



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

RockValleyCollege

RockValleyCollege.edu

Illinois Community College - District No. 511 - Rockford IL - Prepared by Financial Services

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE
DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Years Ended
June 30, 2020 and 2019

Prepared by

Financial Services Department

Beth Young

Vice President of Operations and Chief Operations Officer

Ellen Olson

Executive Director of Finance

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
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INTRODUCTORY SECTION

LIST OF PRINCIPAL OFFICIALS

Board of Trustees Fiscal Year 2020

Leadership for Rock Valley College is provided by a seven-member board elected by citizens in the college's service area. Board members live, work, and pay taxes in our district, and serve without pay except for mileage and expenses. The board is a cohesive, independent team that works well together to serve the best interests of the district taxpayers.

Meetings of the Board of Trustees are normally held on the fourth Tuesday of the month and are open to the public.

2019/2020 Board of Trustees

Ms. Patrick Murphy, Chairperson

Mr. Bob Trojan, Vice Chairperson & COTW/Finance

Mr. Jarid Funderburg, Secretary & COTW/Operations

Ms. Gloria Cardenas Cudia, COTW/Teaching and Learning

Mr. Paul Gorski

Mr. John Nelson

Ms. Jennifer Ray

Mr. Michael Foley, Student Trustee

Administration

Dr. Douglas Jensen, President

Beth Young, Vice President and Chief Operating Officer (COO)

, Vice President of Finance and Chief Financial Officer (CFO)

Ronald Geary, Vice President Academic & Student Affairs and Chief Administrative Officer (CAO)

Gina Caronna, Vice President of Science, Technology, Engineering and Mathematics (STEM)

Amanda Smith, Acting Vice President of Liberal Arts, Career & Community Education

Will Ashford, Vice President of Student Services

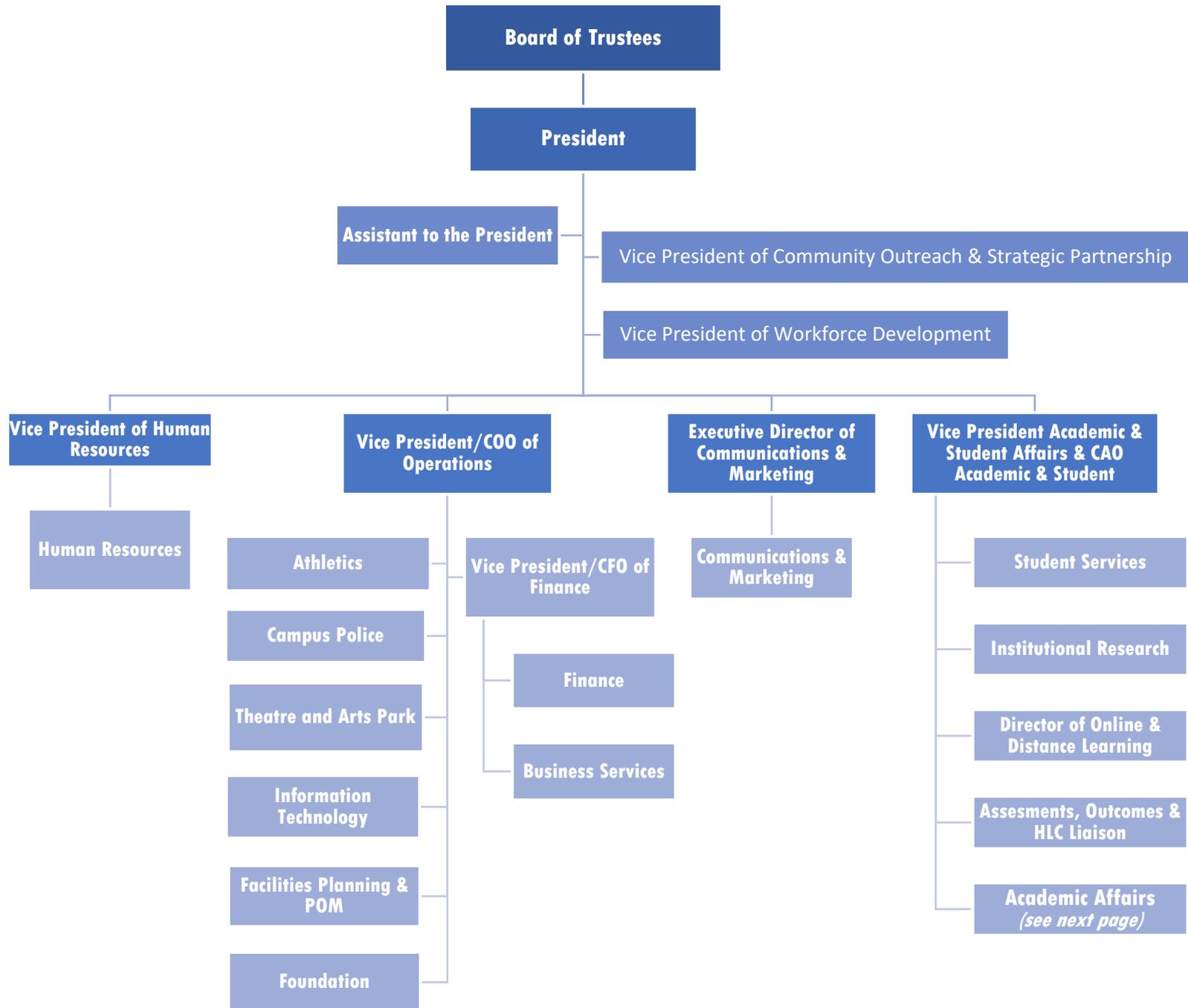
Heather Snider, Vice President of Institutional Research & Effectiveness

James Handley, Vice President of Human Resources

Lisa Mehlig, Executive Director of Assessment, Outcomes and HLC Liaison

Brittany Freiberg, Chief Development Officer of the Foundation

Dave Costello, Executive Director of Communications and Marketing



Academic Affairs
(cont.)

Liberal Arts, Career & Community Education

Science Technology, Engineering & Mathematics (STEM)

Communications & Humanities

Arts & Social Sciences

Mathematics & Science

Career & Technical Education

Adult Education & Literacy, & Workforce Development

Community Education Outreach

Allied Health & Nursing

Early College

Mechatronics Pathways



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rock Valley College
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

January 8, 2021

To the Members of the Board of Trustees of Rock Valley College and to the
Citizens of Community College District Number 511:

Illinois Community College Board (ICCB) and Illinois Compiled Statute require all community colleges to submit and publish audited financial statements. The Comprehensive Annual Financial Report of Rock Valley College, Illinois Community College District Number 511 (College), for the fiscal year ended June 30, 2020, is hereby submitted. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College, based upon a comprehensive framework of internal controls that have been established. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management of the College.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rock Valley College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This award was the 13th consecutive year the College has achieved this prestigious award. To be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements; we are submitting it to the GFOA to determine its eligibility for another certificate.

Sikich LLP, Certified Public Accountants, have issued an unmodified "clean" opinion on the College's financial statements for the years ended June 30, 2020 and June 30, 2019. The independent auditor's report for June 30, 2020 is located at the front of the financial section of this report.

Management of the College is responsible for establishing and maintaining internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the College

The College was established in 1964 through a district-wide referendum after a two-year study established the need for a community college. The College's district is comprised of all Winnebago County, most of Boone County and parts of Stephenson, Ogle, McHenry, and DeKalb counties. The College's main campus

is located on a 217-acre tract of land at Mulford and Spring Brook roads in Northeast Rockford. In addition to the main campus, the College operates programs at five owned and leased off-campus locations: Stenstrom Center for Career Education - home to several technical programs; Bell School Center - which houses the College's Center for Learning and Retirement; Aviation Career Education Center at Chicago Rockford International Airport; North Main Street – employment assistance programs; and RVC Downtown – a site that provides Adult Education and general course offerings. The College holds Continuing Education classes at more than 50 sites throughout the district and operates employment and training programs at the Illinois Employment Training Center in Rockford, Illinois. Since opening for classes in 1965, the College has grown from a small community college with 35 faculty members and 1,100 students to an institution of 127 full-time faculty members, 285 part-time lecturers and more than 10,000 students. The College operates under the leadership of the Board of Trustees. The Board of Trustees consists of seven elected officials, all of whom are elected on a non-partisan basis, and one student trustee. The Board of Trustees is the policy making and legislative authority for the College.

The Rock Valley College Foundation (Foundation), established in 1979, is a 501(c)(3) non-profit corporation responsible for encouraging and administering private gifts to enhance the College's ability to serve the public. The Foundation is considered a component unit of the College and the Foundation's financial statements are included in this financial report following the College's financial statements.

Local Economy

Changes in the local economy have an impact on the College's organization, productivity, facilities, and fiscal capability. Factors impacting efforts to assist the region in sustaining strong economic growth:

- A leading manufacturing center, our existing manufacturers range from micro-machining to chemical production. The region produces over \$13 billion dollars of goods and services. The current unemployment rate is roughly 16.1 percent due to the COVID-19 pandemic which caused businesses to close in March 2020. However, the region is encouraging entrepreneurship as well as raising educational levels to prepare people for new jobs in the future. Some of those jobs may be in green construction and alternative energy. Additionally, as the local aerospace industry continues to grow and demand a skilled workforce, the need for developing engineering talent has become a greater priority. Local area businesses are encouraging degree attainment for the benefit of the individual, the company and the entire region. Rock Valley College is a key component in the collaboration among businesses and education to make certain the region can provide skilled workforce.
- Rock Valley College provides insight and support to help K-12 districts develop curricula to best prepare graduates for college-level work. We also assist local high schools with career-specific critical skills for students who have a particular subject or job interest beyond high school. For those students interested in health care, manufacturing or automotive technology, for example, there are opportunities to begin targeted classes while still in high school. These partnerships with the K-12 districts address critical skills shortages in healthcare and manufacturing.

Long-Term Financial Planning

The College prepares a financial planning model to ensure the budget is completed in a timely and efficient manner; currently quarterly financial reporting demonstrates the College is maintaining a balanced operating position. The College is required to prepare an annual budget that must be adopted by the Board of Trustees within or before the end of the first quarter of each fiscal year, however, the College has adopted their past two (2) budgets in June, prior to the beginning of the fiscal year. The annual budget serves as the foundation for the College's financial planning and controls.

Major Initiatives

The College continues to address the following substantive challenges:

- Define and make public RVC's goals for student persistence and completion based on RVC's mission, student population, and educational offerings
- Develop and implement the College's Strategic plan which focuses on fiscal stability while developing skills within our community to meet workforce needs
- Create an Advanced Technology Center which aligns the College's programs with workforce needs
- Continue curriculum alignment with area high schools, evaluating the project's effectiveness in reducing the number of high school students placing into developmental courses upon matriculating to RVC
- Design, develop and implement instructional unit cost model and utilize the model to increase and impact program effectiveness and efficiency
- Assess each academic program structure and offerings. Assess the viability of each program in terms of its capacity to meet demand, relevancy and community alignment, and fiscal strength and sustainability.
- Develop strategies to increase completion for select AAS degree seekers
- Ensure accountability for quality academic programs that meet regional workforce needs, efficient in operations, and with an acceptable cost/value ratio
- Collaborate with our regional school districts' leadership to develop STEM and Career and Technical Education instructional pathways that include embedded, short-term, stackable certificate options leading to associate degrees.
- Assess student's achievement of RVC's Diversity, Student Learning Outcome through curricular and co-curricular programs
- Develop a plan for offering comprehensive support to students with disabilities
- Utilize environmental data and predictive modeling to determine annual enrollment goals
- Implement plan to increase the number of new, non-traditional students; the percent of all students persisting and being retained; and reduce the identified achievement gaps
- Implement strategies to enhance first-year student success as demonstrated by increased persistence and retention, GPA and completion/graduation rates for 1st year cohorts
- Develop a plan to increase targeting of market specific initiatives and to increase the RVC brand/visibility in the region

- Partner with community organizations to increase work-force development for job creation and employee retention
- Monitor business plans for non-credit programs (i.e., Truck Driver Training, Business Professional Institute, Center for Learning and Retirement, Community Education and Continuing Education) to work toward fiscal self-sufficiency
- Determine RVC's current job placement rates for credit programs and, based on job placement data, create a revised student support structure and enhancements for career programs
- Identify strategies that support implementation of performance-based funding based on ICCB accountability measures
- Implement next phase of emergency preparedness crime and violence prevention programming for students and employees
- Recruit and hire diverse faculty and staff to create a more inclusive and diverse campus
- Implement professional development programs for supervisors and staff at the College
- Implement the College's Wellness Program as an effort to promote a healthier, more satisfied workforce thereby reducing health care costs and increasing productivity

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Sikich LLP was selected by the College's Board of Trustees. The auditors' report on the financial statements and schedules is included in the financial section of this report.

Acknowledgements

The preparation of this report in a timely manner would not have been possible without the dedicated service of the entire staff of the Financial Services department and especially the assistance of Ellen Olson, Sarah Shumway, and other Financial Services staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Board of Trustees of the College, preparation of this report would not have been possible.

Sincerely,



Howard J. Spearman, Ph.D.
President



Beth Young,
Vice President & Chief Operations Officer

FINANCIAL SECTION

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Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rock Valley College
Illinois Community College
District Number 511
Rockford, Illinois

We have audited the accompanying financial statements of the business-type activities of Rock Valley College - Illinois Community College District Number 511 (the College) and the discretely presented component unit, Rock Valley College Foundation (the Foundation), as of and for the years ended June 30, 2020 and 2019, and the notes to financial statements, which collectively comprise the College's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Basic 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 the 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 audits. We conducted our audits 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 College'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 College'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.

Opinions

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Rock Valley College - Illinois Community College District Number 511 and the discretely presented component unit, Rock Valley College Foundation as of June 30, 2020 and 2019, and the changes in financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The College adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2020. The implementation of this guidance resulted in changes to the current liabilities, net position, revenue, expense and notes to financial statements. The data as of the June 30, 2019 fiscal year end was not restated as the required information was not available. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the financial statements, the Foundation adopted the provisions of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended by ASU 2015-14, and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The adoption of these ASUs did not result in a change to the accounting of any of the Foundation's revenue streams; as such, no cumulative effect adjustment was recorded. Our opinion has not been modified with respect to these matters.

As discussed in Note 15 to the financial statements, the Foundation adopted new accounting guidance as issued by the Financial Accounting Standards Board (FASB) under Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* during the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 Standards Board, who considers it to be an essential part of financial reporting for placing the 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The introductory section, supplementary information and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021 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.

Sikich LLP

Naperville, Illinois
January 8, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis:

This section of Rock Valley College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial performance during the fiscal years ended June 30, 2020 and 2019 and is designed to focus on current activities. Therefore, please read this MD&A in conjunction with the accompanying transmittal letter, the College's basic financial statements and the footnotes. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. The enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

Using This Annual Report:

The financial statements focus on the College as a whole. The college's financial statements are designed to emulate corporate presentation models whereby the College activities are consolidated into one total. The focus of the Statements of Net Position is designed to be similar to bottom line results for the College. This financial statement combines and consolidates current financial resources (short-term unrestricted resources) with capital assets and long-term liabilities. The Statement of Revenues, Expenses and Changes in Net Position focuses on operating revenue, operating expenses by function, and non-operating revenue/expenses which are supported mainly by tuition and fees, property taxes, state, federal and other revenues. This approach is intended to summarize and simplify the user's analysis of cost related to College services to students and the public.

The remainder of the MD&A highlights the structure and contents of the primary government's financial statement. For detailed information pertaining to the Foundation (the College's discretely presented component unit), refer to the separately issued Foundation financial statements for the year ended June 30, 2020.

Comparative Analysis of Net Position – Fiscal Years 2020 and 2019

	Net Position As of June 30		Increase (Decrease)	Percent Change
	2020	2019		
Current assets	\$ 109,851,084	\$ 100,132,129	\$ 9,718,955	9.7
Noncurrent assets				
Nondepreciable assets	1,092,919	3,493,286	(2,400,367)	(68.7)
Depreciable assets, net of depreciation	107,723,292	111,689,605	(3,966,313)	(3.6)
Other noncurrent assets	12,500	12,500	-	-
Total assets	218,679,795	215,327,520	3,352,275	1.6
Deferred outflows of resources	762,873	946,129	(183,256)	(19.4)
Total assets and deferred outflows of resources	219,442,668	216,273,649	3,169,019	1.5
Current liabilities	27,157,483	28,903,872	(1,746,389)	(6.0)
Noncurrent liabilities	91,335,422	101,754,510	(10,419,088)	(10.2)
Total liabilities	118,492,905	130,658,382	(12,165,477)	(9.3)
Deferred inflows of resources	20,087,834	19,451,250	636,584	3.3
Total liabilities and deferred inflows of resources	138,580,739	150,109,632	(11,528,893)	(7.7)
Net position				
Net investment in capital assets	35,848,876	32,734,119	3,114,757	9.5
Restricted	27,328,719	28,734,811	(1,406,092)	(4.9)
Unrestricted	17,684,334	4,695,087	12,989,247	276.7
Total net position	\$ 80,861,929	\$ 66,164,017	\$ 14,697,912	22.2

This schedule is prepared from the College's Statement of Net Position (pages 4-5) which is presented on an accrual basis of accounting and the economic resources measurement focus whereby assets are capitalized and depreciated.

