

*Change does not necessarily assure progress,  
but progress implacably requires change.  
Education is essential to change, for education  
creates both new wants and the ability to satisfy them.*

—Henry Steele Commager

## Message from the President



At the heart of this past year's achievements lies the collective energy of Oakton students and employees working together to move the College forward. In the last 12 months the College has witnessed significant changes—from implementing the new Banner Student Information System to opening the dazzling Art, Science, and Technology Pavilion at the Ray Hartstein Campus in Skokie.

At the same time, the Oakton community launched its self study in anticipation of the Higher Learning Commission's reaccreditation visit in October 2007. Through the dedicated work of faculty, staff, and administrators, we began identifying not only what matters most to the life of the College but also the challenges and opportunities that lie ahead. While Oakton enjoys a reputation as one of the finest community colleges in the nation, we remain mindful that we must continue to raise the bar, stretching all of us to reach even bolder achievements.

On the pages of this annual *President's Report to the Community* you will discover the magic of the learning environment at Oakton—the top-flight faculty who know their stuff and deeply care about their students, the innovative programs, the state-of-the-art facilities, and the profound commitment to meet the changing needs of those whom we serve. As the College continues to build on its current momentum, I believe we must continue our tradition of making imaginative and courageous choices to provide an even better learning experience for our students. As the words of the legendary Les Brown remind us, “Shoot for the moon. Even if you miss it, you will land among the stars.”

A handwritten signature in black ink that reads "Margaret B. Lee". The signature is written in a cursive, flowing style.

—Margaret B. Lee  
President

## OUR VISION, MISSION AND VALUES



### **WE ARE THE COMMUNITY'S COLLEGE.**

- We are dedicated, first, to excellence in teaching and learning.
- We challenge our students to experience the hard work and satisfaction of learning that leads to intellectual growth and support them academically, emotionally and socially.
- We encourage them to entertain and question ideas, think critically, solve problems, and engage with other cultures, with one another, and with us.
- We expect our students to assume responsibility for their own learning, to exercise leadership and to apply ethical principles in their academic, work, and personal lives.
- We demand from ourselves and our students tolerance, fairness, responsibility, compassion and integrity.

### **WE ARE A COMMUNITY OF LEARNERS.**

- We provide education and training for and throughout a lifetime.
- We seek to improve and expand the services we offer in support of the people in the communities we serve.
- We promote a caring community of staff and faculty members, students, administrators, and trustees who, in keeping with our values, work together to fulfill our mission.

### **WE ARE A CHANGING COMMUNITY.**

- We recognize that change is inevitable and that education must be for the future.
- We respond to change informed by our values and our responsibility to our students and our communities.
- We challenge our students to be capable global citizens, guided by knowledge and ethical principles, who will shape the future.

*Ratified by the Board of Trustees, October 20, 1998*

## QUALITY LEARNING AS THE CORE

### EXEMPLARY LEADER

Erick Mann, Oakton's chair of historical and political studies, earned recognition as an Exemplary Leader at the Chair Academy's 2006 Exemplary Leadership Awards. The Chair Academy, a national organization created to recognize exceptional midlevel academic administrators, provides training to future leaders. The academy noted Mann's overall departmental leadership and commitment to loyalty, diversity, integrity, efficiency, and open communication.



### GREAT BOOKS

Collaborating with a national Great Books Consortium of community colleges, Oakton

recently added Great Books to its curricula. This program integrates significant texts from Western and non-Western traditions with the study of several disciplines, including English, history, and philosophy.

### NEW FACULTY

Among Oakton's qualified and talented new faculty members are: **Carlos Briones**, associate professor of humanities and philosophy, M.A., University of Houston, M.S., University of Connecticut, B.S., Instituto Tecnológico de Monterrey (Mexico); **Gregory Hamill**, associate professor of sociology, Ph.D., Loyola University, M.A., University of Michigan, M.A., Loyola University, B.B.A., University of Illinois; **Nancy Hollins**, instructor of basic nurse assistant training, B.S.N., Lewis University;

**Joo Lee**, associate professor of humanities and philosophy, Ph.D., Pennsylvania State University, B.A., University of Pennsylvania, B.A., Katholieke Universiteit Leuven (Belgium); and **George Scharm**, professor of law enforcement, M.S., National-Louis University, B.A., National College of Education.

### ORGANIC CHEMISTRY ENHANCEMENT

To keep pace with advancements in laboratory research, Oakton purchased a gas chromatograph for organic chemistry. Installed in time for fall 2006 classes, the chromatograph adds a much needed component to students' standard lab skills, by providing a basic tool to support inquiry-based activities and supply direct data for interpretation and evaluation of organic reactions. Funded in part by the Oakton Educational Foundation, the gas chromatograph will be used by more than 300 students each semester.



## TECHNOLOGY



### SUPPLY AND DEMAND

In collaboration with industry leader Stratum Global and other corporate partners, Oakton unveiled the first community college laboratory to teach the principles of Radio Frequency Identification.

RFID is the fastest-growing segment of the auto-identification technologies being used in business—designed to improve data accuracy and reduce the amount of time and labor needed to track everything from raw materials to finished products (and in some cases, animals and people). Over the next decade, market researchers predict the RFID industry will expand from its current \$3 billion annually to \$26 billion. Oakton is developing two certificate programs that will give students the opportunity to study how RFID infrastructure can solve business problems, and its role in the larger transportation, warehousing, and logistics industry. Other companies contributing to the RFID lab at Oakton's new Art, Science, and Technology Pavilion include William Frick, Intel, Intermec Technologies Corp., Omron Corporation, and Zebra Technologies.

