

December 21, 2006

Members of the Board Finance Committee

John Simmons, Chair
Roger Tedrick
Stephen Wigginton
Marquita Wiley

Dear Members of the Finance Committee:

There will be a meeting of the Finance Committee on Thursday, January 11, 2007, immediately following the Executive Committee meeting in the Meridian Ballroom of the Delyte W. Morris University Center, Southern Illinois University Edwardsville, Edwardsville, Illinois. The following items have been suggested for the agenda:

1. Approval of Minutes of the November 9, 2006, meeting (enclosure).
2. First Quarterly Budget Report for FY 2007 (enclosure).
3. Other business.

Yours truly,

Duane Stucky
Vice President for Financial and Administrative Affairs
And Board Treasurer

DS/lap

Enclosures

cc:	Samuel Goldman	Keith Sanders	Constituency Heads
	Christine Guerra	Glenn Poshard	Other Interested Parties
	Ed Hightower	John Dunn	
	Jesse Phelps	Vaughn Vandegrift	

BOARD OF TRUSTEES

SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Finance Committee Meeting

November 9, 2006

The Finance Committee met at 9:03 a.m. in the Conference Center of the Delyte W. Morris University Center, Southern Illinois University Edwardsville. Present were: John Simmons (Chair), Roger Tedrick and Stephen Wigginton. Absent was: Marquita Wiley. Other Board members present were: Samuel Goldman, Christine Guerra, Jesse Phelps and Keith Sanders. Absent was: Ed Hightower. Executive Officers present were: President Glenn Poshard; Chancellor Vaughn Vandegrift, SIUE; Provost John Dunn, SIUC; Vice President for Academic Affairs John S. Haller, Jr.; and Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

The minutes of the October 12, 2006, meeting were approved as submitted.

Proposed Tuition for FY2007 Master of Science in Physician Assistant Studies, SIUC (Board Agenda Item K).

Provost Dunn reviewed the matter which had been provided as Notice at the October meeting.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Revision of Refund Policy, SIUE [Amendment to 4 Policies of the Board Appendix B-3] (Board Agenda Item Q).

Chancellor Vandegrift explained the proposed change in Refund Policy to accommodate the Banner system software.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Authorization to Amend Project Description of the Housing and Auxiliary Facilities System Revenue Bonds, Series 2006A (Board Agenda Item R).

Vice President Stucky explained that approximately \$1 million will now not be needed for the SIUE Evergreen Hall project. Due to parking pressures at SIUE, approximately \$650,000 is requested to be used for a new parking lot. This requires Board approval to amend the project description of the bonds and subsequent approval of the Parking Lot matter in the Architecture and Design Committee meeting.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Revision to Financial and Administrative Matters [Amendments to 5 Policies of the Board E-3-a and E-3-b-2] (Board Agenda Item S).

Vice President Stucky clarified the change to Board policy as a result of a recent peer review of the Internal Audit department.

Approval of the matter was recommended and that it be placed on the Board's omnibus motion. The motion was duly seconded and was passed by the Finance Committee.

Annual Financial Performance Report for 2006.

Vice President Stucky reviewed the fiscal year's income and expenditures. He alerted the Board that the next quarterly report will show the expenditures encumbered for Fiscal Year 2007 will exceed the accounts receivable.

Investments Report.

Vice President Stucky reviewed a summary of the University's investments report for the first quarter of Fiscal Year 2007. He mentioned that a change in Investment Policy may be necessary in the future to adjust the percentage ranges in certain investment areas.

Other Business

Dr. Goldman asked that a clarification be included regarding the October Finance Committee discussion on electricity. Dr. Goldman had asked if the Board should wait until the State had acted on the possibility of extending the rate freeze. After the Finance Committee meeting, David Gross and Vice President Stucky talked to Dr. Goldman and explained that the State freeze would deal only with residential customers, and SIU would not be subject to the freeze.

There being no further business, the meeting was adjourned.