The College's total net position at June 30, 2020, increased from \$66,164,017 to \$80,861,929, an increase of approximately 22.2 percent. This is directly related to an increase in capital and the College receiving 100% of the State Funds, which 50% of the State Funds have been allocated to offset the Other Post Employment Benefit (OPEB) liability of \$24,629,955 along with Health Insurance fund, and the Advance Technology.

In fiscal year 2020, the College's total assets and deferred outflows of resources increased by \$3,169,019 to \$219,442,668. Current assets also increased from \$100,132,129 to \$109,851,084. The increase in current assets is due to an increase restricted cash due to the reallocating the previous reimbursement from Capital Development Board from operating cash to restricted cash, along with an increase in the receivable due from the Foundation. However, this was offset by a decrease in property tax receivable, as the delay in issuing tax bills and the extension of the due date for the 1st installment in 2019 did not recur in 2020. Noncurrent assets decreased from \$115,195,391 to \$108,828,711 due to the net value of the capital assets being depreciated.

Total liabilities and deferred inflows of resources decreased from \$150,109,652 to \$138,580,739. Current liabilities decreased \$1,746,389 attributed to a decrease in accounts payable of approximately \$1,396,000 and a decrease of \$138,000 in accrued interest and \$1,030,000 reduction in deposits held in custody for others due to the implementation of GASB Statement No 84, *Fiduciary Activities* in fiscal 2020. These decreases were offset by an increase in bonds payable, current portion and unearned grant revenue. Noncurrent liabilities decreased \$10,419,088 which is directly related to a decrease in the bonds payable.

Comparative Analysis of Net Position – Fiscal Years 2019 and 2018

	Net Position As of June 30		Increase (Decrease)	Percent Change
	2019	2018		
Current assets	\$ 100,132,129	\$ 89,684,376	\$ 10,447,753	11.6
Noncurrent assets				
Nondepreciable assets	3,493,286	2,029,653	1,463,633	72.1
Depreciable assets, net of depreciation	111,689,605	118,637,946	(6,948,341)	(5.9)
Other noncurrent assets	12,500	12,500	-	-
Total assets	215,327,520	210,364,475	4,963,045	2.4
Deferred outflows of resources	946,129	668,155	277,974	41.6
Total assets and deferred outflows of resources	216,273,649	211,032,630	5,241,019	2.5
Current liabilities	28,903,872	26,568,100	2,335,772	8.8
Noncurrent liabilities	101,754,510	112,620,567	(10,866,057)	(9.6)
Total liabilities	130,658,382	139,188,667	(8,530,285)	(6.1)
Deferred inflows of resources	19,451,250	16,473,496	2,977,754	18.1
Total liabilities and deferred inflows of resources	150,109,632	155,662,163	(5,552,531)	(3.6)
Net position				
Net investment in capital assets	32,734,119	28,831,891	3,902,228	13.5
Restricted	28,734,811	24,950,559	3,784,252	15.2
Unrestricted	4,695,087	1,588,017	3,107,070	195.7
Total net position	\$ 66,164,017	\$ 55,370,467	\$ 10,793,550	19.5

The College's total net position at June 30, 2019, increased from \$55,370,467 to \$66,164,017, an increase of approximately 19.5 percent. This is directly related to an increase in capital assets for construction in progress and the College receiving 100% of the State Funds, which have been allocated to offset the Other Post Employment Benefit (OPEB) liability of \$24,913,559 along with Health Insurance fund, Advance Technology Center and Online Learning Initiatives.

In fiscal year 2019, the College's total assets and deferred outflows of resources increased by \$5,241,019 to \$216,273,649. Current assets also increased from \$89,684,376 to \$100,132,129. The increase in current assets is due to an increase in Property Tax Receivable due to the 2nd installment on the 2018 Tax Levy not being received during the fiscal year. However, this was offset by a decrease in accounts receivable as the College received the reimbursement from the Capital Development Board. Noncurrent assets decreased from \$120,680,099 to \$115,195,391 due to additional depreciation for the Wellness Center build-out being finalized and the purchase of College vehicles.

Total liabilities and deferred inflows of resources increased from \$155,662,163 to \$150,109,632. Current liabilities decreased \$2,335,772 attributed to an increase in bonds payable, current portion of roughly \$515,000 along with an increase in accounts payable of \$1,242,788 along with increases in unearned revenue and claims payable. These increases were offset by decrease in accrued interest. Noncurrent liabilities decreased \$10,866,037 which is directly related to a decrease in the bonds payable, non-current portion and a decrease in the OPEB (Other Post Employment Benefit) liability due to a decrease in the proportionate share of the liability allocated to the College.

Fiscal Years 2020 and 2019 Financial Highlights:

At June 30, 2020, the College's net position increased from \$66,164,017 to \$80,861,929. Revenue exceeded expenses by \$14,697,912 as follows:

	June 30		Increase (Decrease)	Percent Change
	2020	2019		
Operating revenues	\$ 17,746,054	\$ 16,876,726	\$ 869,328	5.2
Non-operating revenues	78,181,887	72,163,122	6,018,765	8.3
Total revenues	<u>95,927,941</u>	<u>89,039,848</u>	<u>6,888,093</u>	<u>7.7</u>
Operating expenses	79,511,492	75,310,444	4,201,048	5.6
Non-operating expenses	2,606,720	2,935,854	(329,134)	(11.2)
Total expenses	<u>82,118,212</u>	<u>78,246,298</u>	<u>3,871,914</u>	<u>4.9</u>
Income before capital contributions	13,809,729	10,793,550	3,016,179	27.9
Capital contributions	-	-	-	-
Change in net position	<u>13,809,729</u>	<u>10,793,550</u>	<u>3,016,179</u>	<u>27.9</u>
Net position, beginning of year	<u>66,164,017</u>	<u>55,370,467</u>	<u>10,793,550</u>	<u>19.5</u>
Change in accounting principle	888,183	-		
Net position, end of year	<u>\$ 80,861,929</u>	<u>\$ 66,164,017</u>	<u>\$ 14,697,912</u>	<u>22.2</u>

Total revenues increased \$6,888,093 – an increase of approximately 7.7 percent. Operating revenues increased \$869,328 – an increase of 5.2 percent. The increase in operating revenues is primarily attributed to increase student tuition and fees, net of scholarship allowance of approximately \$344,000 and an increase in other revenues of \$582,000, primarily rental income. These increases were offset by a decrease in auxiliary services revenue of \$30,856, due to class cancellations caused by the COVID-19 pandemic. Non-operating revenues increased \$6,018,765 – an increase of 8.3 percent. This increase is attributed to increases in local property taxes of approximately \$176,000, State Grants of approximately \$1,660,000, State Appropriations (SURS on behalf) of \$2,175,000, and Federal Grants of \$2,264,000 due to the CARES Act funds. The increases in non-operating revenue are offset by decreases in Investment Income of approximately \$242,000 and local grants of \$157,000.

Total expenses increased \$3,871,914 – an increase of approximately 4.9 percent. This is due to an increase in operating expenses of \$4,201,048, primarily due to an increase in salary and benefits and distributions to students from CARES Act funds, whereas the benefit increase is directly attributed to the increases SURS on behalf allocation. This increase was offset by a decrease in non-operating expenses of \$329,134 which is attributable to a decrease in interest on debt related to capital assets.

In general, the ending net position for fiscal year 2020 increased \$14,697,912. Details for revenues and operating expenses are covered in more detail in the subsequent sections.

Fiscal Years 2019 and 2018 Financial Highlights:

At June 30, 2019, the College's net position increased from \$55,370,467 to \$66,164,017. Revenue exceeded expenses by \$10,793,550 as follows.

	June 30		Increase (Decrease)	Percent Change
	2019	2018		
Operating revenues	\$ 16,876,726	\$ 15,571,192	\$ 1,305,534	8.4
Non-operating revenues	72,163,122	71,326,527	836,595	1.2
Total revenues	<u>89,039,848</u>	<u>86,897,719</u>	<u>2,142,129</u>	<u>2.5</u>
Operating expenses	75,310,444	73,889,025	1,421,419	1.9
Non-operating expenses	2,935,854	3,321,273	(385,419)	(11.6)
Total expenses	<u>78,246,298</u>	<u>77,210,298</u>	<u>1,036,000</u>	<u>1.3</u>
Income before capital contributions	10,793,550	9,687,421	1,106,129	11.4
Capital contributions	-	9,342,214	(9,342,214)	(100.0)
Change in net position	<u>10,793,550</u>	<u>19,029,635</u>	<u>(8,236,085)</u>	<u>(43.3)</u>
Net position, beginning of year	<u>55,370,467</u>	<u>62,436,131</u>	<u>(7,065,664)</u>	<u>(11.3)</u>
Change in accounting principle	-	(26,095,299)		
Net position, end of year	<u>\$ 66,164,017</u>	<u>\$ 55,370,467</u>	<u>\$ 10,793,550</u>	<u>19.5</u>

Total revenues increased \$2,142,129 – an increase of approximately 2.5 percent. Operating revenues increased \$1,305,534 – an increase of 8.4 percent. The increase in operating revenues is primarily attributed to increase student tuition and fees, net of scholarship allowance of approximately \$1,589,000 which was offset by a decrease in other operating revenues of approximately \$292,000, primarily rental income related to the new facilities. Non-operating revenues increased \$836,595 – an increase of 1.2 percent. This increase is attributed to increases in local property taxes of approximately \$893,000, state funding of approximately \$556,000, Community Foundation of Northern Illinois Grants of \$214,000 and investment income of \$848,000. The increases in non-operating revenue are offset by decreases in State appropriations of approximately \$969,000 and federal grants of approximately \$820,000.

Total expenses increased \$1,036,020 – an increase of approximately 1.3 percent. This is due to an increase in operating expenses of \$1,421,439, primarily due to an increase in depreciation, and a decrease in non-operating expenses which is attributable to a decrease in interest on debt related to capital assets.

Fiscal Years 2020 and 2019 Revenues (Operating and Non-operating):

	2020		2019		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Student tuition & fees (net)	\$ 13,742,723	14.3	\$ 13,398,730	15.1	\$ 343,993	2.6
Sales & service fees	1,337,438	1.4	1,363,857	1.5	(26,419)	(1.9)
State grants and contracts	11,613,685	12.1	9,953,983	11.2	1,659,702	16.7
Federal grants and contracts	14,555,240	15.2	12,291,308	13.8	2,263,932	18.4
State appropriations	19,724,519	20.6	17,549,408	19.7	2,175,111	12.4
Local property taxes	28,652,944	29.9	28,476,829	32.0	176,115	0.6
Personal property replacement tax	1,662,245	1.7	1,518,538	1.7	143,707	9.5
Investment income	1,111,398	1.2	1,353,431	1.5	(242,033)	(17.9)
Other	3,527,749	3.6	3,133,764	3.5	393,985	12.6
Total Revenues	\$ 95,927,941	100.0	\$ 89,039,848	100.0	\$ 6,888,093	7.7

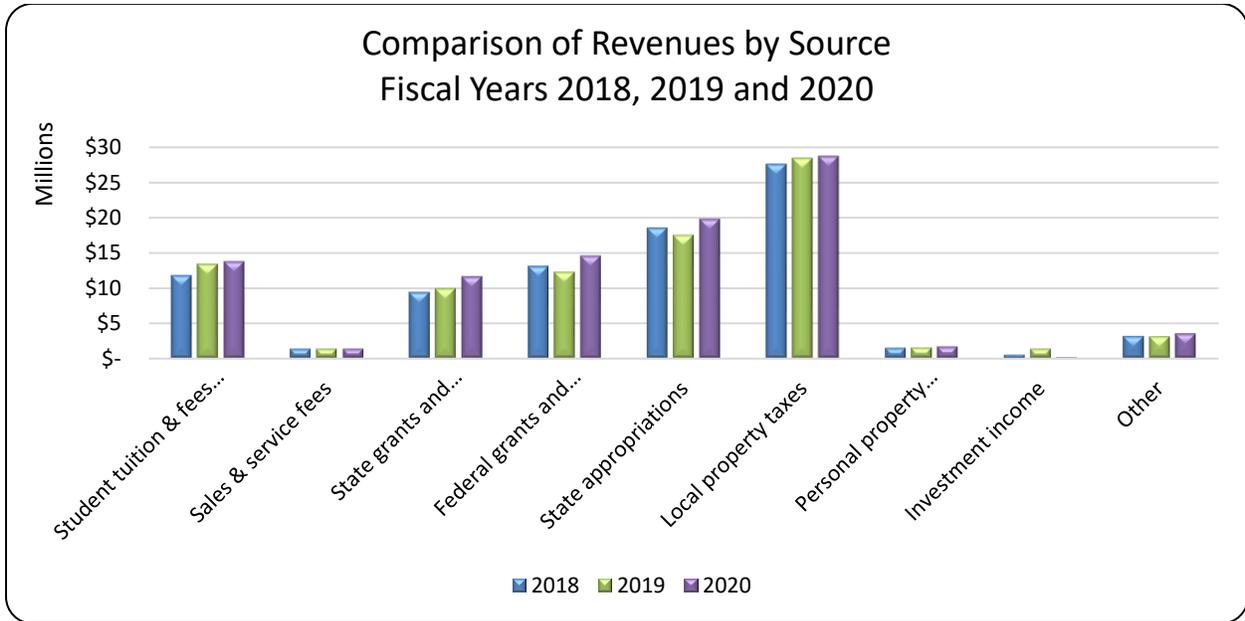
2020 Analysis of Revenues: In FY 2020, the College's total revenues increased by \$6,888,093 – an increase of 7.7 percent. The increase in operating revenues is primarily attributed to increase State Grants of approximately \$1,659,000, federal grants (CARES Act) of \$2,263,932 and State Appropriations (SURS) of \$2,175,111. These increases were offset by decreases in Sales and Service of \$26,419 and Investment Income of \$242,033.