### NSF GRANT

More than 2,700 Oakton and area high schools students interested in pursuing careers in science, technology, engineering, and mathematics (STEM) participated in the three-year National Science Foundation Partnership to Increase STEM Enrollment and Student Success at Oakton. While the

College recently received NSF funding to continue the program for another three years, its success to date remains undisputed. The initiative consists of five components: STEM Enrichment Program, Peer Tutor Training Program, Student-Industry-Teacher Simulations (winner of a 2005 Innovation Award from the Illinois Council of Community College Administrators), study sessions, and extracurricular club activities. In addition to training tutors and improving student success in algebra testing, Oakton's national ranking in the American Mathematical Association of Two Year Colleges (AMATYC) improved from 87th place in fall 2002 to 28th in spring 2005.

### DISTANCE EARNING

With an eye toward the ever-growing need for supply chain professionals, Oakton hosted **Going Places: The Conference on Careers in Transportation and Logistics Industry**. Aimed at high school counselors, career advisors, and higher education faculty, the free conference was simulcast via distance learning technology to participants at Harold Washington College in Chicago, Prairie State College in Chicago Heights, and Waubonsee Community College in Sugar Grove, Illinois. The event's keynote speaker was Michael Crum, Ph.D., professor of logistics and supply chain management at Iowa State University. Additional presenters included Robert Shaunnessey, executive director of the Warehouse Education Research Council; Harrie Swinkels, CEO of SSI Schaefer; Edward Grant, senior project manager for Walgreens; and Robert Gernon, vice president of Pacer Global Logistics. The conference was funded through a Workforce Investment Incentive Grant provided by the Illinois Community College Board, with support from the Workforce Boards of Metropolitan Chicago and participating community colleges.

# ENTREPRENEURSHIP AND INNOVATION

## CAPITOL GAINS

President Margaret Lee traveled to Washington, D.C., on two momentous occasions. In January, at the exclusive invitation of U.S. Secretary of State Condoleezza Rice and Secretary of Education Margaret Spellings, Lee attended the U.S. University Presidents Summit. Some 110 U.S. college and university presidents took part in the summit, which explored the need to encourage more U.S. students to study abroad, and more international students to enroll in U.S. universities. This global theme continued six months later when Lee was inducted into the 50th Anniversary Local Government Leadership Circle by Sister Cities International. Since 1985, Lee and Oakton have played a vital role in strengthening local citizen diplomacy, by volunteering to host international groups and organizations, and making College resources available for Sister Cities activities.



## NOBEL TRUTHS

Dr. Leon Lederman, winner of the Nobel Laureate in Physics (1988) and an outspoken

advocate for new approaches to teaching science, was the keynote speaker at Oakton's annual CEO, Scholar, and Expert Forum. Challenging administrators, faculty, and students alike to develop more comprehensive

and engaging science curricula, Lederman shared lessons and anecdotes from his distinguished career as part of the 2006 American Mathematical Association of Two-Year Colleges Math Competition awards ceremony. Lederman, the former director of Fermi National Accelerator Laboratory in Batavia, Illinois, is past president of the American Association for the Advancement of Science and a founder of the Illinois Mathematics and Science Academy. His appearance at Oakton was funded in part by the National Science Foundation.

## INFANT TODDLER CONFERENCE

The Ninth Annual Infant Toddler Conference in October explored such topics as food allergies, fussy babies, and sensory awareness. Teachers, child care practitioners, and parents from around the region came to Oakton for informative seminars and workshops about infants and toddlers. Nancy Balaban, director of infant and parent development at Bank Street College in New York, delivered the morning keynote, "Everyday Goodbyes: Easing the Separation Process for Infants, Toddlers, and Families."



## FOCUS ON STUDENTS

### FOUNDATIONS OF EXCELLENCE

As part of a renewed commitment to help new students achieve their academic goals, Oakton joined the national **Foundations of Excellence** project. Oakton was among 10 community colleges selected from more than 70 applicants for the two-year endeavor.

Between August 2005 and May 2006, a task force of 33 faculty, staff, and administrators engaged in a comprehensive internal assessment to identify ways the College might improve programs and services to first-year students. The self-study led to the WISE campaign (Welcoming, Informing, Supporting, and Engaging), an initiative used throughout the

College to visually represent this enhanced dedication to new students.

### FINANCIAL AID WORKSHOPS

Parents and students seeking help to pay for college attended “FAFSA Completion Day” in February at both the Des Plaines and Skokie campuses. Provided as a community service, these free seminars offered information to any student seeking financial aid for the 2006-07 academic year—regardless of the Illinois or out-of-state college they planned to attend. Financial aid experts, using Oakton’s

computer labs, assisted more than 50 families in completing the 2006-2007 *Free Application for Federal Student Aid* (FAFSA) required for any federal or state financial assistance. This annual event is part of College Awareness Preparation Month, sponsored by the Illinois Association for College Admission Counseling, Illinois Student Assistance Commission, and Illinois Association of Student Financial Aid Administrators.

### PERSONAL BESTS

Sports highlights during 2005-06 included a variety of personal bests by Oakton student-athletes and coaches. Under head coach Denise Hollis, the women’s volleyball team posted 36 wins, the most in College history. Hollis also established “The Attack Club,” a booster organization whose generous support helped make the season a success.