DS/lap



Southern Illinois University

First Quarter Budget Report

September 30, 2006

**Southern Illinois University - Combined Total
FY 2007 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$377,369,900	\$109,104,200	\$11,565,400	\$112,631,800	\$90,332,500	\$701,003,800	\$121,600,700
Budget as of 9/30/06	<u>375,498,400</u>	<u>111,904,200</u>	<u>11,564,400</u>	<u>113,844,100</u>	<u>93,007,500</u>	<u>705,818,600</u>	<u>120,859,300</u>
Revenue Budget Variance	(\$1,871,500)	\$2,800,000	(\$1,000)	\$1,212,300	\$2,675,000	\$4,814,800	(\$741,400)
% Change	-0.5%	2.6%	0.0%	1.1%	3.0%	0.7%	-0.6%
Expenditures Estimates							
Budget as of 7/1/06	\$377,309,200	\$109,104,200	\$11,285,100	\$112,876,150	\$91,045,850	\$701,620,500	\$122,146,600
Budget as of 9/30/06	<u>380,300,800</u>	<u>111,904,200</u>	<u>11,525,700</u>	<u>113,270,950</u>	<u>96,079,500</u>	<u>713,081,150</u>	<u>121,578,300</u>
Expenditures Budget Variance	\$2,991,600	\$2,800,000	\$240,600	\$394,800	\$5,033,650	\$11,460,650	(\$568,300)
% Change	0.8%	2.6%	2.1%	0.3%	5.5%	1.6%	-0.5%
Planned Operating Results (+/-)	(4,802,400)	0	38,700	573,150	(3,072,000)	(\$7,262,550)	(719,000)
Beginning Cash Balance (1)	\$4,894,602	\$0	\$11,630,840	\$13,896,204	\$19,186,423	\$49,608,069	\$1,520,332
Estimated Ending Cash Balance	<u>\$92,202</u>	<u>\$0</u>	<u>\$11,669,540</u>	<u>\$14,469,354</u>	<u>\$16,114,423</u>	<u>\$42,345,519</u>	<u>\$801,332</u>

Notes:

- (1) Carryover cash balances are used for ongoing operational costs of support units and expenditures are restricted in accordance with bond covenants, Legislative Audit Commission guidelines and Illinois Statute.
- (2) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University Carbondale
FY 2007 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$209,155,800	\$64,893,000	\$4,280,000	\$49,612,000	\$47,177,300	\$375,118,100	\$80,556,100
Budget as of 9/30/06	207,289,700	64,893,000	4,280,000	50,011,500	47,653,600	374,127,800	81,010,200
Revenue Budget Variance	(\$1,866,100)	\$0	\$0	\$399,500	\$476,300	(\$990,300)	\$454,100
% Change	-0.9%	0.0%	0.0%	0.8%	1.0%	-0.3%	0.6%
Expenditures Estimates							
Budget as of 7/1/06	\$209,155,800	\$64,893,000	\$4,280,000	\$49,979,150	\$48,374,750	\$376,682,700	\$80,811,800
Budget as of 9/30/06	210,389,500	64,893,000	4,280,000	50,373,950	52,207,200	382,143,650	80,833,100
Expenditures Budget Variance	\$1,233,700	\$0	\$0	\$394,800	\$3,832,450	\$5,460,950	\$21,300
% Change	0.6%	0.0%	0.0%	0.8%	7.9%	1.4%	0.0%
Planned Operating Results (+/-)	(3,099,800)	0	0	(362,450)	(4,553,600)	(\$8,015,850)	177,100
Beginning Cash Balance (1)	\$3,099,800	\$0	\$6,889,900	\$8,584,100	\$11,152,600	\$29,726,400	\$2,104,750
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$6,889,900</u>	<u>\$8,221,650</u>	<u>\$6,599,000</u>	<u>\$21,710,550</u>	<u>\$2,281,850</u>