Fiscal Years 2019 and 2018 Revenues (Operating and Non-operating):

	2019		2018		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Student tuition & fees (net)	\$ 13,398,730	15.0	\$ 11,809,687	13.7	\$ 1,589,043	13.5
Sales & service fees	1,363,857	1.6	1,340,382	1.5	23,475	1.8
State grants and contracts	9,953,983	11.2	9,397,395	10.8	556,588	5.9
Federal grants and contracts	12,291,308	13.8	13,111,039	15.1	(819,731)	(6.3)
State appropriations	17,549,408	19.7	18,518,578	21.3	(969,170)	(5.2)
Local property taxes	28,476,829	32.0	27,583,297	31.7	893,532	3.2
Personal property replacement tax	1,518,538	1.7	1,481,085	1.7	37,453	2.5
Investment income	1,353,431	1.5	505,745	0.6	847,686	167.6
Other	3,133,764	3.5	3,150,511	3.6	(16,747)	(0.5)
Total Revenues	\$ 89,039,848	100.0	\$ 86,897,719	99.8	\$ 2,142,129	2.5

2019 Analysis of Revenues: In FY 2019, the College's total revenues increased by \$2,142,129 – an increase of 2.5 percent. The increase in operating revenues is primarily attributed to increase student tuition and fees, net of scholarship allowance of approximately \$1,589,000 along with an increase in non-operating revenues of \$893,000 for Local Property Tax, \$847,686 in Investment Income, and \$556,588 increase in State grants and contracts. These increases were offset by decreases in State Appropriation (SURS on Behalf) of \$969,170, federal grants and contracts of \$819,731

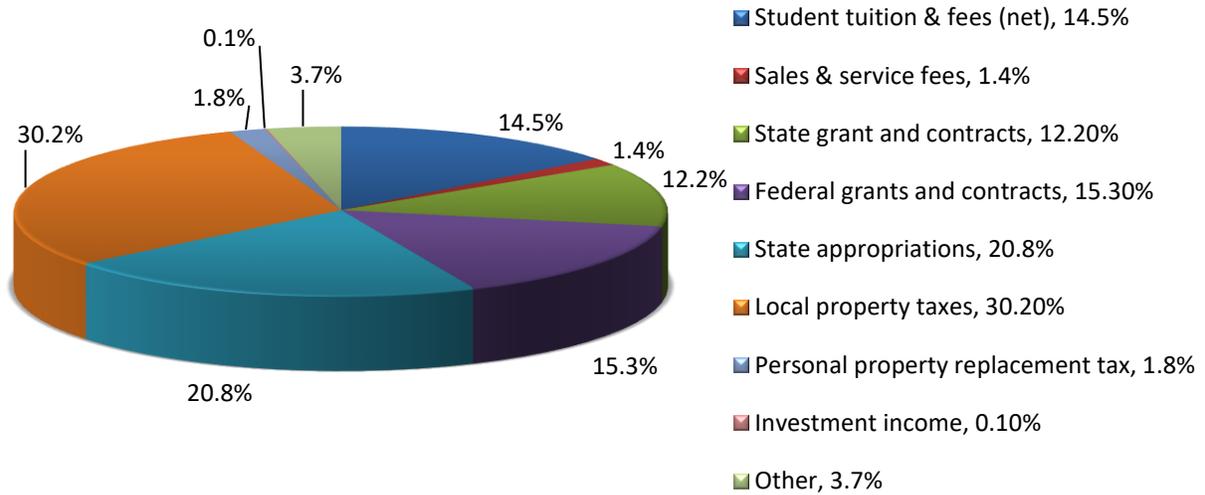
The following is a graphic illustration comparing fiscal years 2020, 2019, and 2018 revenues by source:



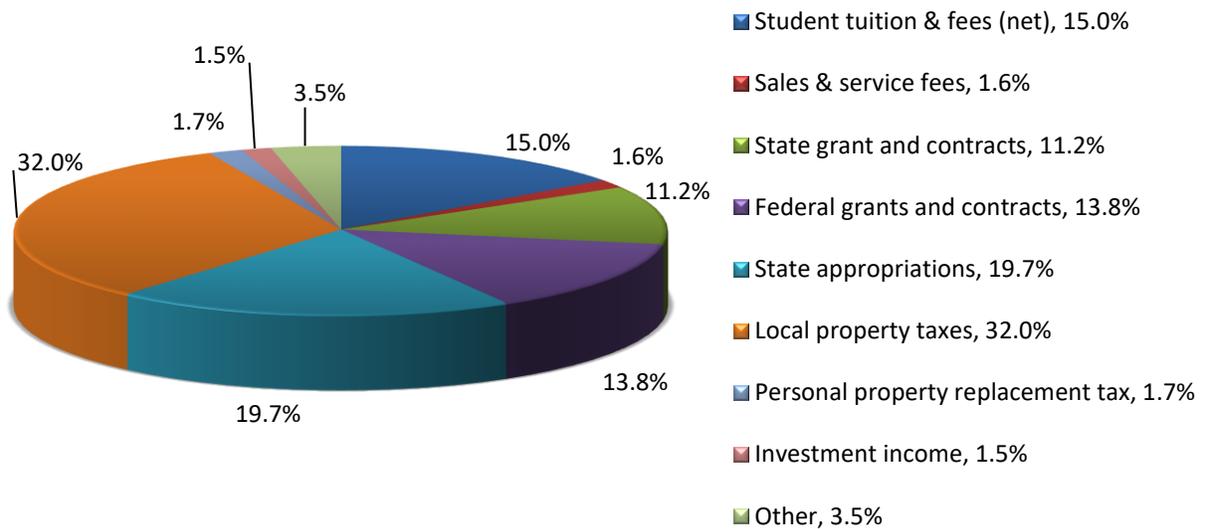
Student tuition and fees (net of scholarship allowances) increased 2.6 percent from last year. State grants and contracts increased 16.7 percent, Federal grants and contracts increased 18.4 percent from last year along with State appropriations increase of 12.4 percent and Personal property replacement taxes increased 9.5 percent from the previous year. While Sales and service decreased 1.9 percent and Investment income decreased 17.9 percent.

The following are graphic illustrations of fiscal years 2020 and 2019 revenue by source.

Percent of 2020 Revenue by Source



Percent of 2019 Revenue by Source



Fiscal Years 2020 and 2019 Operating Expenses by Function Comparison:

	2020		2019		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Instruction	\$ 27,340,001	34.4	\$ 26,813,539	35.6	\$ 526,462	2.0
Academic Support	4,320,724	5.4	3,971,394	5.3	349,330	8.8
Student Services	6,160,865	7.7	5,366,887	7.1	793,978	14.8
Public Service	7,876,539	9.9	7,800,384	10.4	76,155	1.0
Plant, Operations & Maintenance	6,455,407	8.1	7,358,531	9.8	(903,124)	(12.3)
Institutional Support	12,245,713	15.4	10,363,673	13.8	1,882,040	18.2
Auxiliary Services	1,492,392	1.9	1,290,133	1.7	202,259	15.7
Depreciation	7,773,590	9.8	8,201,780	10.9	(428,190)	(5.2)
Scholarships, grants & waivers	5,846,261	7.4	4,144,123	5.4	1,702,138	41.1
Total Expenses by Function	\$ 79,511,492	100.0	\$ 75,310,444	100.0	\$ 4,201,048	5.6

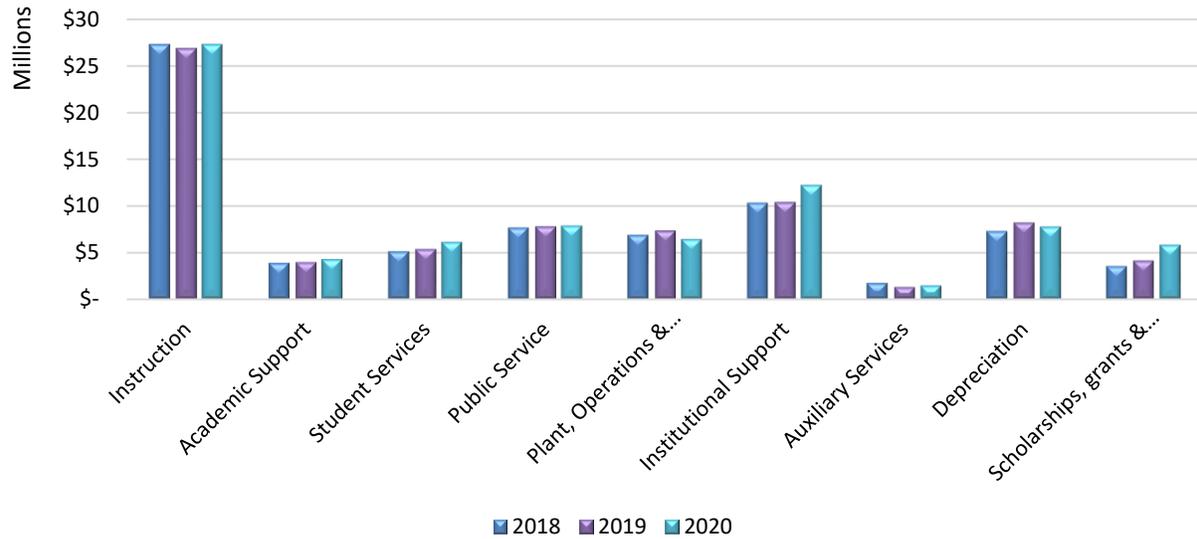
2020 Analysis of Operating Expenses by Function: The College's operating expenses by function increased approximately \$4,201,048 or 5.6 percent from prior year. This increase is due to a \$1,882,040 in Institutional Support which is directly related to the increase in the SURS on behalf increase. The Scholarship, grants and waivers increased by \$1,702,138 due to an increase in federal grants distributed to the students from the CARES allocation.

Fiscal Years 2019 and 2018 Operating Expenses by Function Comparison:

	2019		2018		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Instruction	\$ 26,813,539	35.6	\$ 27,339,390	37.0	\$ (525,851)	(1.9)
Academic Support	3,971,394	5.3	3,888,218	5.3	83,176	2.1
Student Services	5,366,887	7.1	5,127,247	6.9	239,640	4.7
Public Service	7,800,384	10.4	7,674,370	10.4	126,014	1.6
Plant, Operations & Maintenance	7,358,531	9.8	6,900,162	9.3	458,369	6.6
Institutional Support	10,363,673	13.8	10,339,254	14.0	24,419	0.2
Auxiliary Services	1,290,133	1.7	1,746,315	2.4	(456,182)	(26.1)
Depreciation	8,201,780	10.9	7,301,785	9.9	899,995	12.3
Scholarships, grants & waivers	4,144,123	5.4	3,572,284	4.8	571,839	16.0
Total Expenses by Function	\$ 75,310,444	100.0	\$ 73,889,025	100.0	\$ 1,421,419	1.9

2019 Analysis of Operating Expenses by Function: The College's operating expenses by function increased approximately \$1,421,000. A portion of this increase was due to the College recording an expense (and revenue) of 1,152,828 for its share of the State OPEB expense, which is a decrease of \$1,136,463. In addition, operating expenses controlled by the College increased by \$2,557,902. There was an increase in student services of approximately \$239,640, public services of \$126,034, plant, operation and maintenance of \$458,369, depreciation expense of \$899,995 and Scholarships, grants and waivers of \$571,839. These increases were offset by decreases in instruction of \$525,851, and Auxiliary services for roughly \$456,182.

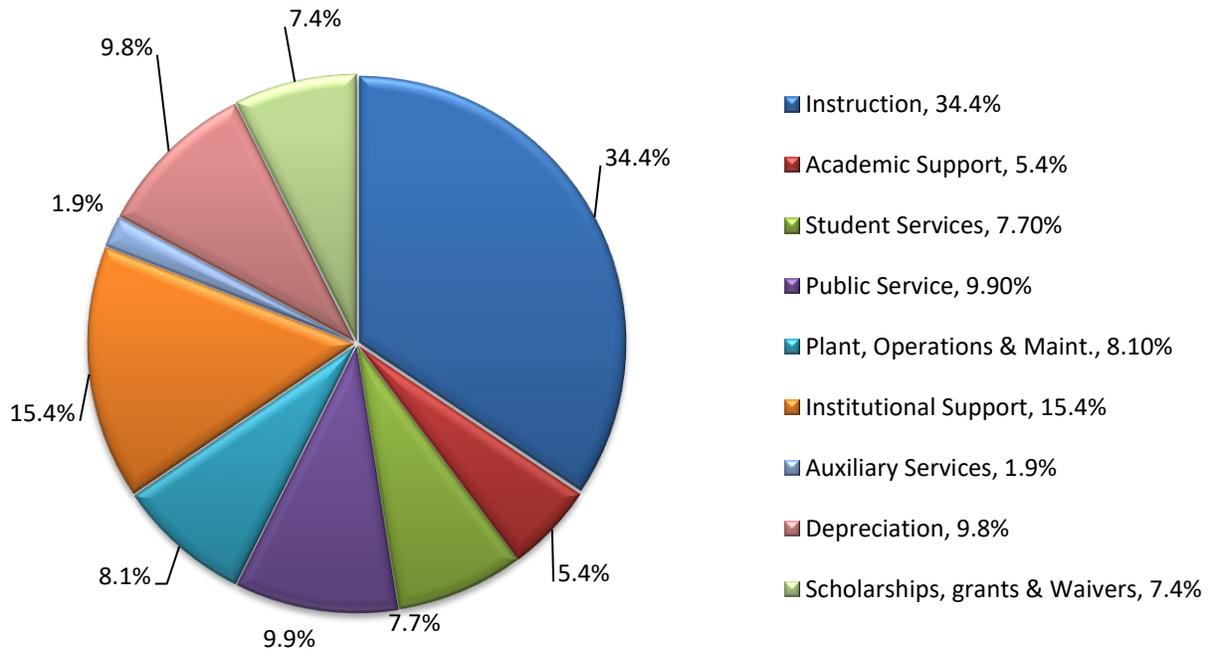
Comparison of Operating Expenses by Function Fiscal Years 2018, 2019 and 2020



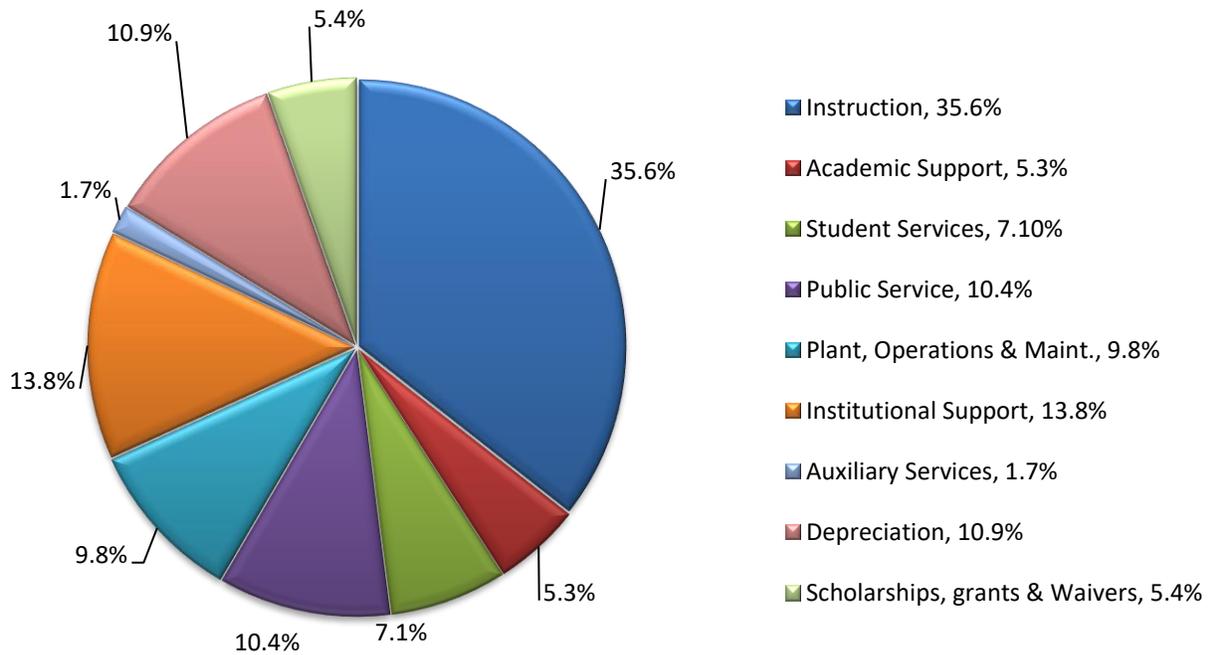
State Appropriations for the State Universities Retirement System increased. This increase impacts the function areas of areas of instruction, academic support, student services, public service, plant, operations & maintenance, institutional support, and auxiliary services.

The following are graphical illustrations of fiscal years 2020 and 2019 operating expenses by function.

Percent of 2020 Operating Expenses by Function



Percent of 2019 Operating Expenses by Function



Fiscal Years 2020 and 2019 Operating Expenses by Object:

	2020		2019		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Salaries	\$ 28,147,486	35.4	\$ 27,480,893	36.5	\$ 666,593	2.4
Employee Benefits	27,231,195	34.2	24,639,375	32.7	2,591,820	10.5
Contractual Services	4,689,925	5.9	4,692,065	6.2	(2,140)	-
General Materials and Supplies	2,570,775	3.2	2,518,377	3.3	52,398	2.1
Travel & Conference/Meeting Expense	560,427	0.7	745,252	1.0	(184,825)	(24.8)
Fixed Charges	998,638	1.3	1,087,279	1.4	(88,641)	(8.2)
Utilities	1,693,195	2.1	1,801,300	2.4	(108,105)	(6.0)
Depreciation	7,773,590	9.8	8,201,780	10.9	(428,190)	(5.2)
Other	5,846,261	7.4	4,144,123	5.6	1,702,138	41.1
Total Expenses by Object	\$ 79,511,492	100.0	\$ 75,310,444	100.0	\$ 4,201,048	5.6

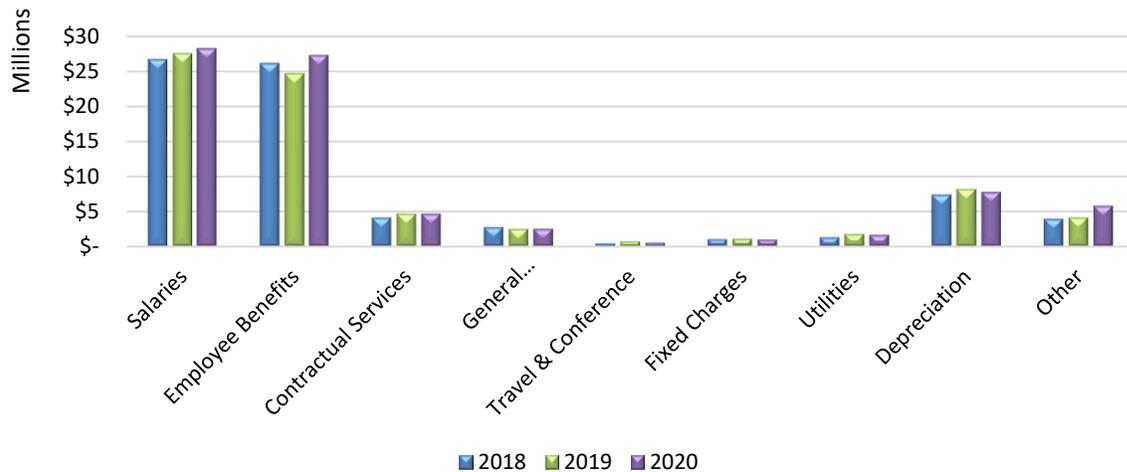
2020 Analysis of Operating Expenses by Object: Overall, the College's fiscal year operating expenses increased \$4,201,048 or 5.6 percent. The increase in employee benefits of approximately \$2,592,000 is due to an increase of \$2,175,111 from the State Universities Retirement System of Illinois Pension plan (SURS) on-behalf, along with an increase of \$1,702,138 in Other Expenses which is attributed to the student portion of the CARES Act funds. These increases are offset by decreases in all other areas of approximately \$812,000.