In cross-country, Jessica Baldino earned the National Junior College Athletic Association (NJCAA) Region IV Women’s Cross-Country Runner of the Year by winning the three-mile race against dozens of competitors. She also was named to the NJCAA Division I Women’s Cross All-American Team for her Top 10 finish in the 5K race at the NJCAA Division I Cross-Country Championship in Lawrence, Kansas.

Soccer defender Alen Malkoc earned a slot on the Men’s Division I Junior College All-America Second Team by the National





Soccer Coaches Association of America (NSCAA) for his outstanding accomplishments. Malkoc anchored one of the stingiest defenses in the country as the Raiders posted a 1.24 goals against average, the best in College history. A two-year starter, he also scored six goals on the season and was named Most Valuable Player in the Skyway Conference.

First year head baseball coach Bill Fratto earned honors as Skyway Conference Coach of the Year, and launched nine of his players to the Skyway All-Conference Team. Fratto's team won 40 games—just one shy of a College record—and ranked as high as No. 7 in the NJCAA Division II Baseball Poll.

Coach Glen Watson led the women's

softball squad to its first winning season in many years, with Susan Domenick selected as a Second Team All-American by the NJCAA. Batting .524 during the 2006 season, she holds the College record for most stolen bases in a career with 61.

For the fourth year in a row under head coach Neal Sipkovsky, the men's tennis team qualified for the NJCAA Division I National Tennis Tournament, and player Dave Ptak captured MVP in the Skyway Conference.

During a men's and women's basketball game in February, Oakton inaugurated "Jam the Gym," a fan appreciation night for students and employees. Fans enjoyed free refreshments, contests, and prizes ranging from t-shirts to an overnight hotel package.

# DIVERSITY

## **CULTURALLY COMPETENT LEADERSHIP**

More than 90 Oakton staff, faculty, administrators, and trustees attended an off-site seminar entitled, "Understanding Institutional Privilege and Building Culturally Competent Leadership." This day-long workshop explored the ways in which race, ethnicity, class, sexual orientation, and other factors affect the College community. Through role playing and dialogue, Oakton employees were able to identify common stereotypes and recognize the ways in which the structure of dominant culture privilege can influence institutional policies and procedures and lead to patterns of discrimination. Participants also left with the ability to evaluate College practices to eliminate institutional privilege. Three experts from the University of Oregon developed and facilitated the seminar: Cris Clifford Cullinan, Ph.D., training and development administrator; Carla Gary, J.D., assistant vice provost for institutional equity and diversity; and Terry Leary, M.P.A., affirmative action/equal opportunity specialist.

## **GLOBAL DANCE**

In March, Oakton celebrated Cultures Week, a five-day series of lectures, demonstrations, and film screenings that explore diversity. The event concluded with a performance by One World Dance Theater, a multi-racial group that fuses Latin, African, Middle Eastern, flamenco, jazz, and hip hop dance to create a global community.

## **COMMUNITY OUTREACH**

Rapidly growing ethnic populations throughout Oakton's district prompted the College to create and distribute nearly 20,000 copies of *Business Lessons 101: Etiquette for the Workplace* to local high schools and Oakton students enrolled in business courses. Written in English, and translated into Spanish, Polish, and Mandarin Chinese, the brochure responds to data collected from research conducted with more than 60 employers who were contacted about their expectations and needs for employees in



general business positions. A grant from the Illinois Center for Specialized Professional Support assisted with the project. In addition, the Office of Admission and Enrollment Management developed new recruitment materials in English and Spanish, distributed to prospective students via direct mail, high school outreach, and campus visits.



## COMMUNITY PARTNERSHIPS AND WORKFORCE DEVELOPMENT



### SPREADING THE WORD

Oakton's Television and Production Services helped spread the word about the importance of nutrition using a national celebrity. Subway spokesman Jared Fogle, who lost 245 pounds eating low-fat sandwiches from the national chain and little else, taped an educational video that aired on Oakton's television access channels in Des Plaines, Glenview, Park Ridge, and Skokie. The video is now part of the American Heart Association archive, as well as the College's own educational library. Fogle also was a featured guest on Oakton's weekly radio series, *Impact*, which airs every Sunday on WTMX-FM.

### DOCUMENTARY FILM PREMIERE

Oakton joined with thousands of schools, churches, and other organizations nationwide in a unique grass roots campaign to debut director Robert Greenwald's controversial documentary about the nation's largest "big box" chain. *Wal-Mart: The High Cost of Low Price* presented an unflinching look at how many U.S. families and local businesses struggle to survive the retail juggernaut. A Q-and-A session with producer Devin Smith of Brave New Films followed the screening, attended by hundreds of students, faculty, and community residents. Greenwald's previous films include *Outfoxed: Rupert Murdoch's War on Journalism* and *Uncovered: The War on Iraq*.

### LIKE A HURRICANE

The devastation brought by Hurricane Katrina was too much to handle for Krissie Harris, Oakton coordinator of student activities. After watching another heart-wrenching night of news, Harris planned a trip to Jackson, Mississippi—a city ravaged by tornados and left without electrical power. She appealed to the College community for supplies and financial help, and donations came in quickly. Harris, along with her cousin, Dana Waldrup, loaded a truck and drove to Jackson, not knowing what they would find. They were met with upturned trees, national troops, and refugees from New Orleans. After delivering the items they collected, they returned to Chicago. Several months later, members of the Oakton group, Students for Social Justice, traveled to Mobile, Alabama, and New Orleans to work on cleanup efforts in homes and a historic cemetery.



