

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 page 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:

- . 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://www.thomas.loc.gov>
- . 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 <http://www.thomas.loc.gov>
- . The Stevens Amendment of the Department of Defense Appropriations Act of 1998, PL-105-56, Section 8136 <http://www.thomas.loc.gov/>
- . 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 College s 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 may involve the submission of a Request for Proposal or Request for Application or may be distributed to all colleges. The college and ICCB will sign a grant agreement which outlines services to be provided by the college, allowable expenditures, and the amount of the grant.

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. Review terms of the contract, scope of work, and budget.
- 2. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
- 3. 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.
- 4. 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.
- 5. 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.

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.

Public Assistance

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. Review requirements for restricted grant expenditures and reporting which govern operation of the grant.
2. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
3. 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.
4. Test a representative sample of expenditures for compliance with ICCB requirements for Restricted Grant Expenditures and Reporting.
5. 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.

Public Assistance

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

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).
8. 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.

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. Review Policy Guidelines for Restricted Grant Expenditures and Reporting which govern operation of the grant.
2. Verify that funds are set aside in a restricted purposes account and that they are accounted for properly.
3. 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.
4. 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.
5. Determine whether unexpended funds from the prior year's appropriation were returned by October 15.
6. 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

	<u>General</u>		<u>Special Revenue</u>			
		Operations and Maintenance Fund	Public Building Commission Operation & Maintenance Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection, & Settlement Fund
Beginning Balance	<u>Education Fund</u>					
Budgeted Revenues						
Budgeted Expenditures						
Budgeted Transfers from (to) Other Funds						
Budgeted Ending Balance						

	<u>Debt Service</u>		<u>Capital Projects</u>		<u>Proprietary Fund</u>
	Bond and Interest Fund	Public Building Commission Rental Fund	Operations and Mainte- nance 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 (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 (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

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.	112
FINANCIAL SECTION	
General Purpose Financial Statements - Combined Statements Overview	
Management Discussion And Analysis	114
Statement of Net Assets.	115
Statement of Revenues, Expenses, and Changes in Net Assets.	117
Statement of Cash Flows.	118
NOTES TO FINANCIAL STATEMENTS.	120
SUPPLEMENTAL FINANCIAL STATEMENTS.	126
General Purpose Financial Statements - Combined Statements Overview	
Combined Balance Sheet - All Fund Types	127
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types.	128
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - All Budgeted Governmental Fund Types.	129
Combined Statement of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual, Proprietary Fund Type, and Similar Trust Funds - Retained Earnings.	130
Combined Statement of Cash Flows - Proprietary Fund Type and Similar Trust Funds.	131
Governmental Fund Types	
Combining Balance Sheet - General Funds.	132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds.	133

ABC Community College
Community College District #1

Table of Contents
(Continued)

	<u>Page</u>
Combining Balance Sheet - Special Revenue Funds.	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds.	136
Combining Balance Sheet - Debt Service Fund.	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- Debt Service Fund.	139
Combining Balance Sheet - Capital Projects Funds.	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances- Capital Projects Funds.	141
Proprietary Fund Types	
Combining Balance Sheet - Proprietary Funds.	143
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Funds.	144
Combining Statement of Cash Flows - Proprietary Funds.	145
Fiduciary Fund Type	
Combining Balance Sheet - Fiduciary Funds.	146
Combining Statement of Revenues, Expenses, and Changes in Fund Balance - Fiduciary Funds.	147
Combining Statement of Cash Flows - Fiduciary Funds.	148
Fixed Assets	
Summary of Changes in General Fixed Assets.	149
SUPPLEMENTAL FINANCIAL INFORMATION.	150
Assessed Valuations and Taxes Extended.	151
Summary of Taxes Receivable and Tax Collections.	152
Schedule of Debt Maturities - Governmental Fund Types.	153

ABC Community College
Community College District #1
Table of Contents
(Continued)

	<u>Page</u>
Schedule of Legal Debt Margin.	154
UNIFORM FINANCIAL STATEMENT.	155
CERTIFICATE OF CHARGEBACK REIMBURSEMENT.	162
ICCB STATE GRANTS FINANCIAL COMPLIANCE SECTION.	165
Independent Auditor's Report on Compliance with State Requirements for Career and Technical Education- Program Improvement Grant and Adult Education and Family Literacy Grants.	166
Adult Education and Family Literacy Program	
Balance Sheet.	168
Statement of Revenues, Expenditures, and Changes in Fund Balance.	169
ICCB Compliance Statement for the Adult Education and Family Literacy Grant.	170
Career and Technical Education-Program Improvement Grant Program	
Balance Sheet.	171
Statement of Revenues, Expenditures, and Changes in Fund Balance.	172
Notes to Financial Statements.	173
Independent Auditor's Report on the Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed.	174
Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed.	175
Reconciliation of Total Reimbursable Semester Credit Hours.	176

ABC Community College
Community College District #1

Table of Contents
(Continued)