Fiscal Years 2019 and 2018 Operating Expenses by Object:

	2019		2018		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Salaries	\$ 27,480,893	36.5	\$ 26,652,118	36.1	\$ 828,775	3.1
Employee Benefits	24,639,375	32.7	26,128,403	35.4	(1,489,028)	(5.7)
Contractual Services	4,692,065	6.2	4,137,605	5.6	554,460	13.4
General Materials and Supplies	2,518,377	3.3	2,772,105	3.8	(253,728)	(9.2)
Travel & Conference/Meeting Expense	745,252	1.0	471,918	0.6	273,334	57.9
Fixed Charges	1,087,279	1.4	1,044,627	1.4	42,652	4.1
Utilities	1,801,300	2.4	1,334,281	1.8	467,019	35.0
Depreciation	8,201,780	10.9	7,404,752	10.0	797,028	10.8
Other	4,144,123	5.6	3,943,215	5.3	200,908	5.1
Total Expenses by Object	\$ 75,310,444	100.0	\$ 73,889,025	100.0	\$ 1,421,419	1.9

2019 Analysis of Operating Expenses by Object: Overall, the College's fiscal year operating expenses decreased \$448,272 or 0.6 percent. The increase in employee benefits of approximately \$1,362,825 is due to a decrease of \$1,709,585 in the State Universities Retirement System of Illinois pension plan (SURS) on -behalf which was offset with an increase in Other Post-Employment Benefits relating to the State College Insurance Program (CIP) of \$4,578,582. This increase is offset by decreases in all other areas of \$3.3 million

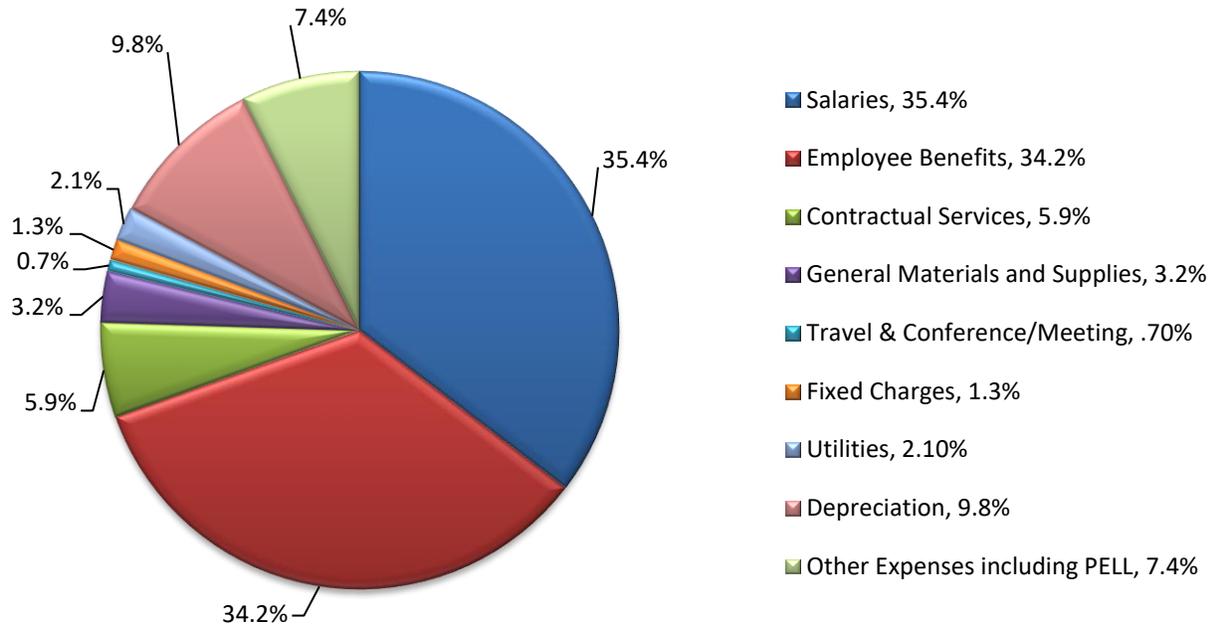
Comparison of Operating Expenses by Object Fiscal Years 2018, 2019, and 2020



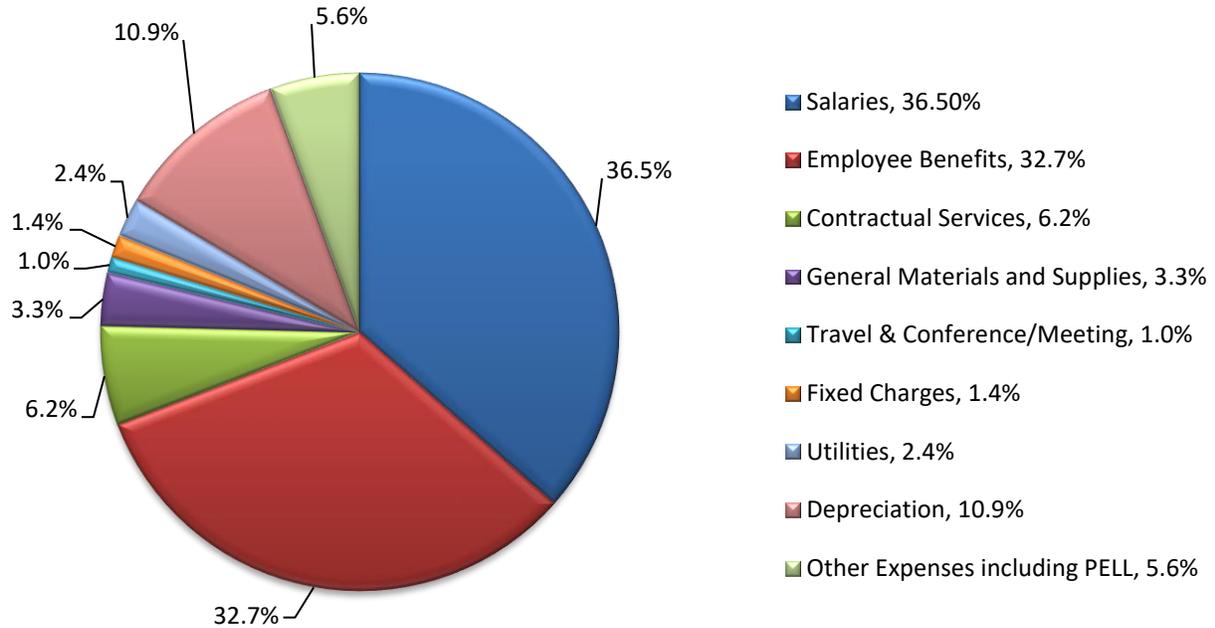
Salaries increased this year due to a contractual salary increases. Employee benefits also increased this past year due to an increase in SURS pension plan “on-behalf” expenses. The College continues to implement cost reductions in contractual services, general materials and supplies, and travel and conference due to the uncertainty of State funding. Other expenses, which include the student portion of the CARES Act funds, increased due to allocating funding to students which qualified for federal financial aid. Whereas depreciation decreased in fiscal year 2020.

The following are graphical illustrations of fiscal years 2020 and 2019 operating expenses by object.

Percent of 2020 Operating Expenses by Object



Percent of 2019 Operating Expenses by Object



Fiscal Years 2020 and 2019 Capital Assets & Long-Term Debt:

Net Capital Assets	June 30		Increase (Decrease)	Percent Change
	2020	2019		
Land	\$ 200,000	\$ 200,000	\$ -	-
Land and improvements	15,652,034	13,308,626	2,343,408	17.6
Building and improvements	200,298,804	199,408,716	890,088	0.4
Equipment	28,949,704	28,710,074	239,630	0.8
Fine Art / Historic Treasures	102,000	102,000	-	-
Construction in progress	790,919	3,191,286	(2,400,367)	(75.2)
Total gross assets	245,993,461	244,920,702	1,072,759	0.4
Total accumulated depreciation	(137,177,250)	(129,737,811)	(7,439,439)	5.7
Total	\$ 108,816,211	\$ 115,182,891	\$ (6,366,680)	(5.5)

2020 Capital Assets: The capital assets cost balance increased by approximately \$1,072,759 from \$244,920,702 one year ago to \$245,993,461. The increase in land and improvements, building and improvements and equipment is attributable to the completion of Parking Lot I, Security System upgrade and the addition of the pedestrian footbridge between Jacob Center for Science and Math and the Woodward Technology Center. The current year's depreciation expense of approximately \$7.7 million decreased over the prior year depreciation expense of approximately \$8.2 million.

2020 Long-term Debt: As of June 30, 2020, the College's bonds payable decreased from \$85,505,580 to \$75,952,734. The decrease is attributable to the principal payments of Series 2010A, Series 2014B, and Series 2017A and Series 2017C. The unamortized bond premium also decreased \$414,846. Rock Valley College is scheduled to pay off its bonded debt in FY 2034.

The College's accrued compensated absences balance for fiscal year 2020 was \$779,770, with the current portion due within one year at \$116,965. Accrued compensated absences increased by \$126,227 from the fiscal year 2019 balance of \$653,543.

During fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting for Other Post-Employment Benefits*. This statement required the College to record its proportionate share of the liability for the State College Insurance Plan. For fiscal year 2020, this decreased from \$24,913,559 to \$24,629,955.

In fiscal year 2006, the College implemented GASB Statement No. 47, *Accounting for Early Termination Benefits*. This statement required the College to record and accrue for voluntary and involuntary benefits employees receive after employment has ended with the College that relates to an early termination plan and offering. The College currently has retired employees who opted to participate in an early retirement plan that qualify to have early retirement benefits recorded under this Statement. As of June 30, 2020, early termination payable was \$68,451 with the current portion amounting to \$28,248. The net decrease in early retirement benefits amounted to \$23,187.

See Capital Assets Note No. 4, General Obligation Debt Certificates and Bonds Note No. 5, Early Retirement Benefits Note No. 7, and Retiree Health Plan Note No. 8 to the basic financial statements for further information.

Fiscal Years 2020, 2019, and 2018 Net Position:

Analysis of Net Position:	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Net investment in capital assets	\$ 35,848,876	44.3	\$ 32,734,119	49.5	\$ 28,831,891	51.0
Restricted debt service	6,198,154	7.7	6,123,084	9.3	6,095,796	7.8
Restricted liability, protection and settlement	5,990,774	7.4	6,548,818	9.9	6,633,381	8.3
Other restricted	15,139,791	18.7	16,062,909	24.3	7,771,382	12.6
Unrestricted	17,684,334	21.9	4,695,087	7.1	6,038,017	20.3
Total Net Position	<u>\$ 80,861,929</u>	<u>100.0</u>	<u>\$ 66,164,017</u>	<u>100.0</u>	<u>\$ 55,370,467</u>	<u>100.0</u>

2020 Analysis: The College's net position increased by \$14,697,912 in 2020 to \$80,861,929 due to increases in net investment in capital assets, debt service, other restricted and unrestricted net position. These increases were offset by decreases in liability, protection, and settlement.

2019 Analysis: The College's net position increased by \$10,793,550 in 2020 to \$66,164,07 due to increases in net investment in capital assets, debt service, and unrestricted net position. These increases were offset by decreases in capital improvements.

Economic Factors That May Affect the Future:

The College continues to be concerned with the budgetary deficits incurred by the State of Illinois and the impacts these deficits may have on future funding for community colleges and financial aid for students. The College is tracking proposed legislation for pension and retiree healthcare benefits; both of which may have a significant impact on the College. The low interest rate environment has an adverse impact on the revenue the College generates from working cash and bond proceeds to help finance operations and capital investment.

The unemployment rate throughout the State and community has begun to stabilize until the coronavirus began to shut down the economy causing the State unemployment rate to increase from 4.3% a year ago to 14.5% at the end of the current year. The coronavirus or commonly known as COVID-19 also forced the College to extend it's spring break by one week and transition the remainder of the semester to remote learning. Currently, the full impact of the COVID-19 pandemic is unknown as the College has changed the delivery modes of the courses from 20% online to 80% online. These factors will have an impact on the future enrollment as the trends illustrate students are taking a gap year and enrollment at community colleges are down across the country. However, the College continues its commitment to maintain low tuition costs and fees to provide affordable education and training for members of the community. The College is in the process of building an Advance Technology center to meet the needs of the businesses within our district. Continuing to maintain low tuition costs will have to be balanced with the need to cover expenses to ensure the quality and breadth of the College product offering is not impacted.

The College continues to track property values and economic activity to forecast funding impacts. A decrease in the assessed valuation has had an adverse impact on College revenues and will ultimately result in the College having to either raise tuition or reduce costs or the product offering of services to contain costs. However, with Levy Year 2019, the College saw an increase in the assessed valuations of the College's districts. Therefore, it was able to maintain the tuition rates for fiscal year 2020.

Request for Information:

This financial report is designed to provide a general overview of Rock Valley College's finances to all those interested in the college's accountability for the revenue it receives. Questions, concerns, or additional information regarding this report or any information contained therein should be directed to the Vice President, Chief Financial Officer; 3301 North Mulford Road, Rockford, IL 61114.