### TEACHING THE DEAF

While the U.S. population of deaf and hard of hearing students has grown by more than 12,000 in the last decade, the number of teachers prepared to work with this cohort has essentially remained the same. To address this critical shortage, and to increase the professional skills of practicing teachers, Oakton has entered into a partnership with Illinois State University and the Northbrook-based International Center on Deafness and the Arts (ICODA). In the first two years of a three-year implementation, Oakton presented three 18-hour pilot courses: “Introduction to Education of Children with Cochlear Implants,” “The Development of Audition and Speech in Children with Cochlear Implants,” and “Collaboration with Families and Professionals Serving Young Children Who Are Deaf and Hard of Hearing.”

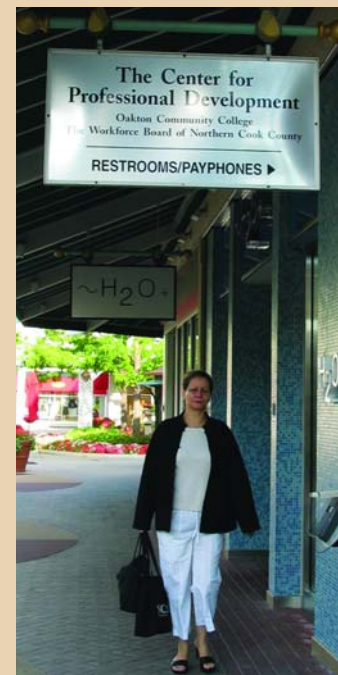
The use of interactive distance learning technology not only encouraged the use of national leaders as instructors, but also enabled the two latter seminars to be presented at the School for the Hearing Impaired in Marion, Illinois, as well as to a group of professionals working in the far southern Chicago suburbs. Current target audiences for these expanded workshops include teachers, supervisors and administrators, audiologists, speech pathologists, and occupational and physical therapists. Long-term goals call for developing an undergraduate program to feed ISU’s program in Education of the Deaf and Hard of Hearing.

### OAKTON AT OLD ORCHARD

Through a partnership with the Workforce Board of Northern Cook County, Oakton recently broadened its reach to Westfield Old Orchard, a popular open-air shopping mall in Skokie. A variety of credit and noncredit courses are available at Oakton’s “Westfield campus,” including business development, English as a Second Language, and food sanitation certification. This convenient location enables Oakton to serve increased numbers of community members, as well as employees of the mall’s more than 180 retail stores and restaurants.

### HEART WALK

Each year across the nation, the American Heart Association hosts events to promote heart-healthy lifestyles. These Heart Walks support the organization’s mission “to reduce disability and death from cardiovascular diseases and stroke.” This year the association designated Oakton’s Des Plaines campus as one of its Heart Walk sites. Participants enjoyed the campus’ pastoral views while raising money and awareness.



## LEARNING AND WORKING ENVIRONMENT

### BANNER YEAR

Following 18 months of intensive work and collaboration across all departments, Oakton implemented the first phase of the Banner Student Information System in February 2006. The upgraded platform not only provides a more stable foundation for students' administrative records but also improves online services such as applying for admission, registering for classes, and paying tuition. A dynamic feature of the new system is *myOakton*, a Web portal for students and employees that provides access to vital information, from campus announcements to the weather. The next phase of the project will be the installation of upgraded software for payroll and other financial data.

### EASY BEING GREEN

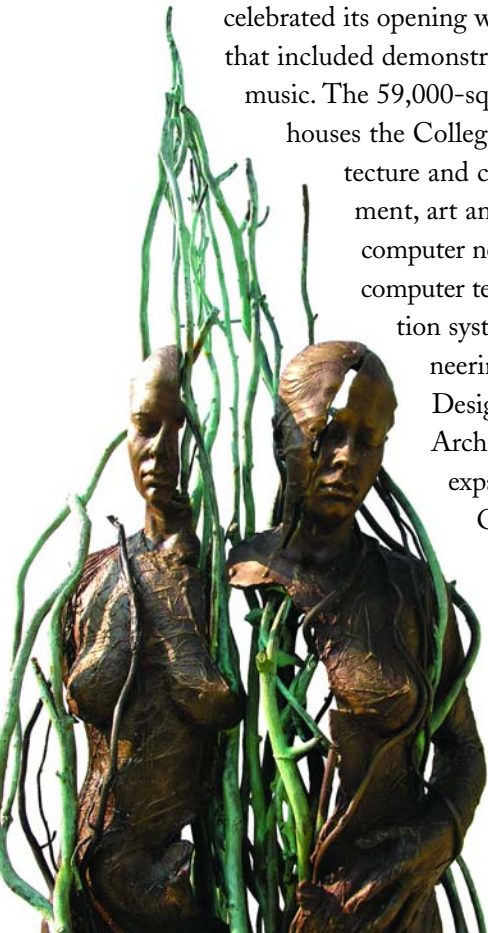
In April, the Art, Science, and Technology Pavilion at the Ray Hartstein Campus celebrated its opening with a public ceremony that included demonstrations, tours, and music. The 59,000-square-foot addition

houses the College's programs in architecture and construction management, art and graphic design, computer networking and systems, computer technology and information systems, electronics, engineering, and manufacturing. Designed by Ross Barney Architects, the \$15 million expansion underscores Oakton's commitment to be environmentally responsible. With a

\$75,000 grant from the Illinois Clean Energy Fuel Foundation, the architects incorporated energy efficient features into the Pavilion, including a bamboo floor in one part of the facility. In addition, all heating, cooling, data, voice, and power supplies are located beneath a raised floor, reducing stress on the natural environment.