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**Southern Illinois University School of Medicine
FY 2007 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$46,086,900	\$13,400,000	\$5,444,000	\$31,659,900	\$20,846,800	\$117,437,600	\$16,361,800
Budget as of 9/30/06	<u>46,004,900</u>	<u>13,200,000</u>	<u>5,443,000</u>	<u>32,472,700</u>	<u>23,033,800</u>	120,154,400	<u>15,166,300</u>
Revenue Budget Variance	(\$82,000)	(\$200,000)	(\$1,000)	\$812,800	\$2,187,000	\$2,716,800	(\$1,195,500)
% Change	-0.2%	-1.5%	0.0%	2.6%	10.5%	2.3%	-7.3%
Expenditures Estimates							
Budget as of 7/1/06	\$46,026,200	\$13,400,000	\$5,169,300	\$31,493,700	\$20,435,200	\$116,524,400	\$16,243,300
Budget as of 9/30/06	<u>46,050,100</u>	<u>13,200,000</u>	<u>5,409,900</u>	<u>31,493,700</u>	<u>21,624,100</u>	117,777,800	<u>15,653,700</u>
Expenditures Budget Variance	\$23,900	(\$200,000)	\$240,600	\$0	\$1,188,900	\$1,253,400	(\$589,600)
% Change	0.1%	-1.5%	4.7%	0.0%	5.8%	1.1%	-3.6%
Planned Operating Results (+/-)	(45,200)	0	33,100	979,000	1,409,700	\$2,376,600	(487,400)
Beginning Cash Balance (1)	\$137,400	\$0	\$4,066,000	\$623,000	\$766,000	\$5,592,400	\$609,600
Estimated Ending Cash Balance	<u>\$92,200</u>	<u>\$0</u>	<u>\$4,099,100</u>	<u>\$1,602,000</u>	<u>\$2,175,700</u>	<u>\$7,969,000</u>	<u>\$122,200</u>

Notes:

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- (2) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University Edwardsville
FY 2007 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$117,657,400	\$30,679,200	\$1,791,400	\$31,359,900	\$20,670,100	\$202,158,000	\$23,906,800
Budget as of 9/30/06	117,654,800	33,679,200	1,791,400	31,359,900	20,670,100	205,155,400	23,906,800
Revenue Budget Variance	(\$2,600)	\$3,000,000	\$0	\$0	\$0	\$2,997,400	\$0
% Change	0.0%	9.8%	0.0%	0.0%	0.0%	1.5%	0.0%
Expenditures Estimates							
Budget as of 7/1/06	\$117,657,400	\$30,679,200	\$1,810,800	\$31,403,300	\$20,554,700	\$202,105,400	\$24,315,500
Budget as of 9/30/06	119,312,200	33,679,200	1,810,800	31,403,300	20,554,700	206,760,200	24,315,500
Expenditures Budget Variance	\$1,654,800	\$3,000,000	\$0	\$0	\$0	\$4,654,800	\$0
% Change	1.4%	9.8%	0.0%	0.0%	0.0%	2.3%	0.0%
Planned Operating Results (+/-)	(1,657,400)	0	(19,400)	(43,400)	115,400	(\$1,604,800)	(408,700)
Beginning Cash Balance (1)	\$1,657,402	\$0	\$537,708	\$4,689,104	\$6,992,388	\$13,876,602	(\$1,236,318)
Estimated Ending Cash Balance	<u>\$2</u>	<u>\$0</u>	<u>\$518,308</u>	<u>\$4,645,704</u>	<u>\$7,107,788</u>	<u>\$12,271,802</u>	<u>(\$1,645,018)</u>

Notes:

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Southern Illinois University University Administration
FY 2007 Operating Budget
by Major Fund Groups

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$1,967,900	\$0	\$50,000	\$0	\$25,000	\$2,042,900	\$0
Budget as of 9/30/06	<u>2,044,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>25,000</u>	2,119,000	<u>0</u>
Revenue Budget Variance	\$76,100	\$0	\$0	\$0	\$0	\$76,100	\$0
% Change	3.9%	0.0%	0.0%	0.0%	0.0%	3.7%	0.0%
Expenditures Estimates							
Budget as of 7/1/06	\$1,967,900	\$0	\$25,000	\$0	\$67,900	\$2,060,800	\$0
Budget as of 9/30/06	<u>2,044,000</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>68,500</u>	2,137,500	<u>0</u>
Expenditures Budget Variance	\$76,100	\$0	\$0	\$0	\$600	\$76,700	\$0
% Change	3.9%	0.0%	0.0%	0.0%	0.9%	3.7%	0.0%
Planned Operating Results (+/-)	0	0	25,000	0	(43,500)	(\$18,500)	0
Beginning Cash Balance (1)	\$0	\$0	\$137,232	\$0	\$125,435	\$262,667	\$0
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$162,232</u>	<u>\$0</u>	<u>\$81,935</u>	<u>\$244,167</u>	<u>\$0</u>