BASIC FINANCIAL STATEMENTS

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

STATEMENTS OF NET POSITION

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 59,457,096	\$ 56,964,624
Receivables		
Due from component unit	1,192,277	696,659
Property taxes, net of allowance for uncollectible balances of \$174,900 for 2020 and \$173,500 for 2019	16,919,833	20,675,133
Accounts, net of allowance for uncollectible balances of \$1,278,969 for 2020 and \$1,253,429 for 2019	12,808,491	11,521,375
Accrued interest	67,930	21,852
Cash held by paying agent	221,019	479,929
Prepaid items	283,432	395,606
Restricted cash and cash equivalents	18,697,255	9,175,573
Restricted investments	203,751	201,378
	<u>109,851,084</u>	<u>100,132,129</u>
NONCURRENT ASSETS		
Capital assets		
Depreciable assets, net of accumulated depreciation	107,723,292	111,689,605
Nondepreciable assets	1,092,919	3,493,286
Other noncurrent assets	12,500	12,500
	<u>108,828,711</u>	<u>115,195,391</u>
Total noncurrent assets	<u>108,828,711</u>	<u>115,195,391</u>
Total assets	<u>218,679,795</u>	<u>215,327,520</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	200,973	299,382
Deferred pension/OPEB expense	561,900	646,747
	<u>762,873</u>	<u>946,129</u>
Total deferred outflows of resources	<u>762,873</u>	<u>946,129</u>
Total assets and deferred outflows of resources	<u>219,442,668</u>	<u>216,273,649</u>

(This statement is continued on the following page.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

STATEMENTS OF NET POSITION (Continued)

June 30, 2020 and 2019

	2020	2019
CURRENT LIABILITIES		
Accounts payable	\$ 1,252,359	\$ 2,648,869
Accrued payroll	1,149,036	1,166,316
Accrued interest	878,188	1,016,109
Claims payable	1,090,997	1,026,344
Other accrued liabilities	185,742	18,546
Compensated absences	116,965	98,031
Bonds payable, current portion	9,799,845	9,165,000
Early termination payable, current portion	28,248	28,990
OPEB liability, current portion	123,430	117,789
Deposits held in custody for others	-	1,030,571
Unearned revenue		
Tuition and fees	8,189,042	9,616,434
Bookstore and Starlight Theater	261,159	447,342
Grant revenue	3,910,472	2,443,825
Other revenue	172,000	79,706
	<hr/>	<hr/>
Total current liabilities	27,157,483	28,903,872
NONCURRENT LIABILITIES		
Compensated absences	662,805	555,512
Bonds payable	66,125,889	76,340,580
Early termination payable	40,203	62,648
OPEB liability	24,506,525	24,795,770
	<hr/>	<hr/>
Total noncurrent liabilities	91,335,422	101,754,510
	<hr/>	<hr/>
Total liabilities	118,492,905	130,658,382
DEFERRED INFLOWS OF RESOURCES		
Property taxes	14,236,014	14,343,433
Deferred OPEB expense	5,851,820	5,107,817
	<hr/>	<hr/>
Total deferred inflows of resources	20,087,834	19,451,250
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	138,580,739	150,109,632
NET POSITION		
Net investment in capital assets	35,848,876	32,734,119
Restricted for		
Liability protection and settlement	5,990,774	6,548,818
Debt service	6,198,154	6,123,084
Audit	68,457	53,926
Capital improvements	14,925,487	15,846,194
Pension contributions	145,847	162,789
Unrestricted	17,684,334	4,695,087
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 80,861,929	\$ 66,164,017

See accompanying notes to financial statements.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of \$6,693,616 for 2020 and \$5,772,920 for 2019	\$ 13,742,723	\$ 13,398,730
Sales and service fees	1,337,438	1,363,857
Auxiliary services revenue	47,923	78,779
Other operating revenues	2,617,970	2,035,360
	17,746,054	16,876,726
OPERATING EXPENSES		
Instruction	27,340,001	26,813,539
Academic support	4,320,724	3,971,394
Student services	6,160,865	5,366,887
Public service	7,876,539	7,800,384
Operations and maintenance of plant	6,455,407	7,358,531
Institutional support	12,245,713	10,363,673
Auxiliary services	1,492,392	1,290,133
Depreciation	7,773,590	8,201,780
Scholarships, grants and waivers	5,846,261	4,144,123
	79,511,492	75,310,444
OPERATING INCOME (LOSS)	(61,765,438)	(58,433,718)
NON-OPERATING REVENUES (EXPENSES)		
Local property taxes	28,652,944	28,476,829
Personal property replacement tax	1,662,245	1,518,538
State appropriations	19,724,519	17,549,408
State grants and contracts	11,613,685	9,953,983
Federal grants and contracts	14,555,240	12,291,308
Local grants and contracts	861,856	1,019,625
Investment income	1,111,398	1,353,431
Interest on capital assets - related debt	(2,606,720)	(2,935,854)
	75,575,167	69,227,268
CHANGE IN NET POSITION	13,809,729	10,793,550
NET POSITION, JULY 1	66,164,017	55,370,467
Change in accounting principle	888,183	-
NET POSITION, JULY 1, AS RESTATED	67,052,200	55,370,467
NET POSITION, JUNE 30	\$ 80,861,929	\$ 66,164,017

See accompanying notes to financial statements.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 13,287,782	\$ 12,509,497
Sales and service fees	1,337,438	1,363,857
Auxiliary enterprise charges	47,923	139,192
Cash paid to suppliers	(24,261,908)	(19,907,114)
Cash paid to employees	(27,443,006)	(26,105,944)
Other	2,609,784	1,880,581
	<u>(34,421,987)</u>	<u>(30,119,931)</u>
Net cash from operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	32,300,825	21,664,645
Local grants and contracts	366,238	790,927
State grants and contracts	9,176,121	19,384,990
Personal property replacement tax	1,662,245	1,518,538
Federal grants and contracts	16,114,181	12,242,738
	<u>59,619,610</u>	<u>55,601,838</u>
Net cash from noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond payments	(9,165,000)	(8,650,000)
Purchases of capital assets	(2,279,248)	(3,431,194)
Interest paid on capital debt	(2,802,168)	(3,256,065)
	<u>(14,246,416)</u>	<u>(15,337,259)</u>
Net cash from capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	184,929
Interest received	1,062,947	1,357,888
	<u>1,062,947</u>	<u>1,542,817</u>
Net cash from investing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,014,154	11,687,465
CASH AND CASH EQUIVALENTS, JULY 1	<u>66,140,197</u>	<u>54,452,732</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 78,154,351</u>	<u>\$ 66,140,197</u>

(This statement is continued on the following page.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2020 and 2019

	2020	2019
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH FLOWS FROM		
OPERATING ACTIVITIES		
Operating income (loss)	\$ (61,765,438)	\$ (58,433,718)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
State on-behalf pension expense	19,196,215	16,396,580
State on-behalf payments for health insurance program	528,304	1,152,828
Depreciation	7,773,590	8,201,780
Changes in assets and liabilities		
(Increase) decrease in receivables, net	1,150,448	(1,449,055)
(Increase) decrease in prepaid items	112,174	18,824
Increase (decrease) in accounts payable	(524,172)	2,035,698
(Increase) decrease accrued payroll	(17,280)	12,660
Increase (decrease) in compensated absences	126,227	107,118
(Increase) decrease in claims payable	64,653	138,979
Increase (decrease) in early retirement payable	(23,187)	(37,814)
Increase (decrease) in OPEB liability	(283,604)	(1,222,119)
Increase (decrease) in deferred inflows	744,003	2,742,543
(Increase) decrease in deferred outflows	84,847	(376,384)
(Increase) decrease in other accrued liabilities	167,196	4,439
(Increase) decrease in deposits held in custody for others	(142,388)	122,254
Increase (decrease) in unearned tuition and fees	(1,427,392)	405,043
Increase (decrease) in other unearned revenue	(186,183)	60,413
NET CASH FROM OPERATING ACTIVITIES	\$ (34,421,987)	\$ (30,119,931)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 59,457,096	\$ 56,964,624
Restricted cash and cash equivalents	18,697,255	9,175,573
TOTAL CASH AND CASH EQUIVALENTS	\$ 78,154,351	\$ 66,140,197
SUPPLEMENTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital asset purchases included in accounts payable	\$ 260,275	\$ 1,132,612
State on-behalf pension expense	\$ 19,196,215	\$ 16,396,580
State on-behalf OPEB expense	\$ 528,304	\$ 1,152,828

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

**ROCK VALLEY COLLEGE FOUNDATION
ROCKFORD, ILLINOIS**

STATEMENT OF FINANCIAL POSITION

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,539,237	\$ 1,738,856
Pledges receivable, net	356,639	1,266,656
Investments	12,089,853	11,789,783
TOTAL ASSETS	<u>\$ 14,985,729</u>	<u>\$ 14,795,295</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 112,638	\$ 4,215
Due to Rock Valley College		
General operating	655,410	352,658
Scholarships payable	428,801	344,001
Campaign payable	108,066	
Grants payable	71,163	2,056
Total liabilities	<u>1,376,078</u>	<u>702,930</u>
NET ASSETS		
Without donor restrictions		
Board designated for scholarships endowment	69,666	75,712
Board designated for endowments	1,169,196	1,237,797
Board designated for program	25,653	125,653
Undesignated	2,399,672	1,964,842
Total without donor restrictions	3,664,187	3,404,004
With donor restrictions	9,945,464	10,688,361
Total net assets	<u>13,609,651</u>	<u>14,092,365</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,985,729</u>	<u>\$ 14,795,295</u>

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

**ROCK VALLEY COLLEGE FOUNDATION
ROCKFORD, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

(With Summarized Financial Information for the Year Ended June 30, 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE, GAINS AND OTHER SUPPORT				
Donations	\$ 432,220	\$ 433,815	\$ 866,035	\$ 781,037
Donated goods	15,777	-	15,777	260,423
Special event revenue	5,045	-	5,045	12,459
Interest and dividend income	113,900	229,281	343,181	400,901
Net realized gain (loss) on sales of investments	28,322	63,034	91,356	(209,748)
Net unrealized gain (loss) on investments held	(184,020)	(420,954)	(604,974)	179,323
Net assets released from restriction	1,048,073	(1,048,073)	-	-
Total revenue, gains and other support	1,459,317	(742,897)	716,420	1,424,395
EXPENSES				
Program				
Educational	874,401	-	874,401	709,248
Special event - cost of direct donor benefit	12,210	-	12,210	551
General and administrative	274,740	-	274,740	276,084
Fundraising	83,360	-	83,360	81,857
Total expenses	1,244,711	-	1,244,711	1,067,740
Transfer from affiliate - donated services and occupancy from Rock Valley College	45,577	-	45,577	48,244
CHANGE IN NET ASSETS	260,183	(742,897)	(482,714)	404,899
NET ASSETS, BEGINNING OF YEAR	3,404,004	10,688,361	14,092,365	13,687,466
NET ASSETS, END OF YEAR	\$ 3,664,187	\$ 9,945,464	\$ 13,609,651	\$ 14,092,365

See accompanying notes to financial statements.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rock Valley College - Illinois Community College District Number 511 (the College) 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 Governmental Accounting Standards Board (GASB) pronouncements.

a. Financial Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The College is a unit of state and local government governed by a Board of Trustees (the Board) which is elected by the public and is financially accountable and fiscally independent. The College has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt within certain dollar limits without the approval of another government and has the right to sue and be sued. Based on these criteria, the College is considered a primary government. Rock Valley College Foundation (the Foundation) has a significant relationship with the College and, therefore, is included as a discretely presented component unit of the College. The Foundation is reported after the College's financial statements to emphasize it is legally separate from the College.

b. Discretely Presented Component Unit

The Foundation is a nonprofit organization with a fiscal year end of June 30. The Foundation's mission is to advance and support the priorities of the College for quality programs and service to the College by developing and obtaining financial contributions from private sources. The Foundation helps assure the College's role as a catalyst for improving the quality of life in our community. The Foundation is managed by a Board of Directors with additional ex officio directors and one liaison from the College Board of Trustees. In addition, the Foundation has one Board of Directors emeritus member. The Foundation is exempt from federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Discretely Presented Component Unit (Continued)

Complete financial statements for the Foundation may be obtained at the Foundation's administrative office: Rock Valley College Foundation, 3301 North Mulford Road, Rockford, Illinois 61114.

c. Measurement Focus, Basis of Accounting and Basis of 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, include 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 (1) timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; (2) matching requirements, in which the College must provide local resources to be used for a specified purpose; and (3) expense requirements, in which the resources are provided to the College on a reimbursement basis.

d. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

e. Cash and Cash Equivalents

The College considers cash equivalents to include all demand deposits, The Illinois Funds Money Market Fund and Illinois School District Liquid Asset Fund Plus. Investments which have a purchased maturity greater than 90 days are not considered to be cash equivalents.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Investments

The College's investments, with maturities less than one year when purchased and all certificates of deposit, are reported at cost or amortized cost. Investments, with a maturity greater than one year at the time of purchase, are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on published fair values on June 30, 2020 and 2019.

g. Prepaid Items

Payments for goods and services that benefit future periods are recorded as prepaid items.

h. Restricted Cash and Cash Equivalents and Investments

Restricted cash and cash equivalents and investments are unspent bond proceeds, funds on deposit with the Capital Development Board and other resources restricted for the purpose of constructing and purchasing capital assets.

i. 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 unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Assets	Years
Land improvements	10
Buildings	40
Buildings additions	20
Office equipment	3
Instructional equipment	3-5
Service equipment	5
Vehicles	3

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Unearned Tuition and Fee Revenue

Tuition and fee revenues received or receivable and related to the summer or fall period after June 30, 2020 and 2019 have been deferred.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l. Compensated Absences

Full-time employees of the College are eligible to earn vacation days based on their service time. Each employee may accumulate these vacation days up to four weeks. Once the accumulated vacation days exceed four weeks, all unused excess days are forfeited as of December 31 of each year. Vacation days for employees working in grant programs will be advanced at the beginning of each grant cycle. Grant employees are allowed to use 50% of vacation hours within the first six months of the grant cycle and 50% in the second six months. Any unused vacation days at the end of the annual grant cycle will be forfeited. Full-time employees also accrue 12 sick days per year and may accumulate an unlimited amount of sick days. The College does not accrue sick days as employees forfeit their sick days when ending employment with the College. As of June 30, 2020 and 2019, all vested vacation days have been accrued.

m. Long-Term Obligations

The College reports long-term debt at face value in the basic financial statements. Any bond premiums and discounts are capitalized and amortized over the term of the bond using the straight-line method.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Net Position

None of the College's restricted net position is restricted as a result of enabling legislation of the College. The College's net position is classified as follows:

Net Investment in Capital Assets

Represents the College's total investment in capital assets, net of accumulated depreciation and the outstanding debt used to purchase capital assets.

Restricted Net Position

Includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Position

Includes resources derived from student tuition and fees, state appropriations, sales and service fees and auxiliary services. 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 purpose.

o. Classification of Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances; (2) sales and service fees; and (3) auxiliary services. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) property taxes; (2) state appropriations; and (3) most federal, state and local grants and contracts and state appropriations. Other revenue primarily consists of gifts and contributions.

p. Classification of Expenses

Operating expenses include the costs of delivering educational programs and services, facility operations, auxiliary enterprises, administrative expenses and depreciation. All other expenses, not meeting this definition, are reported as non-operating expenses.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Federal Financial Assistance

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work Study and Federal Family Education Loans. Federal programs are audited in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Compliance Supplement.

r. On-Behalf Revenue and Expense

The College applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2020 and 2019, the College has reported its proportionate share of the collective pension expense and revenue for the state's contribution. In addition, the College applies the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, whereby the State of Illinois is responsible for 50% of both employer contribution and the total other postemployment benefit (OPEB) liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2020 and 2019, the College has reported its proportionate share of the collective OPEB expense and revenue for the state's contribution in addition to reporting the College's proportionate share of the OPEB liability and related expense.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The College's investment policy authorizes the College to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. The Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer. It acts as a money market fund that maintains a \$1 per share value.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The College's policy is to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the College and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the College's deposits may not be returned to it. The College's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an independent third party in the College's name. The College's deposits with two financial institutions are collateralized by securities and/or letters of credit pooled by the College's agent and in the name of the College's agent.

Illinois School District Liquid Asset Fund Plus is a not-for-profit investment trust fund formed pursuant to the Illinois Municipal Code and is managed by a Board elected from the participating members. The fund invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high rated short-term obligations of the U.S. Treasury and major United States corporations and banks. The fair value of the College's position in the pool is the same as the value of the pool shares. The credit rating provided by Standard & Poor's of the Illinois School District Liquid Asset Fund Plus - Liquid and Max Class was AAAM at June 30, 2020 and 2019.

The cash held in the Illinois School District Liquid Asset Fund Plus is not subject to custodial credit risk categorization.

The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the College's investment policy does not specifically limit the College to these types of investments.

Custodial risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of investments that are in the possession of an outside party. The College's investment policy requires all investments to be purchased on a delivery versus payment (DVP) basis with the underlying investment being held by an independent third party, acting as an agent of the College, in the College's name.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of June 30, 2020, the College had investments and maturities as follows:

Investment	Fair Value	Investment Maturities		
		Less Than 6 Months	6 Months to 1 Year	1 Year to 3 Years
Negotiable certificates of deposit	\$ 9,176,996	\$ 4,046,347	\$ 4,757,845	\$ 372,804
TOTAL	\$ 9,176,996	\$ 4,046,347	\$ 4,757,845	\$ 372,804

As of June 30, 2019, the College had investments and maturities as follows:

Investment	Fair Value	Investment Maturities		
		Less Than 6 Months	6 Months to 1 Year	1 Year to 3 Years
Negotiable certificates of deposit	\$ 1,657,637	\$ 1,531,225	\$ -	\$ 126,412
U.S. Government agency securities	25,000	25,000	-	-
TOTAL	\$ 1,682,637	\$ 1,556,225	\$ -	\$ 126,412

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2020 and 2019: U.S. agency securities of \$0 and \$25,000, respectively, and negotiable certificates of deposit of \$9.2 million and \$1.7 million, respectively, are valued using quoted matrix pricing models (Level 2 inputs).

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The College has adopted a policy to minimize credit risk by limiting investments types, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the College will do business and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The U.S. Government agency securities were rated AAA at June 30, 2019.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The College's investment policy provides for the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell maturities on the open market prior to maturity. The policy also provides for the investing of operating funds primarily in short-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Public Funds Investment Act limits investments in short-term obligations of corporations to no more than one-third of college funds. Not more than 75% of the funds available for investment may be placed in a single allowable investment instrument or with a single investment entity.