### PERMANENT COLLECTION ACQUISITIONS

Works by seminal Midwestern artists Ed Paschke, Roger Brown, and Karl Wirsum are among approximately \$500,000 worth of recent acquisitions by the Koehnline Museum of Art. "Tin Tan," an aquatint etching by Paschke, who died in 2004, was acquired for Oakton's permanent collection at the Ray Hartstein Campus, as were the Brown lithograph, *Hank Williams, Honky Tonk Man*, and Wirsum's *Blue Burger Quartet à la Carte*. Three new bronze sculptures adorning the Art, Science, and Technology Pavilion courtyard are John Adduci's *Armillary, the Center of the Universe, Cascading Melody*, by the Fine Art Studio of Rotblatt-Amrany, and *Gaia*, by Dora Natella. Additional gifts to the permanent collection include nearly two dozen paintings by 20th century abstract expressionist Joseph Meert, a student of Thomas Hart Benton and close friend of Jackson Pollock. The KMA also added works by Meert contemporaries Julius Kramer, Arnold Blanch, Emil Bisttram, and Matthew Ziegler.





## FISCAL RESPONSIBILITY

### GRANTS

Oakton continues to pursue a variety of grants to supplement programs that serve our students. Opportunities that arose during fiscal year 2006 clearly illustrate that grants can act as a stimulus to generate additional donations and contributions to fund exciting new programs. In total, Oakton accepted 27 federal, state and private source grants worth more than \$2.5 million.

When the Illinois Community College Board awarded Oakton a \$50,000 Workforce

Investment Act pilot grant, the plan was to host a local conference on Transportation, Warehousing and Logistics, and to purchase related equipment and develop learning modules to incorporate into current courses. The conference grew to include five community colleges and 10 workforce boards in the northeastern Illinois region, attracted international experts in TWL, and num-

bered 400 attendees. The curriculum development component of the grant also increased dramatically, resulting in the donation of

more than \$180,000 in technology equipment and establishing Oakton as the nation's only community college with an RFID-equipped lab. The College also has developed two new certificate programs, one in Radio Frequency Identification Technology, and one in Transportation, Warehousing and Logistics Management. The TWL grant continues to bring new attention to Oakton, in the form of industry partnerships and projects, new grant proposals, and collaborations with other community colleges.

Grant funding has enabled Oakton to continue delivery of services to students through the U.S. Department of Education's Student Support Services (TRiO) program, and the National Science Foundation's STEM Talent Expansion Program (STEP). SSS/TRiO provides first generation and low-income students with the essential assistance to be successful in their studies at Oakton, including tutoring, peer support, advisement, and other services. The NSF STEP program focuses on encouraging and promoting success among students interested in pursuing careers in science, technology, engineering and mathematics.

Oakton's VITA (Volunteers in Teaching Adults) literacy program received approximately \$100,000 to continue its important work in helping adults learn or improve their English literacy. Funders included the Office of the Illinois Secretary of State; the *Chicago Tribune* Holiday Giving, a fund of the McCormick Tribune Foundation; and the Dollar General Fund.





# FINANCIAL REPORT

Oakton remains financially sound. A financial condition summary and history based on a condensed view of assets, liabilities and net assets for all funds and account groups, which accompanies this information, is detailed extensively in the College's *Comprehensive Annual Financial Report* for each of these years ([www.oakton.edu/resource/fin](http://www.oakton.edu/resource/fin)).

## ASSETS

Current assets are those resources reasonably available within one year. Unlike other forms of assets, cash and equivalents such as checking account balances can be used immediately for current operational needs, such as meeting the payroll or paying vendors. Short-term investments represent the College's holdings in allowable financial instruments due within one year, such as the State Treasurer's Pool. Receivables represent those monies due to the College but not yet available for use; examples include property taxes not yet paid for the remainder of the current levy and half of the estimated levy

for the coming year and accrued interest. Other assets include prepaid expenditures and bookstore inventory.

Noncurrent assets are the College's long term financial and plant resources. Restricted cash is the College's escrow contribution to the state-supported construction at the Ray Hartstein Campus. Long-term investments represent the College's holdings in allowable financial instruments due in more than one year, such as T-Bonds and GNMA's. Plant and equipment account for the College's equity in land, buildings, real estate improvements (such as roads and security lighting), and capital equipment expenditures such as computer network servers and digital projectors. Property tax receivable includes the second half of the estimated levy for the coming year. Student loans are the outstanding balances due for loan programs. Depreciation is the recovery of the costs of plant and equipment over their expected useful lives.

