be accounted for separately using a group of self-balancing accounts within the fund.

BOND AND INTEREST FUND (a Debt Service Fund). The Bond and Interest Fund is used to account for payment of principal, interest, and related charges on any outstanding bonds.

BUILDING BOND PROCEEDS FUND (a Capital Projects Fund). Proceeds from construction bonds may be recorded in this fund. Expenditures from this fund are governed by the District's building bond indenture (s).

EDUCATION FUND (a General Fund). The Education Fund is used to account for the revenues and expenditures of the academic and service programs of the College. It includes the cost of instructional, administrative, and professional salaries; supplies and equipment; library books and materials; maintenance of instructional and administrative equipment; and other costs relating to the educational program of the College.

LIABILITY, PROTECTION AND SETTLEMENT FUND (a Special Revenue Fund). The Liability, Protection and Settlement Fund is used for the payment of tort liability, unemployment insurance, and worker's compensation.

OPERATIONS AND MAINTENANCE FUND (a General Fund). The Operations and Maintenance 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 building and building fixtures; all costs of fuel, lights, gas, water, telephone service, custodial supplies, and equipment; and professional surveys of the condition of College buildings.

OPERATIONS AND MAINTENANCE (RESTRICTED) FUND (a Capital Projects Fund). The Operations and Maintenance (Restricted) Fund is used to account for monies restricted for building purposes and site acquisition.

RESTRICTED PURPOSES FUND (a Special Revenue Fund). The Restricted Purposes Fund is used for the purpose of accounting for monies that have restrictions regarding their use. Each specific project should be accounted for separately using a complete set of self-balancing accounts within the fund.

SOCIAL SECURITY AND MEDICARE FUND (a Special Revenue Fund). The Social Security and Medicare Fund is used for the cost of participation in the federal Medicare program for those employees hired on or after March 1, 1986.

STUDENT GRANT AND LOAN FUND (a Special Revenue Fund). The Student Grant and Loan Fund is used to account for Federal monies that are limited to grants and loans to students. Included within this fund are Pell, Supplemental Education Opportunity Grant, College Work Study, and National Direct Student Loan.

WORKING CASH FUND (a Permanent Trust Fund). The Working Cash Fund is used to enable the College to have on hand at all time sufficient cash to meet the demands of ordinary and necessary expenditures.

FUND BALANCE. The excess of assets of a fund over its' liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

FUND EQUITY. The fund equity is the balance of a fund after all liabilities have been deducted from the assets of the fund.

GENERAL FUND. The General Fund, (also referred to as the Operating Funds), which consists of the Education Fund and the Operations and Maintenance Fund, are the general operating funds of the College. These are used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION REFUNDING BONDS. Bonds issued to retire bonds already outstanding. The refunding bond may be sold for cash and outstanding bonds redeemed in cash, or the refunding bond may be exchanged with holders of outstanding bonds.

INDEPENDENT OPERATIONS. (See FUNCTION).

INDIRECT COSTS. Indirect costs are 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.

INSTITUTIONAL SUPPORT. (See FUNCTION).

INSTRUCTION. (See FUNCTION).

INTERFUND TRANSFERS. Interfund transfers are the transfer of monies between funds. Monies may not be transferred between funds except by the same procedure as that used to approve the budget, including public notification, publication, inspection, and comment. Interfund transfers are usually part of the overall budget plan and are built into the budget at the time of its approval by the Board of Trustees.

INTERNAL CONTROL. The purpose of internal control is to safeguard the use of public funds and to protect the public trust on behalf of the College. Internal controls are those activities and organizational preparations designed to insure effective accounting control over assets, liabilities, revenues, expenditures, and any other activities associated with the finance and accounting actions of the College. Some of the precautions instituted by internal control are insuring that no single individual can perform a complete cycle of financial operations and that procedures of the finance and accounting system are specified and monitored. Internal control also requires designated levels of authorization for all actions under the system.

INVESTMENTS. Investments are securities or other properties in which money is held, either temporarily or permanently, in expectation of obtaining revenues. Legal investments for community college funds are governed by state statute, which allow funds belonging to or in the custody of the College to be invested. Bonds, treasury bills, certificates of deposit, and short-term discount obligations issued by the Federal National Mortgage Association are some of the types of investments which are permitted by law.

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

LIABILITY, PROTECTION AND SETTLEMENT FUND. (See FUND).

MATERIALS AND SUPPLIES. (See OBJECT).

MODIFIED ACCRUAL BASIS OF ACCOUNTING. Modified accrual basis accounting is any accounting system that records revenue when susceptible to accrual, that is, it is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Expenditures other than interest on long-term debt generally are recognized when the related fund liability is incurred.

NET CURRENT ASSETS. Net current assets is the difference between current assets and current liabilities. This is also known as working capital.

NET EXPENDITURE. A net expenditure is the actual cost incurred by the College for some service or object after the deduction of any discounts, rebates, reimbursements, or revenue produced by the service or activity.

NET REVENUE. Net revenue is defined as the balance remaining after deducting from the gross revenue for a given period all expenditures during the same period.