Derivatives - The College's investment policy specifically prohibits the use of or the investment in derivatives.

3. PROPERTY TAXES

Property taxes are recognized as a receivable of the College at the time they are levied, and the property taxes receivable represent the portion of the applicable current year levy still uncollected. An allowance for uncollectible amounts (approximately 0.5% of the current levy) has been provided on the outstanding receivable amount and is based upon past collection experience. Property taxes are levied in December on all taxable real property in the district. The December tax levy attaches as an enforceable lien on the property as of the preceding January 1.

Taxes become due and collectible in June and September and are collected by the county collector, who in turn remits to the College its respective share. The College receives these remittances approximately one month after the collection dates. The College recognizes the most recent levy passed in December as a receivable upon passage (this is the date upon which a legal claim exists and amounts are known). The College recognizes as revenue one-half of the current year levy in the current fiscal year with the second half to be recognized in the following fiscal year.

The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of June 30, 2020 as the tax has not yet been levied by the College and will not be levied until December 2020 and, therefore, the levy is not measurable at June 30, 2020.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAXES (Continued)

The referendum approved rates and the respective actual rates for the December 2019 and 2018 tax levies, per \$100 of assessed valuation, are reflected in the following table:

	Statutory Maximum Rate**	Referendum Approved Rate	Levy Year	
			2019	2018
			Actual Rate	Actual Rate
Current				
Education	0.7500	0.2300	0.2296	0.2300
Operations and maintenance	0.1000	0.0400	0.0400	0.0400
Liability, protection and settlement	*	*	-	0.0173
Audit	0.0050	0.0005	0.0009	0.0009
Social Security/Medicare	*	*	-	-
Total current			<u>0.2705</u>	<u>0.2882</u>
Debt				
Bond and Interest 2010 A	*	*	0.0291	0.0309
Bond and Interest 2014 B	*	*	0.0713	0.0769
Bond and Interest 2015 C, D & E	*	*	0.0319	0.0335
Bond and Interest 2017 A & C	*	*	<u>0.0675</u>	<u>0.0690</u>
Total debt			<u>0.1998</u>	<u>0.2103</u>
Prior year adjustment	*	*	<u>-</u>	<u>0.0002</u>
TOTAL CURRENT LEVY			<u><u>0.4703</u></u>	<u><u>0.4987</u></u>

Note: Rate extended by Winnebago County

* No statutory maximum or referendum approved rate.

** Statutory maximum rates disclosure for informational purposes only.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

The following tables present the changes in the College's various capital asset categories for fiscal years ended 2020 and 2019:

	Fiscal Year 2020			Balance June 30, 2020
	Balance June 30, 2019	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in process	3,191,286	1,380,181	3,780,548	790,919
Fine art/historic treasures	102,000	-	-	102,000
Total capital assets not being depreciated	3,493,286	1,380,181	3,780,548	1,092,919
Capital assets being depreciated				
Land improvements	13,308,626	2,343,408	-	15,652,034
Buildings	108,070,029	566,303	-	108,636,332
Building additions	91,338,687	323,785	-	91,662,472
Office equipment	2,513,832	-	15,788	2,498,044
Instructional equipment	8,980,388	8,451	261,787	8,727,052
Service equipment	15,498,843	701,441	171,283	16,029,001
Vehicles	1,717,011	-	21,404	1,695,607
Total capital assets being depreciated	241,427,416	3,943,388	470,262	244,900,542
Less accumulated depreciation for				
Land improvements	12,821,500	206,259	-	13,027,759
Buildings	28,379,352	2,936,813	-	31,316,165
Building additions	62,689,165	3,672,028	-	66,361,193
Office equipment	2,501,364	4,830	15,788	2,490,406
Instructional equipment	7,095,192	581,808	125,676	7,551,324
Service equipment	14,786,919	250,598	171,283	14,866,234
Vehicles	1,464,319	121,254	21,404	1,564,169
Total accumulated depreciation	129,737,811	7,773,590	334,151	137,177,250
Total capital assets being depreciated, net	111,689,605	(3,830,202)	136,111	107,723,292
CAPITAL ASSETS, NET	\$ 115,182,891	\$ (2,450,021)	\$ 3,916,659	\$ 108,816,211

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Fiscal Year 2019			Balance June 30, 2019
	Balance June 30, 2018	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in process	1,727,653	2,250,277	786,644	3,191,286
Fine art/historic treasures	102,000	-	-	102,000
Total capital assets not being depreciated	2,029,653	2,250,277	786,644	3,493,286
Capital assets being depreciated				
Land improvements	13,308,626	-	-	13,308,626
Buildings	108,070,029	-	-	108,070,029
Building additions	90,893,952	444,735	-	91,338,687
Office equipment	2,517,869	14,489	18,526	2,513,832
Instructional equipment	8,750,031	299,855	69,498	8,980,388
Service equipment	15,605,733	159,086	265,976	15,498,843
Vehicles	1,413,138	345,691	41,818	1,717,011
Total capital assets being depreciated	240,559,378	1,263,856	395,818	241,427,416
Less accumulated depreciation for				
Land improvements	12,456,132	365,368	-	12,821,500
Buildings	25,468,448	2,910,904	-	28,379,352
Building additions	58,826,246	3,862,919	-	62,689,165
Office equipment	2,510,657	9,233	18,526	2,501,364
Instructional equipment	6,514,232	650,458	69,498	7,095,192
Service equipment	14,743,882	298,596	255,559	14,786,919
Vehicles	1,401,835	104,302	41,818	1,464,319
Total accumulated depreciation	121,921,432	8,201,780	385,401	129,737,811
Total capital assets being depreciated, net	118,637,946	(6,937,924)	10,417	111,689,605
CAPITAL ASSETS, NET	\$ 120,667,599	\$ (4,687,647)	\$ 797,061	\$ 115,182,891

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CONSTRUCTION COMMITMENTS

The College had one major construction project outstanding as of June 30, 2019. This project is for the parking lot reconstruction. At year end, the College's commitments with contractors are as follows:

Project	Remaining	
	Spent-to-Date	Commitment
Parking Lot Reconstruction	\$ 750,030	\$ 712,544

The College did not have any significant construction projects outstanding at June 30, 2020.

6. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS

Changes in long-term debt for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion
Accrued compensated absences	\$ 653,543	\$ 224,258	\$ 98,031	\$ 779,770	\$ 116,965
Early termination benefits	91,638	-	23,187	68,451	28,248
OPEB liability	24,913,559	-	283,604	24,629,955	123,430
Community College General Obligation Bonds, Series 2010A	4,310,000	-	1,635,000	2,675,000	1,675,000
Community College General Obligation Bonds, Series 2014B	8,550,000	-	4,275,000	4,275,000	4,275,000
Community College General Obligation Bonds, Series 2015C	17,805,000	-	-	17,805,000	-
Community College General Obligation Bonds, Series 2015D	22,170,000	-	-	22,170,000	-
Community College General Obligation Refunding Bonds, Series 2015E	7,170,000	-	-	7,170,000	-
Community College General Obligation Refunding Bonds, Series 2017A	8,620,000	-	2,735,000	5,885,000	2,780,000
Community College General Obligation Bonds, Series 2017C	14,665,000	-	520,000	14,145,000	655,000
Unamortized bond premium	2,215,580	-	414,846	1,800,734	414,845
TOTAL	\$ 111,164,320	\$ 224,258	\$ 9,984,668	\$ 101,403,910	\$ 10,068,488

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

Changes in long-term debt for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Current Portion
Accrued compensated absences	\$ 546,425	\$ 189,082	\$ 81,964	\$ 653,543	\$ 98,031
Early termination benefits	129,452	-	37,814	91,638	28,990
OPEB liability	26,135,678	-	1,222,119	24,913,559	117,789
Community College General Obligation Bonds, Series 2010A	4,685,000	-	375,000	4,310,000	1,635,000
Community College General Obligation Bonds, Series 2014B	9,525,000	-	975,000	8,550,000	4,275,000
Community College General Obligation Bonds, Series 2015C	17,805,000	-	-	17,805,000	-
Community College General Obligation Bonds, Series 2015D	22,170,000	-	-	22,170,000	-
Community College General Obligation Refunding Bonds, Series 2015E	7,170,000	-	-	7,170,000	-
Community College General Obligation Refunding Bonds, Series 2017A	14,690,000	-	6,070,000	8,620,000	2,735,000
Community College General Obligation Bonds, Series 2017C	15,895,000	-	1,230,000	14,665,000	520,000
Unamortized bond premium	2,630,436	-	414,856	2,215,580	-
TOTAL	\$ 121,381,991	\$ 189,082	\$ 10,406,753	\$ 111,164,320	\$ 9,409,810

General Obligation Bonds

The College issued general obligation bonds to finance various capital projects and improvements. General Obligation Bonds at June 30, 2020 and 2019 are as follows:

	2020	2019
Community College Taxable General Obligation Bonds, Series 2010A, issued December 2010 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on January 1, 2012 through January 1, 2022. Interest at 1.70% to 5.65% is due January 1 and July 1 of each year.	\$ 2,675,000	\$ 4,310,000
Community College General Obligation Refunding Bonds, Series 2014B, issued January 2014 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on October 1, 2017 through October 20, 2020. Interest at 1.50% to 3.00% is due April 1 and October 1 of each year.	4,275,000	8,550,000

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

General Obligation Bonds (Continued)

	<u>2020</u>	<u>2019</u>
Community College General Obligation Bonds, Series 2015C, issued June 2015 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on October 1, 2026 through October 1, 2029. Interest at 0.90% to 1.20% is due April 1 and October 1 of each year.	\$ 17,805,000	\$ 17,805,000
Community College General Obligation Bonds, Series 2015D, issued June 2015 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on October 1, 2029 through October 1, 2033. Interest at 5% is due April 1 and October 1 of each year.	22,170,000	22,170,000
Community College Refunding Bonds, Series 2015E, issued June 2015 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on October 1, 2022 through October 1, 2023. Interest at 3% is due April 1 and October 1 of each year.	7,170,000	7,170,000
Community College General Obligation Refunding Bonds, Series 2017A, issued February 2017 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on January 1, 2018 through January 1, 2022. Interest at 4% to 5% is due January 1 and July 1 of each year.	5,885,000	8,620,000
Community College General Obligation Bonds, Series 2017C, issued June 2017 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on January 1, 2019 through January 1, 2024. Interest at 2.02% is due January 1 and July 1 of each year.	<u>14,145,000</u>	<u>14,665,000</u>
TOTAL	<u>\$ 74,125,000</u>	<u>\$ 83,290,000</u>

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

General Obligation Bonds (Continued)

Future principal and interest payments due on long-term debt of the College are approximately as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 9,475,000	\$ 2,720,862	\$ 12,195,862
2022	9,755,000	2,408,718	12,163,718
2023	10,125,000	2,017,795	12,142,795
2024	4,795,000	1,796,923	6,591,923
2025	-	1,713,870	1,713,870
2026	-	1,713,870	1,713,870
2027	3,315,000	1,657,515	4,972,515
2028	5,525,000	1,507,235	7,032,235
2029	5,655,000	1,317,175	6,972,175
2030	5,810,000	1,102,270	6,912,270
2031	6,030,000	832,750	6,862,750
2032	6,275,000	525,125	6,800,125
2033	6,535,000	204,875	6,739,875
2034	830,000	20,750	850,750
TOTAL	\$ 74,125,000	\$ 19,539,733	\$ 93,664,733

The June 30, 2020 legal debt margin of the College was \$100,890,132. The debt margin was computed as 2.875% of the equalized assessed valuation of \$6,087,482,839 less outstanding bond indebtedness of \$74,125,000.

The June 30, 2019 legal debt margin of the College was \$83,062,793. The debt margin was computed as 2.875% of the equalized assessed valuation of \$5,786,184,091 less outstanding bond indebtedness of \$83,290,000.

ROCK VALLEY COLLEGE
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ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN

Plan Description

The College contributes to the State Universities Retirement System of Illinois (SURS or the System), 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 was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations and certain other state educational and scientific agencies and for survivors, dependents and other beneficiaries of such employees. 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.

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2019 can be found in the System's comprehensive annual financial report (CAFR) notes to the financial statements.

Contributions

The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2020 was 12.29% and 13.02%, respectively, of employee payroll. The normal cost is equal to the value of current year's

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8% of their annual covered salary except for police officers and firefighters who contribute 9.50% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

At June 30, 2019 and 2018, SURS reported a net pension liability (NPL) of \$28,720,071,173 and \$27,494,556,682, respectively. The net pension liability was measured as of June 30, 2019 and 2018, respectively.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College in the 2020 and 2019 financial statements is \$0. The proportionate share of the state’s net pension liability associated with the College is \$178,150,601 or 0.6203% as of June 30, 2019 and \$167,881,763 or 0.6106% as of June 30, 2018. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined based on the June 30, 2018 and 2017 actuarial valuations rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2019 and 2018.

Pension Expense

At June 30, 2019, SURS reported a collective net pension expense of \$3,094,666,252 and at June 30, 2018 SURS reported a collective net pension expense of \$2,685,322,700.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

- a. Pension Liabilities, Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal years 2020 and 2019. As a result, the College recognized revenue and pension expense of \$19,196,215 for the fiscal year ended June 30, 2020 and \$16,396,580 for the fiscal year ended June 30, 2019.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred outflows of resources are the consumption of net assets by the College that is applicable to future reporting periods. The College paid \$145,847 in federal, trust or grant contributions for the fiscal year ended June 30, 2020 and \$162,789 as of June 30, 2019. The June 30, 2020 contributions were made subsequent to the pension liability measurement date of June 30, 2019 and are recognized as deferred outflows of resources as of June 30, 2020.

- b. Assumptions and Other Inputs

Actuarial Assumptions

2019

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014-2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.25% to 12.25%, including inflation
Investment rate of return	6.75% beginning with the actuarial valuation as of June 30, 2018

ROCK VALLEY COLLEGE
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ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2019 (Continued)

Mortality rates were based on the RP2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

2018

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2014-2017. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.25% to 12.25%, including inflation
Investment rate of return	6.75% beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2019 and 2018, these best estimates are summarized in the following tables:

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2019		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.25%
Private Equity	6.00%	8.65%
Non-U.S. Equity	19.00%	6.75%
Global Equity	8.00%	6.25%
Fixed Income	19.00%	1.85%
Treasury-Inflation Protected Securities	4.00%	1.20%
Emerging Market Debt	3.00%	4.00%
Real Estate REITS	4.00%	5.70%
Direct Real Estate	6.00%	4.85%
Commodities	2.00%	2.00%
Hedged Strategies	5.00%	2.85%
Opportunity Fund	1.00%	7.00%
Total	100.00%	4.80%
Inflation		2.75%
EXPECTED ARITHMETIC RETURN		7.55%

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2018		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.00%
Private Equity	6.00%	8.50%
Non-U.S. Equity	19.00%	6.45%
Global Equity	8.00%	6.00%
Fixed Income	19.00%	1.50%
Treasury-Inflation Protected Securities	4.00%	0.75%
Emerging Market Debt	3.00%	3.65%
Real Estate REITS	4.00%	5.45%
Direct Real Estate	6.00%	4.75%
Commodities	2.00%	2.00%
Hedged Strategies	5.00%	2.85%
Opportunity Fund	1.00%	7.00%
Total	100.00%	4.55%
Inflation		2.75%
EXPECTED ARITHMETIC RETURN		7.30%

Discount Rate

A single discount rate of 6.59% for 2019 and 6.65% for 2018 was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% for 2019 and 6.75% for 2018 and a municipal bond rate of 3.13% for 2019 and 3.62% for 2018 (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

7. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.59% for 2019 and 6.65% for 2018, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	2019		
	1% Decrease (5.59%)	Current Single Discount Rate Assumption (6.59%)	1% Increase (7.59%)
Net pension liability	\$ 34,786,851,779	\$ 28,720,071,173	\$ 23,712,555,197
	2018		
	1% Decrease (5.65%)	Current Single Discount Rate Assumption (6.65%)	1% Increase (7.65%)
Net pension liability	\$ 33,352,188,584	\$ 27,494,556,682	\$ 22,650,651,520

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EARLY RETIREMENT BENEFITS

The College offered three early retirement incentive plans for certain eligible employees. The first plan began June 1999, and the College offered an early retirement plan to all employees with 20 years of full-time service and are SURS eligible for retirement who elected to retire prior to or at the end of fiscal year 2003. The plan offered a percentage of the employees' salary. In addition, the employee received this same amount paid over a one to two-year period, based on when they elected to retire. The College also provided postretirement health care benefits to employees who elected the above described early retirement plan. Employees could elect to remain on the College's general health plan or transfer to the State of Illinois College Insurance Program (CIP). Employees that elected to remain on the College's health insurance plan could select coverage for single, single plus one and family.