### Condensed Statement of Net Assets and History

as of June 30

|                                | FY 02<br>(000)          | FY 03<br>(000)          | FY 04<br>(000)          | FY 05*<br>(000)         | FY 06*<br>(000)         |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Current Assets</b>          |                         |                         |                         |                         |                         |
| Cash and Equivalents           | \$4,155                 | \$1,342                 | \$13,311                | \$3,370                 | \$1,653                 |
| Short-term Investments         | 41,419                  | 40,946                  | 39,255                  | 37,905                  | 46,054                  |
| Property Tax Receivable        | 28,954                  | 29,267                  | 30,754                  | 32,075                  | 34,076                  |
| Student Tuition Fees           | —                       | —                       | —                       | —                       | 3,380                   |
| Accounts Receivable            | 1,280                   | 2,715                   | 1,182                   | 1,513                   | 3,046                   |
| Other Assets                   | 950                     | 1,181                   | 986                     | 1,373                   | 1,124                   |
| <b>Noncurrent Assets</b>       |                         |                         |                         |                         |                         |
| Restricted Cash                |                         | 6,713                   | 4,653                   | 2,897                   | 2,461                   |
| Long-term Investments          | 15,822                  | 16,025                  | 13,268                  | 27,520                  | 21,167                  |
| Property Tax Receivable        | 14,633                  | 15,222                  | 15,792                  | 16,345                  | 17,109                  |
| Student Loans                  | 92                      | 56                      | 52                      | 20                      | 17                      |
| Plant and Equipment            | 81,621                  | 81,203                  | 84,065                  | 88,602                  | 88,224                  |
| less Depreciation              | (25,355)                | (26,213)                | (26,762)                | (27,526)                | (25,916)                |
| <b>TOTAL ASSETS</b>            | <b><u>163,571</u></b>   | <b><u>168,457</u></b>   | <b><u>176,556</u></b>   | <b><u>184,094</u></b>   | <b><u>192,395</u></b>   |
| <b>Current Liabilities</b>     |                         |                         |                         |                         |                         |
| Accounts Payable               | 1,499                   | 1,284                   | 899                     | 819                     | 748                     |
| Accrued Payroll                | 1,900                   | 2,299                   | 3,322                   | 2,842                   | 2,123                   |
| Other Accrued Liabilities      | 5,155                   | 4,093                   | 3,259                   | 4,717                   | 6,702                   |
| Unearned Revenues              | 30,685                  | 31,935                  | 33,270                  | 34,444                  | 39,482                  |
| <b>Noncurrent Liabilities</b>  |                         |                         |                         |                         |                         |
| Unearned Property Tax Revenues | 14,633                  | 15,222                  | 15,792                  | 16,345                  | 17,109                  |
| <b>TOTAL LIABILITIES</b>       | <b><u>53,872</u></b>    | <b><u>54,833</u></b>    | <b><u>56,542</u></b>    | <b><u>59,167</u></b>    | <b><u>66,164</u></b>    |
| <b>Net Assets</b>              |                         |                         |                         |                         |                         |
| Invested in Capital Assets     | 56,266                  | 54,990                  | 57,303                  | 61,076                  | 62,309                  |
| Restricted                     | 24,726                  | 25,047                  | 26,630                  | 24,676                  | 22,138                  |
| Unrestricted                   | 28,707                  | 33,587                  | 36,081                  | 39,175                  | 41,784                  |
| <b>TOTAL NET ASSETS</b>        | <b><u>\$109,699</u></b> | <b><u>\$113,624</u></b> | <b><u>\$120,014</u></b> | <b><u>\$124,927</u></b> | <b><u>\$126,231</u></b> |

\*Fiscal years 2005 and 2006 reflects the College's adoption of GASB standards 43, 45 and 47.

**LIABILITIES**

Current liabilities are short-term obligations. Accrued payroll, accounts payable, and other accrued liabilities represent amounts due to employees or vendors for services, supplies or equipment provided to the College. Unearned revenues includes property taxes from the current levy and half the estimated future levy legally collectible but not income until after the end of the fiscal year.

Noncurrent liabilities represent long-term obligations, usually due over a number of years. Unearned property tax revenues represent the second half of the future levy to be collected.

**NET ASSETS**

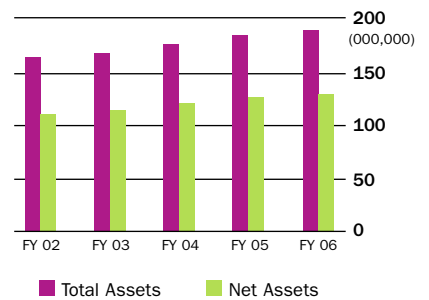
Net assets are either the accumulated resources invested in plant and equipment or resources available with or without restriction, the latter generally available for payment of future expenses.

**PROPERTY TAXES**

The local property owner has provided almost 45 percent of total resources over the last five years. However, for a typical homeowner, Oakton's 2005 rate of 0.157 dollars per \$100 assessed valuation represents only 2.32 percent of the tax bill, compared with a high school rate more than 10 times higher, or the combined county rate almost six times higher.

Property taxes are a significant source of revenue for all Illinois community colleges. Based on the latest available state-wide comparative data (2004 levy), Oakton compares very favorably with other colleges. In that year Oakton's total rate was 0.185; the average total rate for the 10 local community college peer group was 0.300; the highest rate in the state was 0.611; and the average rate for all community colleges in the state was 0.403.