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**Southern Illinois University University Wide Services
FY 2007 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2007 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 7/1/06	\$2,501,900	\$132,000	\$0	\$0	\$1,613,300	\$4,247,200	\$776,000
Budget as of 9/30/06	2,505,000	132,000	0	0	1,625,000	4,262,000	776,000
Revenue Budget Variance	\$3,100	\$0	\$0	\$0	\$11,700	\$14,800	\$0
% Change	0.1%	0.0%	0.0%	0.0%	0.7%	0.3%	0.0%
Expenditures Estimates							
Budget as of 7/1/06	\$2,501,900	\$132,000	\$0	\$0	\$1,613,300	\$4,247,200	\$776,000
Budget as of 9/30/06	2,505,000	132,000	0	0	1,625,000	4,262,000	776,000
Expenditures Budget Variance	\$3,100	\$0	\$0	\$0	\$11,700	\$14,800	\$0
% Change	0.1%	0.0%	0.0%	0.0%	0.7%	0.3%	0.0%
Planned Operating Results (+/-)	0	0	0	0	0	\$0	0
Beginning Cash Balance (1)	\$0	\$0	\$0	\$0	\$150,000	\$150,000	\$42,300
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$42,300</u>

Notes:

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Income Fund as of 9/30/2006

Income Fund revenue includes tuition revenue, off-campus program revenue, interest earnings, and certain miscellaneous fee revenue.

Tuition revenue is a direct result of student enrollment, student residency, credit hours, and tuition rates. Enrollment projections are made two years in advance for budget purposes. Off-campus program revenue is based on charges sufficient to cover all instructional and administrative costs of the programs. Miscellaneous income includes interest earnings from cash balances that were invested in U.S. Government securities and other University Investment Pools. Also, LAC guidelines require that certain fee revenue such as application fees, course-specific fees and graduation fees be deposited into the income fund.

Southern Illinois University - Combined Total

FY 2007 Income Fund Revenue & Enrollment Projections

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$137,285,800	\$135,392,300	(\$1,893,500)
Miscellaneous Income	4,049,500	4,049,500	0
Off-Campus Programs	12,875,400	12,897,400	22,000
	-----	-----	-----
Total Revenue Estimate	\$154,210,700	\$152,339,200	(\$1,871,500)
Carryover From Previous Fiscal Year	15,100	4,894,600	4,879,500
Total Expenditure Estimate	154,150,000	157,141,600	2,991,600
Net Result	<u>\$75,800</u>	<u>\$92,200</u>	<u>\$16,400</u>

Fall Term 2006 (FY07)	Projection	Actual	Variance
Enrollment Headcount	34,974	34,452	(522)

Southern Illinois University Carbondale

FY 2007 Income Fund Revenue & Enrollment Projections

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$79,066,700	\$77,301,100	(\$1,765,600)
Miscellaneous Income	2,698,400	2,698,400	0
Off-Campus Programs	12,194,000	12,194,000	0
	-----	-----	-----
Total Revenue Estimate	\$93,959,100	\$92,193,500	(\$1,765,600)
Carryover From Previous Fiscal Year	0	3,099,800	3,099,800
Total Expenditure Estimate	93,959,100	95,293,300	1,334,200
Net Result	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Fall Term 2006 (FY07)	Projection	Actual	Variance
Enrollment Headcount	21,149	20,714	(435)

Southern Illinois University School of Medicine

FY 2007 Income Fund Revenue & Enrollment Projections

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$6,370,100	\$6,264,200	(\$105,900)
Miscellaneous Income	19,500	19,500	0
Off-Campus Programs	0	0	0
	-----	-----	-----
Total Revenue Estimate	\$6,389,600	\$6,283,700	(\$105,900)
Carryover From Previous Fiscal Year	15,100	137,400	122,300
Total Expenditure Estimate	6,328,900	6,328,900	0
Net Result	<u>\$75,800</u>	<u>\$92,200</u>	<u>\$16,400</u>

Fall Term 2006 (FY07)	Projection	Actual	Variance
Enrollment Headcount	289	289	0

Southern Illinois University Edwardsville

FY 2007 Income Fund Revenue & Enrollment Projections

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$51,849,000	\$51,827,000	(\$22,000)
Miscellaneous Income	1,331,600	1,331,600	0
Off-Campus Programs	681,400	703,400	22,000
	-----	-----	-----
Total Revenue Estimate	\$53,862,000	\$53,862,000	\$0
Carryover From Previous Fiscal Year	0	1,657,400	1,657,400
Total Expenditure Estimate	53,862,000	55,519,400	1,657,400
Net Result	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Fall Term 2006 (FY07)	Projection	Actual	Variance
Enrollment Headcount	13,536	13,449	(87)