Employees that elected to take the single plan, the College pays 100% of their health insurance. Employees who elected the single plus one plan are required to pay annual premiums to the College of approximately \$7,600, and the College pays the remaining amount. To estimate the health insurance liability, the College used annual health plan cost for single, single plus one and family and calculated a medical inflation rate of 12% compounded each fiscal year through fiscal year 2023 for each employee to account for the expected increase in health insurance to be paid by the College for the retirees.

For those employees that elected the CIP option, the College reimburses up to \$1,630, or the actual cost of annual CIP premium, whichever is less, up to age 65. To be eligible for this reimbursement, the retiree must participate in a Wellness Program sponsored by the College at a cost of \$120. Upon successful completion of the program, the \$120 fee is refunded to the retiree. The costs associated with the health insurance and CIP benefits are accrued in termination benefits liability. At June 30, 2020 and 2019, the College has accrued \$53,051 and \$80,941, respectively. At June 30, 2020 and 2019, the number of retirees covered by the College's general health insurance plan was one. At June 30, 2020 and 2019, the number of retirees covered by the College's CIP plan was zero.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
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NOTES TO FINANCIAL STATEMENTS (Continued)

8. EARLY RETIREMENT BENEFITS (Continued)

In August 2003, the second retirement incentive plan was offered to all employees that were 55 years or older with ten years of service and with 30 years of credible SURS service (nonfaculty). Employees that retired under this plan could elect to retire by December 31, 2003 and receive 20% of their salary compensation or retire by March 31, 2004 and receive 10% of their salary compensation all paid out in fiscal year 2004. All employees opting to retire under this plan were also eligible to receive up to \$1,630 per year or the actual cost of their annual premium for the State of Illinois CIP, whichever is less, up to age 65. The costs associated with these benefits are accrued in termination benefits liability. At June 30, 2020 and 2019, the College has accrued \$0 and \$6,520, respectively. At June 30, 2020 and 2019, the number of retirees covered by this plan was zero and one, respectively.

In June 2017, the third retirement incentive plan was offered to all employees that were either 62 years or older with 15 plus years of Rock Valley College Service, 55 years or older with 20 plus years of Rock Valley College service or any age with 30 plus years of Rock Valley College service. Employees that retired under this plan could elect to retire by June 30, 2020 and receive 6% increase in base pay on their annual salary. All employees opting to retire under this plan were also eligible to a reimbursement of 50% of the cost of their annual premium for the State of Illinois CIP up to age 65. The costs associated with these benefits are accrued in termination benefits liability. At June 30, 2020 and 2019, the College has accrued \$15,400 and \$4,177, respectively. At June 30, 2020 and 2019, the number of retirees covered by this plan was two and one, respectively.

9. RETIREE HEALTH PLAN

Plan Description

In addition to the pension plan described previously, the College contributes to CIP, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of Illinois. CIP provides health, vision and dental benefits to retired staff and beneficiaries of participating community colleges. The benefits, employer, employee, retiree and state contributions are dictated by Illinois Compiled Statutes (ILCS) through the State Group Insurance Act of 1971 (Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

The Act requires every active contributor (employee) of SURS to contribute 0.50% of covered payroll and every community college district to contribute 0.50% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to contribute 0.50% of estimated covered payroll directly to the plan. The result is pay as you go financing of the plan.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

At June 30, 2020, the College reported a liability of \$24,629,955 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$24,629,955 resulting in a total OPEB liability associated with the College of \$49,259,910. The OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to June 30, 2019. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State of Illinois, statutorily determined. At June 30, 2020, the College's proportionate share was 1.304179%.

At June 30, 2019, the College reported a liability of \$24,913,559 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$24,913,559 resulting in a total OPEB liability associated with the College of \$49,827,118. The OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State of Illinois, statutorily determined. At June 30, 2019, the College's proportionate share was 1.321498%.

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

For the year ended June 30, 2020, the College recognized OPEB expense of \$528,304 and revenue of \$528,304 for support provided by the state. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 288,660	\$ 520,868
Changes in assumption	-	3,431,526
Changes in proportionate share and differences between College contributions and proportionate share of contributions	3,964	1,898,338
Contributions made after the measurement date	123,429	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,088
TOTAL	\$ 416,053	\$ 5,851,820

For the year ended June 30, 2019, the College recognized OPEB expense of \$1,152,828 and revenue of \$1,152,828 for support provided by the state. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 366,169	\$ 54,565
Changes in assumption	-	3,118,443
Changes in proportionate share and differences between College contributions and proportionate share of contributions	-	1,933,995
Contributions made after the measurement date	117,789	-
Net difference between projected and actual earnings on OPEB plan investments	-	814
TOTAL	\$ 483,958	\$ 5,107,817

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2020

\$123,429 reported as deferred outflows or resources related to OPEB resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ 926,533
2022	926,533
2023	926,533
2024	926,533
2025	926,532
Thereafter	<u>926,532</u>
 TOTAL	 <u>\$ 5,559,196</u>

2019

\$117,789 reported as deferred outflows or resources related to OPEB resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2020	\$ 790,275
2021	790,275
2022	790,275
2023	790,275
2024	790,275
Thereafter	<u>790,273</u>
 TOTAL	 <u>\$ 4,741,648</u>

ROCK VALLEY COLLEGE
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ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2020

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.25% to 12.25%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

2019

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.75%
Salary increases	3.75% to 10.00%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% to 9.00% trending to 4.50%
Asset valuation method	Market value

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2010 to June 30, 2014.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.13% as of June 30, 2019, and 3.62% as of June 30, 2018.

Rate Sensitivity

2020

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.13% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%) or 1 percentage point higher (4.13%) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
OPEB liability	\$ 28,268,677	\$ 24,629,955	\$ 21,541,564

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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Rate Sensitivity (Continued)

2019

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.62% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62%) or 1 percentage point higher (4.62%) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
OPEB liability	\$ 28,874,167	\$ 24,913,559	\$ 21,617,154

2020

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027, for non-Medicare coverage, and 9% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 20,441,357	\$ 24,629,955	\$ 30,164,929

2019

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

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NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREE HEALTH PLAN (Continued)

Rate Sensitivity (Continued)

2019 (Continued)

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 20,653,176	\$ 24,913,559	\$ 30,520,868

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CIP financial report.

10. 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; and natural disaster.

The College participates in the Illinois Community College Risk Management Consortium (Consortium) which operates as a public entity risk pool for the member colleges. The Consortium was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance for its college members. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The excess coverage including underlying policies coverage is as follows; crisis response (\$250 thousand); identity protection and crime (\$1 million); boiler and machinery (\$100 million); property (\$500 million); general liability, law enforcement liability, campus security, employee benefits, student practices, auto liability and educator’s legal liability (\$19.75 million); employer’s liability portion of worker’s compensation (\$1.5 million); and foreign liability (\$2 million). Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses.

The College is self-insured for employee hospital, surgical, medical, prescriptions, vision and major medical benefits up to approximately \$5,119,100 in the aggregate per year and for employee dental benefits up to \$1,250 per covered person per year. The College has a specific stop loss on health claims of \$115,000 per claim and gets reimbursement for the amount above \$115,000. The self-insured programs are administered by a third party administrator (TPA) who processes the claims. The administration, with the help of an outside consultant, determines the funding requirements and the selection of the TPA. A liability for claims incurred but not paid as of the fiscal year end, including as estimate of incurred but not reported claims has been accrued as of June 30, 2020 and 2019.

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

10. RISK MANAGEMENT (Continued)

An analysis of claim activities consisted of the following at June 30:

	2020	2019	2018
CLAIMS PAYABLE, JULY 1	\$ 1,026,344	\$ 887,365	\$ 642,720
Claims paid	(9,205,852)	(4,501,339)	(4,163,617)
Claims incurred	9,270,505	4,640,318	4,408,262
CLAIMS PAYABLE, JUNE 30	<u>\$ 1,090,997</u>	<u>\$ 1,026,344</u>	<u>\$ 887,365</u>

The College purchases commercial insurance for other significant risks of loss. Settled claims have not exceeded commercial insurance coverage in the current year or the three previous fiscal years.

11. RELATED PARTY TRANSACTIONS

The College provides office space, equipment and support services for the Foundation. The value of such in-kind benefits to the Foundation was \$45,893 and \$48,244 for the years ended June 30, 2020 and 2019, respectively.

As of June 30, 2020 and 2019, cash gifts received by the Foundation from college employees amounted to approximately \$22,980 and \$19,563, respectively.

12. TAX ABATEMENTS

The College rebates property taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

The College has an agreement with an industrial equipment supplier to rebate 50% of its share of property taxes paid for costs associated with the acquisition and development of property, including the construction of a 120,000 square building which would employ approximately 70 people. The term of the agreement is five years commencing with 2014 real estate taxes payable in 2015. In the event that the company stops doing business in the County of Winnebago before the abatement period is over, the abatement of the College's real estate property taxes shall cease. As of June 30, 2020 and 2019, an immaterial amount of property taxes have been abated.

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

12. TAX ABATEMENTS (Continued)

The College has entered into an intergovernmental agreement with several units of local government in the Rockford area to abate property taxes for a recreational facility that is being leased out by the Rockford Park District. The College has agreed to abate property taxes for the lessor of ten years from the commencement date of the lease or the termination of the lease. As of June 30, 2020 and 2019, an immaterial amount of property taxes have been abated.

13. RENTAL INCOME

The College leases building space to OSF Healthcare System under the terms of operating leases. The term of the lease began March 1, 2017 and commences for 20 years, ending March 1, 2037.

The total rental income recognized by the College for the year ended June 30, 2020 and 2019 was approximately \$867,396 and \$957,057, respectively.

Future minimum lease payments to be received by the College as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 760,478
2022	760,478
2023	760,478
2024	760,478
2025	760,478
2026-2030	3,802,390
2031-2035	3,802,390
2036-2037	<u>1,267,463</u>
 TOTAL	 <u>\$ 12,674,633</u>

The above payments are the future minimum base lease payments. The College will also receive reimbursement for common area maintenance which fluctuates on an annual basis.

As of June 30, 2020, the cost of the building being leased is \$34,859,648, accumulated depreciation is \$1,504,184, resulting in a \$33,355,464 book value.

As of June 30, 2019, the cost of the building being leased is \$34,859,648, accumulated depreciation is \$1,474,017, resulting in a \$33,385,631 book value.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
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NOTES TO FINANCIAL STATEMENTS (Continued)

14. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2020, the College implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of this guidance resulted in a restatement of beginning net position of the College’s student activity subfund.

The beginning net position balance of the College has been restated to reflect the new guidance as follows:

BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED	\$ <u> -</u>
Record net position of student activity subfund	<u> 888,183</u>
Total restatement	<u> 888,183</u>
BEGINNING FUND BALANCE, AS RESTATED	<u>\$ <u> 888,183</u></u>

15. SUBSEQUENT EVENT

On Monday August 10, 2020 the College’s main campus sustained damage due to an EF-1 tornado. The estimated cost of damage is from \$500,000 to \$1,000,000. It is expected that the damage from the tornado will be covered by the College’s insurance policy.

16. DISCRETELY PRESENTED COMPONENT UNIT

Rock Valley College Foundation (the Foundation) is a nonprofit corporation. The Foundation is organized and operated exclusively for educational purposes to assist in developing and augmenting the facilities and carrying out the educational functions of Rock Valley College, Illinois Community College District Number 511 (the College), to the end that there may be provided in the College community broader educational opportunities for, and service to, the students and alumni of the College and its community.

A summary of the Foundation’s significant accounting policies follows:

a. Financial Statement Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
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NOTES TO FINANCIAL STATEMENTS (Continued)

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

a. Financial Statement Presentation (Continued)

Net Assets Without Donor Restrictions

Undesignated - Net assets that are not subject to donor-imposed restrictions or Board designations.

Board Designated - Net assets subject to restrictions imposed by the Board and determined to be unavailable for general use.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Foundation pursuant to those restrictions, or maintained permanently by the Foundation.

b. Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist primarily of money market accounts.

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2020, the Foundation's accounts did not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

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NOTES TO FINANCIAL STATEMENTS (Continued)

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

d. Revenue recognition:

Donations and Special Event

All donations and special event revenue are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation recognizes donations and special event revenue when an unconditional promise to give cash, securities, other assets, services or space, is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional donations expected to be collected within one year are reported at their net realizable value. Unconditional donations expected to be collected in more than one year are initially reported at fair value determined using the discounted present value of estimated future cash flows technique based on a risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional donation revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity. Based on information available, the Foundation believes its allowance for uncollectible contributions in the amount of \$11,044 as of June 30, 2020 is adequate. However, actual write-offs may exceed the recorded allowance.

Donated Goods

The Foundation recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated assets are recorded in the financial statements as assets and revenue or transfers from affiliate at their estimated fair market value on the dates the assets are contributed.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
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NOTES TO FINANCIAL STATEMENTS (Continued)

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

e. Investments

The Foundation's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. All earnings on permanently restricted investments are temporarily restricted for educational programs unless restricted by donor or law. Purchases and sales of securities are recorded on trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Investment return is reported net external and direct internal investment expenses.

f. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged when feasible. Costs that cannot be directly charged (salaries and wages) are allocated based on time and effort.

g. Collections

Collections of art acquired through purchases and contributions since the Foundation's inception are not recognized as assets on the statement of financial position. Art objects are held for educational and curatorial purposes and are subject to a policy that requires proceeds from their sales to be used to acquire other items for collections. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired or as net assets with donor restrictions if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

h. Prior year information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

i. New accounting pronouncements

The Foundation adopted Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting. The adoption of this new accounting pronouncement did not have a material impact on the financial statements.

The Foundation adopted the requirements of Topic 606 as of January 1, 2019, utilizing the modified retrospective method of transition. The new guidance was applied using the practical expedient provided to Topic 606 that allows the guidance to be applied only to contracts that were not completed as of January 1, 2019. The adoption of this new accounting pronouncement did not have a material impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

June 30, 2020

MEASUREMENT DATE JUNE 30,	2014	2015	2016	2017	2018	2019	
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of non-employer contributing entities' total proportion of net pension liability associated with employer	158,547,115	169,225,691	181,581,941	171,385,920	167,881,763	178,150,601	
Total (b) + (c)	\$ 158,547,115	\$ 169,225,691	\$ 181,581,941	\$ 171,385,920	\$ 167,881,763	\$ 178,150,601	
Employer pensionable wages	\$ 26,361,054	\$ 25,971,920	\$ 25,208,005	\$ 23,697,510	\$ 21,759,152	\$ 22,362,938	
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	601.44%	651.57%	720.33%	723.22%	771.55%	796.63%	
SURS plan net position as a percentage of total pension liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	
FISCAL YEAR ENDED JUNE 30,							2020
ROCK VALLEY COLLEGE							
Federal, trust, grant and other contributions	\$ 117,163	\$ 128,604	\$ 136,517	\$ 148,754	\$ 154,001	\$ 162,789	\$ 145,847
Contribution in relation to required contribution	117,163	128,604	136,517	148,754	154,001	162,789	145,847
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -					
Employer covered payroll	\$ 29,272,334	\$ 29,093,347	\$ 28,208,418	\$ 26,732,700	\$ 24,586,782	\$ 25,306,904	\$ 26,779,263
Contributions as a percentage of covered payroll	0.40%	0.44%	0.48%	0.56%	0.63%	0.64%	0.54%

Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
COLLEGE INSURANCE PROGRAM

June 30, 2020

MEASUREMENT DATE JUNE 30,	2017	2018	2019
College's proportion of the net OPEB liability	1.433162%	1.321498%	1.304179%
College's proportionate share of the net OPEB liability	\$ 26,135,678	\$ 24,913,559	\$ 24,629,955
Portion of the state's total proportion of net OPEB liability associated with the College	25,791,449	24,913,559	24,629,955
TOTAL	\$ 51,927,127	\$ 49,827,118	\$ 49,259,910
College covered payroll	\$ 27,136,238	\$ 26,003,291	\$ 25,148,542
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	191.36%	191.62%	195.88%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)
FISCAL YEAR ENDED JUNE 30,	2018	2019	2020
Statutorily required contribution	\$ 116,632	\$ 117,789	\$ 123,430
Contribution in relation to the statutorily required contribution	116,632	117,789	123,430
CONTRIBUTION EXCESS (Deficiency)	\$ -	\$ -	\$ -
Employer covered payroll	\$ 24,586,782	\$ 25,306,904	\$ 26,779,263
Contributions as a percentage of covered payroll	0.47%	0.47%	0.46%

Notes to Required Supplementary Information

Changes of benefit terms - There were no benefit changes recognized in the total OPEB liability as of June 30, 2019.