**Growth of Assets**  
Fiscal Years 2002-2006



**2005 Property Tax Rates**  
for a typical homeowner in Oakton's district

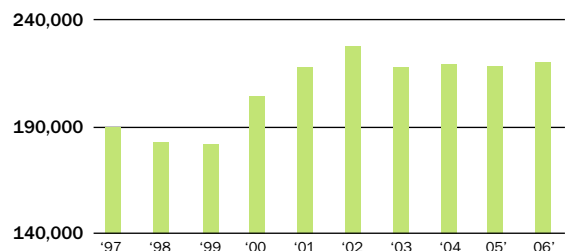
| Taxing Body       | Rate*        | %Total         |
|-------------------|--------------|----------------|
| County            | 0.922        | 13.62%         |
| City              | 1.218        | 17.99%         |
| Township          | 0.135        | 1.99%          |
| Grade School      | 2.582        | 38.13%         |
| High School       | 1.757        | 25.95%         |
| <b>Oakton</b>     | <b>0.157</b> | <b>2.32%</b>   |
| <b>Total Rate</b> | <b>6.771</b> | <b>100.00%</b> |

*\*In dollars per \$100 of equalized assessed valuation*

**CREDIT HOUR ENROLLMENT HISTORY**

FISCAL YEARS 1997-2006

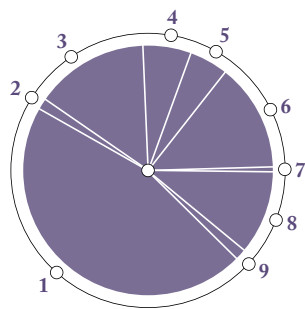
The success in maintaining total credit hour enrollment over the last ten years represents the College's efforts to meet the educational requirements of the community by providing quality instruction, congenial facilities, and course offerings that accommodate student needs.



## REVENUES BY SOURCE

Local residential and business property owners continue as the primary source of revenues for the College, followed in order by contributions from students, auxiliary enterprises and the state. However, the property tax cap will limit increases in property taxes as a revenue source and will force the College to actively seek other avenues of funding for educational and service activities for the students and the community. Operating revenue decreased by \$0.3 million primarily due to a decrease of \$0.6 million in Auxiliary Revenues, which was partially offset by an increase of \$0.2 million in tuition and fees income, and an increase of \$0.1 million in the Other Revenues category. The decrease in Auxiliary Revenues was primarily due to a reduction in the Illinois Community College Board grants received by the College for credit hours generated in its Continuing Education area. Operating expenses increased \$1.4 million due to an increase in salaries, health care costs, and the recognition of post-retirement employee benefits per early implementation of Governmental Accounting Standards Board (GASB) Statements No. 43, 45 and 47. The opening of the Art, Science, and Technology Pavilion at the Ray Hartstein Campus also increased costs for utilities and supplies versus the prior year. Non-operating revenues decreased by \$1.9 million primarily due to a significant reduction in State Grants and Contracts of both an operational and capital nature. Investment income decreased due to a significant reduction in its long term investments valuation, which would translate into an actual dollar loss if sold before maturity. Oakton's tuition at \$69 per credit hours in FY2006 remains among the most competitive in the area, especially when compared

with the highest Illinois community college tuition at \$78, the state average of \$63.07 and the local area average of \$68.43. The federal support to primary College operations is small in comparison with other sources and generally consists of aid to students.



### Revenues by Source

|                          |       |
|--------------------------|-------|
| 1. Property Tax          | 47.7% |
| 2. Local                 | 0.4%  |
| 3. State                 | 13.4% |
| 4. Federal               | 5.3%  |
| 5. Investments           | 2.5%  |
| 6. Students              | 16.6% |
| 7. Chargeback            | 0.1%  |
| 8. Auxiliary Enterprises | 13.6% |
| 9. Other                 | 0.4%  |

### Revenues for the years ended June 30

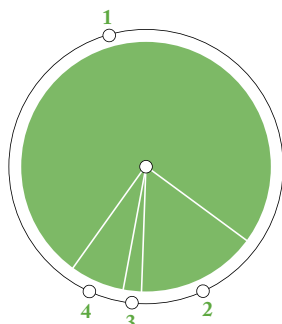
|                                     | FY 02<br>(000) | FY 03<br>(000) | FY 04<br>(000) | FY 05*<br>(000) | FY 06*<br>(000) |
|-------------------------------------|----------------|----------------|----------------|-----------------|-----------------|
| <b>OPERATING REVENUE</b>            |                |                |                |                 |                 |
| Student Tuition and Fees            | \$8,734        | \$9,805        | \$11,116       | 11,342          | \$11,486        |
| Chargeback Revenue                  | 54             | 64             | 74             | 80              | 98              |
| Auxiliary Enterprises               | 8,574          | 9,247          | 9,511          | 10,040          | 9,425           |
| Other Sources                       | 75             | 104            | 123            | 163             | 252             |
| <b>Total Operating Revenues</b>     | <b>17,437</b>  | <b>19,220</b>  | <b>20,824</b>  | <b>21,625</b>   | <b>21,261</b>   |
| <b>Total Operating Expenses</b>     | <b>60,865</b>  | <b>61,637</b>  | <b>80,234</b>  | <b>66,742</b>   | <b>68,067</b>   |
| Operating Loss                      | (43,428)       | (42,417)       | (59,410)       | (45,117)        | (46,806)        |
| <b>NON-OPERATING REVENUE</b>        |                |                |                |                 |                 |
| Property taxes                      | 28,075         | 28,663         | 30,577         | 31,159          | 33,118          |
| Local Grants and Contracts          | 786            | 262            | 306            | 254             | 303             |
| State Grants and Contracts          | 12,186         | 12,280         | 13,904         | 12,513          | 9,282           |
| Federal Grants and Contracts        | 3,001          | 3,214          | 3,452          | 3,675           | 3,662           |
| Investment Income Earned            | 2,948          | 1,924          | 706            | 2,429           | 1,745           |
| Extraordinary On-behalf Pension     | 0              | 0              | 16,855         | 0               | 0               |
| <b>Total Non-operating Revenues</b> | <b>46,996</b>  | <b>46,343</b>  | <b>65,800</b>  | <b>50,030</b>   | <b>48,110</b>   |
| <b>Increase in Net Assets</b>       | <b>\$3,568</b> | <b>\$3,926</b> | <b>\$6,390</b> | <b>\$4,913</b>  | <b>\$1,304</b>  |

\*Fiscal years 2005 and 2006 reflects the College's adoption of GASB standards 43, 45 and 47.