OBJECT. The term object applies to expenditure classifications and designates materials or services purchased. Expenditures are grouped by major objects, such as salaries, supplies, or capital outlay, and are further divided as needed for cost accounting and control purposes.

CAPITAL OUTLAY. The capital outlay object group includes site acquisition and improvement, office equipment, instructional equipment, and service equipment. Generally expenditures in this category cost more than \$2,500, have an useful life of greater than 1 year and would not normally be purchased form materials and supplies. Furniture, computers and related equipment, and laboratory equipment would be typical examples of items included in this category.

CONFERENCE AND MEETING. The category of conference and meeting includes expenditures associated with conference registration and fees, costs for hosting or attending meetings, and related travel costs, whether local or otherwise.

CONTINGENCY. Contingency funds are those appropriations set aside for emergencies or unforeseen expenditures. Contingency funds are used only by budget transfers.

CONTRACTUAL SERVICES. Contractual service costs are those monies paid for services rendered by firms and individuals under contract who are not employees of the College.

EMPLOYEE BENEFITS. Employee benefit costs are for all benefits which employees accrue through continued employment with the College. Benefits include health insurance coverage (except that portion paid by the employee), sabbatical leave salaries, tuition reimbursement, life insurance, early retirement contributions assignable to the College, and others.

FIXED CHARGES. The fixed charges object category includes charges for rentals of facilities and equipment, payment of debt interest and principal, general insurance charges, installment payments for lease/purchase agreements, and property/casualty insurance.

MATERIALS AND SUPPLIES. The materials and supplies category includes the cost of materials and supplies necessary for the conduct of the College's business. Business forms, envelopes, postage costs, printing costs, and handouts to students typically fall into this category.

OTHER EXPENDITURES. The other expenditures object category includes expenditures not readily assignable to another object category. Examples include tuition chargebacks, other chargebacks, and charges and adjustments.

SALARIES. Salaries are monies paid to employees of the College for personal services rendered to the College. Full-time, part-time, and temporary employees, whether administrators, faculty, or staff, are paid wages or salaries within this category.

UTILITIES. Utilities include all utilities costs necessary to operate the physical plant and other ongoing services, including gas, water, sewage, telephone, and refuse disposal.

OPERATIONS AND MAINTENANCE. (See FUNCTION).

OPERATIONS AND MAINTENANCE FUND. (See FUND).

OPERATIONS AND MAINTENANCE (RESTRICTED) FUND. (See FUND).

ORGANIZED RESEARCH. (See FUNCTION).

OTHER EXPENDITURES. (See OBJECT).

PARETO CHART. A Pareto Chart is a special type of bar chart where the values being plotted are arranged in descending order.

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

PREPAID EXPENDITURES. Expenditures entered in the accounts for benefits not yet received. Prepaid expenditures 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.

PUBLIC SERVICE. (See FUNCTION).

RECEIPT. The actual receipt of cash.

REIMBURSABLE CREDIT HOUR. A certified instructional credit hour used as a basis for disbursing Illinois Community College Board funds.

RESTRICTED PURPOSES FUND. (See FUND).

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.

SALARIES. (See OBJECT).

SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS. (See FUNCTION).

SOCIAL SECURITY AND MEDICARE FUND. (See FUND).

SPECIAL REVENUE FUNDS. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Special Revenue Funds include the Auxiliary Enterprises Fund; Restricted Purposes Fund; Student Grant and Loan Fund; Audit Fund; Liability, Protection and Settlement Fund; and the Social Security and Medicare Fund. (See FUND).

STUDENT FULL TIME EQUIVALENT. The statistical student unit calculated by dividing all credit hours (both certificate and degree) generated at the college by 15 semesters hours for any term. To determine the annual FTE students, divide all semester hours for that year by 30 semester hours.

STUDENT GRANT AND LOAN FUND. (See FUND).

STUDENT SERVICES. (See FUNCTION).

UTILITIES. (See OBJECT).

WORKFORCE DEVELOPMENT GRANT. The state economic development grant provides funding to be used to operate a Business Assistance Center or an economic development office. Activities include assistance in commercial or industrial expansion and/or retention and employment training services for unemployed or under employed adults to improve their job skills and assist them in seeking employment.

WORKING CASH FUND. (See FUND).

**McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528**

ACRONYMS

AA	Affirmative Action
ABE	Adult Basic Education
AICPA	American Institute of Certified Public Accountants
AQIP	Academic Quality Improvement Program
ASE	Adult Secondary Education
CFDA	Catalog of Federal Domestic Assistance
CTE	Career and Technical Education
DCEO	Department of Commerce and Economic Opportunity
ESL	English as a Second Language
FASB	Financial Accounting Standards Board
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GED	General Educational Development
GFOA	Government Finance Officers Association
IBHE	Illinois Board of Higher Education
ICCB	Illinois Community College Board
ISBE	Illinois State Board of Education
MCC	McHenry County College
NACUBO	National Association of College and University Business Officers
WIA	Workforce Investment Act

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