	<u>Page</u>
Documentation of Residency Verification Steps.	177
Summary of Assessed Valuations.	179
Background Information on State Grant Activity.. . . .	180
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION.	182
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.	183
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.	185
Schedule of Federal Financial Assistance.	187
Background Information on ICCB Adult Education and Family Literacy and Perkins Activities	188

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>_____</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>
	<u>Special Debt Capital 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

	Governmental Fund Types			Total	
	Special General	Debt Revenue	Capital Service	Projects	(Memorandum Only)
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>Auxiliary Enterprise Fund</u>		
<u>ASSETS</u>	<u>Auxiliary</u>	<u>Book Store</u>	<u>Total</u>
	<u>Service</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>	<u>Nonexpendable Trust</u>	<u>Agency Funds</u>	<u>Total</u>
	<u>Working Cash</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

	<u>Nonexpendable Trust Funds 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>Taxes Extended</u>	<u>Total Collected to June 30, 20XX</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 Taxes</u>	<u>Balance After 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 - Special Initiatives Grants	
ICCB - Career and Technical Education	
ICCB - Adult Education	
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 2015 audit and should be utilized when requesting the college's fiscal year 2016 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. Bond and interest payments on line 4 would only include non capital related (operating) bond and interest payments.
- 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 2015**
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 2016**
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 2016 ICCB grants (less equalization) by the greater of either fiscal year 2014 total certified reimbursable credit hours or the average of fiscal years 2012, 2013, and 2014 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 2016**
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 2016**
Line 14 (Per Capita Cost) minus lines 16, 17, and 18.

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2016

ALL FISCAL YEAR 2015 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 2015	\$ _____	
14	PER CAPITA COST (line 12 divided by line 13)		\$ _____
15	All FY 2015 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	\$ _____	
16	FY 2015 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 2016		\$ _____
18	District's student tuition and fee rate per semester credit hour for FY 2016		\$ _____
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)		\$ _____

Approved: _____ Date _____
 Chief Fiscal Officer

Approved: _____ Date _____
 Chief Executive Officer

**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>Pubic Aid</u>	<u>Performance</u>	<u>Total</u> <u>(Memorandum Only)</u>
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>Public Aid</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 each of the following grant streams:

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

State Public Assistance	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

ABC Community College
Community College District #1

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED FOR THE YEAR ENDED JUNE 30, 20XX

<u>Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)</u>										
<u>Categories</u>	<u>Summer</u>		<u>Fall</u>		<u>Winter</u>		<u>Spring</u>		<u>(Note 3) TOTAL</u>	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>
Notes 1 and 2										
Baccalaureate										
Business Occupational										
Technical Occupational										
Health Occupational										
Remedial Developmental										
Adult Basic/Secondary Education										
TOTAL										

NOTE 1) Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

NOTE 2) Restricted credit hours are supported with more than 50% of restricted sources of funding .

NOTE 3) Total of unrestricted and restricted should equal the SU and SR record totals.

	<u>Attending In-District</u>	<u>Attending Out-of-District on Chargeback or a Cooperative/Contractual Agreement</u>	<u>TOTAL</u>
Reimbursable Semester Credit Hours (All Terms)			
	<u>Dual Credit</u>		<u>Dual Enrollment</u>
Reimbursable Semester Credit Hours (All Terms)			
District Prior Year Equalized Assessed Valuation	\$0		

<u>Correctional Semester Credit Hours by Term</u>					
<u>Categories</u>	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Spring</u>	<u>TOTAL</u>
Baccalaureate					
Business Occupational					
Technical Occupational					
Health Occupational					
Remedial Developmental					
Adult Basic/Secondary Education					
TOTAL					

Signatures _____
Chief Executive Officer (CEO)

Chief Financial Officer (CFO)

ABC Community College
Community College District #1

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 20XX

Categories	<u>Total Unrestricted Credit Hours</u>	<u>Total Unrestricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>	<u>Total Restricted Credit Hours</u>	<u>Total Restricted Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate						
Business Occupational						
Technical Occupational						
Health Occupational						
Remedial Developmental						
Adult Basic/Secondary Education						
TOTAL						

RECONCILIATION OF IN-DISTRICT/CHARGEBACK AND COOPERATIVE/CONTRACTUAL AGREEMENT CREDIT HOURS

	<u>Total Attending (Unrestricted and Restricted)</u>	<u>Total Attending as Certified to the ICCB</u>	<u>Difference</u>
In-District Residents			
Out-of-District on Chargeback or Contractual Agreement			

	<u>Total Reimbursable</u>	<u>Total Reimbursable Certified to ICCB</u>	<u>Difference</u>
Dual Credit			
Dual Enrollment			

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 20XX

<u>Categories</u>	<u>Total Correctional Credit Hours</u>	<u>Total Correctional Credit Hours Certified to the ICCB</u>	<u>Difference</u>
Baccalaureate			
Business Occupational			
Technical Occupational			
Health Occupational			
Remedial Developmental			
Adult Basic/Secondary 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.

Public Assistance. Grant awarded to Adult Education and Family Literacy providers to pay for any fees, books, and materials incurred in the program for student who are identified as recipients of public assistance.

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

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 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.