## EXPENDITURE BY TYPE OF COST

As with any service organization, personnel costs—salaries and benefits—make up the largest single cost category at 70.9 percent. Salaries alone represent 58.7 percent of total costs. Benefits, including health, unemployment and Medicare insurance costs, constitute 12.2 percent of total expenditures.

Supplies and service expenditures account for more than 19 percent of operating expenditures. They include services provided by outside agencies, as well as instructional and administrative supplies. Other expenses includes depreciation and miscellaneous expenditures. Depreciation accounts for most of this category.



### Expenditure by Type of Cost

|                          |       |
|--------------------------|-------|
| 1. Personnel             | 70.9% |
| 2. Supplies and Services | 19.3% |
| 3. Utilities             | 2.3%  |
| 4. Other                 | 7.5%  |

### Use of Resources by Type of Cost for the years ended June 30

|                                 | FY 02<br>(000)  | FY 03<br>(000)  | FY 04<br>(000)  | FY 05*<br>(000) | FY 06*<br>(000) |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Personnel Costs                 | \$40,933        | \$42,215        | \$44,519        | \$48,908        | 48,262          |
| Supplies and Services           | 12,842          | 11,811          | 11,761          | 12,249          | 13,137          |
| Utilities                       | 1,343           | 1,413           | 1,325           | 1,406           | 1,543           |
| Other Expenses                  | 5,748           | 6,198           | 5,774           | 4,179           | 5,125           |
| Extraordinary On-behalf Pension | 0               | 0               | 16,855          | 0               | 0               |
| <b>Total Expenditures</b>       | <b>\$60,866</b> | <b>\$61,637</b> | <b>\$80,234</b> | <b>\$66,742</b> | <b>\$68,067</b> |

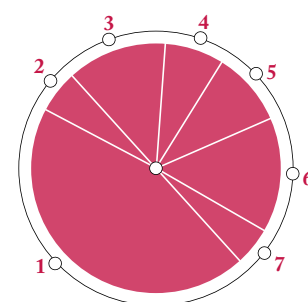
\*Fiscal years 2005 and 2006 reflects the College's adoption of GASB standards 43, 45 and 47.

## EXPENDITURE BY TYPE OF SERVICE

Instruction includes those activities that deal directly with or aid in the teaching process. Instruction expenditures include not only personnel costs and supplies but also the personnel and materials required to plan, implement and manage the instructional programs. Academic support comprises those programs that directly support the instruction process, such as tutoring, library operations and instructional media services. Student services are composed of registration and records, financial aid, counseling and other activities that provide non-academic support services to students. Operation and maintenance costs relate to those maintenance, housekeeping, public safety and other costs necessary for the proper and safe operation of the physical plant of the College. General institutional support encompasses general regulation, direction and administration, as well as those costs applicable to the College on an institution-wide basis, such as Commencement and accreditation activities. Auxiliary enterprises are those activities that charge a fee for service, such as the bookstores, food services, the Early Child Care and Education Demonstration Centers, the Business Institute and other business-type activities. Depreciation represents the financial acknowledgement of the costs of fixed assets prorated over their estimated useful service lives. During FY 2004 the State made an extraordinary on-behalf pension payment \$16,854,898. This amount is shown as a separate line item for comparative purposes.

### Use of Resources by Type of Service for the years ended June 30


|                                 | FY 02<br>(000)  | FY 03<br>(000)  | FY 04<br>(000)  | FY 05*<br>(000) | FY 06*<br>(000) |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Instruction                     | \$24,894        | \$25,819        | \$26,873        | 28,677          | 28,615          |
| Academic support                | 4,399           | 4,281           | 4,273           | 4,162           | 4,576           |
| Student services                | 8,663           | 8,492           | 8,202           | 8,558           | 8,482           |
| Operations and Maintenance      | 4,910           | 5,011           | 5,031           | 5,020           | 5,460           |
| General Institutional Support   | 4,705           | 4,607           | 5,733           | 7,497           | 8,393           |
| Auxiliary Enterprises           | 8,834           | 9,287           | 9,747           | 9,816           | 9,430           |
| Depreciation                    | 4,461           | 4,140           | 3,520           | 3,012           | 3,111           |
| Extraordinary On-behalf Pension | 0               | 0               | 16,855          | 0               | 0               |
| <b>Total Expenditures</b>       | <b>\$60,866</b> | <b>\$61,637</b> | <b>\$80,234</b> | <b>\$66,742</b> | <b>\$68,067</b> |



### Expenditure by Type of Service

|  |       |
|--|-------|
| 1. Instruction                         | 42.0% |
| 2. Academic Support                    | 6.7%  |
| 3. Student Services                    | 12.5% |
| 4. Operations and Maintenance of Plant | 8.0%  |
| 5. General Institutional Support       | 12.3% |
| 6. Auxiliary Enterprises               | 13.9% |
| 7. Depreciation                        | 4.6%  |

\*Fiscal years 2005 and 2006 reflects the College's adoption of GASB standards 43, 45 and 47.



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