Changes in assumptions -

2017: The discount rate changed from 2.85% at June 30, 2016 to 3.56% at June 30, 2017.

2018: The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.

2019: The discount rate changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.

The College implemented GASB No. 75 in fiscal year 2018. Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**UNIFORM FINANCIAL STATEMENTS AND
CERTIFICATION OF CHARGEBACK REIMBURSEMENT**

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

UNIFORM FINANCIAL STATEMENTS

June 30, 2020

UNIFORM FINANCIAL STATEMENTS

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district.

The Uniform Financial Statements include the following:

- No. 1 - All Funds Summary
- No. 2 - Summary of Capital Assets and Long-Term Debt
- No. 3 - Operating Funds Revenues and Expenditures
- No. 4 - Restricted Purposes Fund Revenues and Expenditures
- No. 5 - Current Funds Expenditures by Activity

CERTIFICATION OF CHARGEBACK REIMBURSEMENT

Certification of Chargeback Reimbursement

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Audit Fund	Liability, Protection Settlement Fund	Total
FUND BALANCE JULY 1, 2019	\$ 16,252,876	\$ -	\$ 27,837,490	\$ 6,123,084	\$ 2,861,995	\$ 4,345,937	\$ 53,926	\$ 6,548,818	\$ 64,024,126
REVENUES									
Local tax revenue	15,008,880	2,616,940	-	12,137,481	-	-	52,258	499,717	30,315,276
All other local revenue	-	604	-	50,000	12,492	349,578	-	-	412,674
ICCB grants	8,435,475	657,500	-	-	-	1,114,361	-	-	10,207,336
All other state revenue	-	-	-	-	-	21,130,868	-	-	21,130,868
Federal revenue	-	-	-	76,822	-	14,478,418	-	-	14,555,240
Student tuition and fees	18,092,395	925,295	372,700	-	1,450,498	-	-	-	20,840,888
Capital contributions	-	-	-	-	-	-	-	-	-
All other revenue	1,487,111	1,266,928	136,824	39,413	2,599,424	436,911	-	1,714	5,968,325
Total revenues	43,023,861	5,467,267	509,524	12,303,716	4,062,414	37,510,136	52,258	501,431	103,430,607
EXPENDITURES									
Instruction	16,436,263	-	-	-	(56,453)	10,970,981	-	-	27,350,791
Academic support	2,972,617	-	-	-	(18,836)	1,375,392	-	-	4,329,173
Student services	3,510,630	-	-	-	186,131	2,497,131	-	-	6,193,892
Public service/continuing education	550,241	-	-	-	1,795,643	5,656,848	-	-	8,002,732
Organized research	-	-	-	-	-	-	-	-	-
Auxiliary services	87	-	-	-	976,730	383,615	-	-	1,360,432
Operations and maintenance	-	5,151,021	1,428,640	-	(6,684)	1,310,975	-	503	7,884,455
Institutional support	7,091,608	316,246	1,591	12,228,646	592,960	3,860,677	37,727	1,058,972	25,188,427
Scholarships, grants and waivers	24,654	-	-	-	213,402	12,308,656	-	-	12,546,712
Total expenditures	30,586,100	5,467,267	1,430,231	12,228,646	3,682,893	38,364,275	37,727	1,059,475	92,856,614
REVENUES OVER (UNDER) EXPENDITURES	12,437,761	-	(920,707)	75,070	379,521	(854,139)	14,531	(558,044)	10,573,993
NET TRANSFERS	(5,000,000)	-	2,500,000	-	1,500,000	1,000,000	-	-	-
FUND BALANCES, JUNE 30, 2020	\$ 23,690,637	\$ -	\$ 29,416,783	\$ 6,198,154	\$ 4,741,516	\$ 4,491,798	\$ 68,457	\$ 5,990,774	\$ 74,598,119

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

SUMMARY OF CAPITAL ASSETS AND LONG-TERM DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2020

	Balance, July 1, 2019	Additions	Transfers/ Deletions	Balance, June 30, 2020
CAPITAL ASSETS				
Sites and improvements	\$ 13,508,626	\$ 2,343,408	\$ -	\$ 15,852,034
Buildings, additions and improvements	202,600,002	2,270,269	3,780,548	201,089,723
Equipment	28,710,074	709,892	470,262	28,949,704
Other capital assets	102,000	-	-	102,000
Accumulated depreciation	(129,737,811)	(7,773,590)	(334,151)	(137,177,250)
TOTAL CAPITAL ASSETS	\$ 115,182,891	\$ (2,450,021)	\$ 3,916,659	\$ 108,816,211
LONG-TERM DEBT				
Bonds payable	\$ 83,290,000	\$ -	\$ 9,165,000	\$ 74,125,000
Bond premiums				
net of accumulated amortization	2,215,580	-	414,846	1,800,734
Early termination benefits	91,638	-	23,187	68,451
OPEB liability	24,913,559	-	283,604	24,629,955
Compensated absences	653,543	224,258	98,031	779,770
TOTAL LONG-TERM DEBT	\$ 111,164,320	\$ 224,258	\$ 9,984,668	\$ 101,403,910

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local government			
Local taxes	\$ 13,595,972	\$ 2,367,604	\$ 15,963,576
CPPRT	1,412,908	249,336	1,662,244
Other	-	604	604
Total local government	15,008,880	2,617,544	17,626,424
State government			
ICCB base operating grants	3,725,830	657,500	4,383,330
ICCB equalization grants	4,359,320	-	4,359,320
ICCB career & technical education	344,130	-	344,130
Other (include other ICCB grants not above)	6,195	-	6,195
Total state government	8,435,475	657,500	9,092,975
Student tuition and fees			
Tuition	13,984,151	925,295	14,909,446
Fees	4,108,244	-	4,108,244
Total tuition and fees	18,092,395	925,295	19,017,690
Other sources			
Sales and service fees	22,918	-	22,918
Facilities revenue	-	131,850	131,850
Investment revenue	929,394	3,965	933,359
Other	534,799	1,131,113	1,665,912
Total other sources	1,487,111	1,266,928	2,754,039
Total revenue	43,023,861	5,467,267	48,491,128
Less non-operating items			
Tuition chargeback revenue	-	-	-
Instructional service contracts	-	-	-
ADJUSTED REVENUE	\$ 43,023,861	\$ 5,467,267	\$ 48,491,128

(This statement is continued on the following page.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 16,436,263	\$ -	\$ 16,436,263
Academic support	2,972,617	-	2,972,617
Student services	3,510,630	-	3,510,630
Public service/continuing education	550,241	-	550,241
Auxiliary services	87	-	87
Operations and maintenance	-	5,151,021	5,151,021
Institutional support	7,091,608	316,246	7,407,854
Scholarships, grants and waivers	24,654	-	24,654
	30,586,100	5,467,267	36,053,367
Less non-operating items			
Expense transfers from non-operating funds	(5,000,000)	-	(5,000,000)
	\$ 25,586,100	\$ 5,467,267	\$ 31,053,367
ADJUSTED EXPENDITURES			
BY OBJECT			
Salaries	\$ 22,326,936	\$ 1,736,301	\$ 24,063,237
Employee benefits	3,674,042	370,642	4,044,684
Contractual services	1,916,768	1,160,159	3,076,927
General materials and supplies	1,462,558	353,946	1,816,504
Conference and meeting expenses	141,216	(5,775)	135,441
Fixed charges	363,655	164,164	527,819
Utilities	554	1,686,595	1,687,149
Capital outlay	181,857	1,235	183,092
Other	519,499	-	519,499
	30,587,085	5,467,267	36,054,352
Less non-operating items			
Expense transfers from non-operating funds	(5,000,000)	-	(5,000,000)
	\$ 25,587,085	\$ 5,467,267	\$ 31,054,352
ADJUSTED EXPENDITURES			

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2020

REVENUE BY SOURCE

Total local government		<u>\$ 349,578</u>
State government		
ICCB - Transitional Math	\$ 7,000	
ICCB - Adult Education	625,355	
ICCB - Workforce Equity	482,006	
Illinois Student Assistance Commission	1,150,626	
Other - (attach itemization)	<u>19,980,242</u>	
Total state government		<u>22,245,229</u>
Federal government		
Department of Education	12,642,749	
Department of Labor	1,526,485	
Department of Health and Human Services	166,750	
Other	<u>142,434</u>	
Total federal government		<u>14,478,418</u>
Other sources		
Tuition and fees	-	
Other	<u>436,911</u>	
Total other sources		<u>436,911</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES		<u><u>\$ 37,510,136</u></u>

(This statement is continued on the following page.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020

EXPENDITURES BY PROGRAM

Instruction	\$ 10,970,981
Academic support	1,375,392
Student services	2,497,131
Public service/continuing education	5,656,848
Auxiliary services	383,615
Operations and maintenance	1,310,975
Institutional support	3,860,677
Scholarships, grants and waivers	<u>12,308,656</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 38,364,275

EXPENDITURES BY OBJECT

Salaries	\$ 2,365,986
Employee benefits	20,821,680
Contractual services	984,819
General materials and supplies	370,697
Travel and conference/meeting expenses	125,531
Fixed charges	196,807
Utilities	5,176
Capital outlay	44,765
Other	13,448,814
Scholarships, grants and waivers*	<u>12,308,656</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 38,364,275

*Non-add line

ITEMIZATION OF OTHER STATE GOVERNMENT REVENUE

Illinois Coalition for Immigrant and Refugee Rights	\$ 58,200
Illinois Department of Transportation Careers Training	171,189
Illinois Cooperative Work Study	26,334
SURS On-Behalf Revenue	19,196,215
CIP On-Behalf Revenue	<u>528,304</u>

TOTAL OTHER \$ 19,980,242

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2020

INSTRUCTION	
Instructional programs	\$ 16,628,538
Other	<u>10,722,253</u>
Total instruction	<u>27,350,791</u>
 ACADEMIC SUPPORT	
Library Center	761,880
Academic computing support	519,587
Academic administration and planning	1,448,796
Other	<u>1,598,910</u>
Total academic support	<u>4,329,173</u>
 STUDENT SERVICES SUPPORT	
Admissions and records	978,234
Counseling and career services	824,282
Financial aid administration	621,698
Other	<u>3,769,678</u>
Total student services support	<u>6,193,892</u>
 PUBLIC SERVICE/CONTINUING EDUCATION	
Community education	3,621,694
Customized training (instructional)	932,788
Community services	1,171,129
Other	<u>2,277,121</u>
Total public service/continuing education	<u>8,002,732</u>
 ORGANIZED RESEARCH	
	<u>-</u>
 AUXILIARY SERVICES	
	<u>1,360,432</u>

(This statement is continued on the following page.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**CURRENT FUNDS EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2020**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 830,956
Custodial services	611,561
Grounds	250,488
Campus security	970,682
Transportation	129,183
Utilities	1,867,622
Administration	150,197
Other	<u>1,645,126</u>
 Total operations and maintenance of plant	 <u>6,455,815</u>

INSTITUTIONAL SUPPORT

Executive management	1,095,311
Fiscal operations	709,078
Community relations	1,211,763
Administrative support services	967,235
Board of Trustees	1,624
General institutional	2,647,285
Institutional research	415,646
Administrative data processing	<u>5,910,248</u>
 Total institutional support	 <u>12,958,190</u>

SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS

12,546,712

TOTAL CURRENT FUNDS EXPENDITURES

\$ 79,197,737

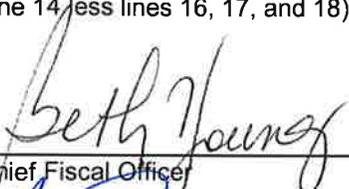
(See independent auditor's report.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511**

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2020

ALL FISCAL YEAR 2020 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	<u>\$ 30,456,858</u>
2	Operations and Maintenance Fund	<u>\$ 5,466,032</u>
3	Public Building Commission Operation and Maintenance Fund	<u>\$ -</u>
4	Bond and Interest Fund	<u>\$ -</u>
5	Public Building Commission Rental Fund	<u>\$ -</u>
6	Restricted Purposes Fund	<u>\$ 18,754,754</u>
7	Audit Fund	<u>\$ 37,727</u>
8	Liability, Protection, and Settlement Fund	<u>\$ 1,059,475</u>
9	Auxiliary Enterprises Fund (subsidy only)	<u>\$ 1,500,000</u>
		<u>\$ 57,274,846</u>
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	<u>\$ 4,110,597</u>
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	<u>\$ 61,385,443</u>
13	Total certified semester credit hours for FY 2020	<u>135,646</u>
14	PER CAPITA COST (line 12 divided by line 13)	<u>452.54</u>
15	All FY 2020 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	<u>\$ 16,820,048</u>
16	FY 2020 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$ 124.00</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2020	<u>\$ 33.07</u>
18	District's student tuition and fee rate per semester credit hour for FY 2020	<u>\$ 130.48</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 164.99</u>

Approved: 
Chief Fiscal Officer

9/22/2020
Date

Approved: 
Chief Executive Officer

9/22/2020
Date

(See independent auditor's report.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

COMBINING BALANCE SHEET - BY SUBFUND

June 30, 2020

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
CURRENT ASSETS							
Cash and cash equivalents	\$ 45,573,725	\$ -	\$ -	\$ 4,857,774	\$ 944	\$ -	\$ 81,474
Receivables							
Due from component unit	603,034	-	-	-	-	589,243	-
Due from other funds	2,692,006	361,216	10,924,351	-	1,381,797	392,915	1,034,787
Property taxes, net of allowance for uncollectible balances of \$174,900 for 2020 and \$173,500 for 2019	8,258,384	1,437,701	-	7,192,466	-	-	-
Accounts, net of allowance for uncollectible balances of \$1,278,969 for 2020 and \$1,253,429 for 2019	9,446,618	24,063	-	-	25,330	3,305,106	7,374
Accrued interest	67,930	-	-	-	-	-	-
Cash held by paying agent	-	-	-	221,019	-	-	-
Prepaid items	245,557	4,261	12,558	-	20,203	-	853
Restricted cash and cash equivalents	-	-	18,697,255	-	-	-	-
Restricted investments	-	-	203,751	-	-	-	-
Total current assets	66,887,254	1,827,241	29,837,915	12,271,259	1,428,274	4,287,264	1,124,488
NONCURRENT ASSETS							
Capital assets							
Depreciable assets, net of accumulated depreciation	-	-	-	-	-	-	-
Nondepreciable assets	-	-	-	-	-	-	-
Other noncurrent assets	12,500	-	-	-	-	-	-
Total noncurrent assets	12,500	-	-	-	-	-	-
Total assets	66,899,754	1,827,241	29,837,915	12,271,259	1,428,274	4,287,264	1,124,488
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	-	-	-	-
Deferred pension/OPEB expense	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 66,899,754	\$ 1,827,241	\$ 29,837,915	\$ 12,271,259	\$ 1,428,274	\$ 4,287,264	\$ 1,124,488

Audit Subfund	Liability, Protection Settlement Subfund	Health Subfund	OPEB Liability Subfund	SURS Penalty Liability Subfund	Total Subfunds	Capital Assets	Long-Term Debt	Eliminations/ Adjustments	Total
\$ -	\$ 8,944,529	\$ (1,350)	\$ -	\$ -	\$ 59,457,096	\$ -	\$ -	\$ -	\$ 59,457,096
-	-	-	-	-	1,192,277	-	-	-	1,192,277
64,623	81,203	4,586,597	8,500,000	473,883	30,493,378	-	-	(30,493,378)	-
31,282	-	-	-	-	16,919,833	-	-	-	16,919,833
-	-	-	-	-	12,808,491	-	-	-	12,808,491
-	-	-	-	-	67,930	-	-	-	67,930
-	-	-	-	-	221,019	-	-	-	221,019
-	-	-	-	-	283,432	-	-	-	283,432
-	-	-	-	-	18,697,255	-	-	-	18,697,255
-	-	-	-	-	203,751	-	-	-	203,751
95,905	9,025,732	4,585,247	8,500,000	473,883	140,344,462	-	-	(30,493,378)	109,851,084
-	-	-	-	-	-	107,723,292	-	-	107,723,292
-	-	-	-	-	-	1,092,919	-	-	1,092,919
-	-	-	-	-	12,500	-	-	-	12,500
-	-	-	-	-	12,500	108,816,211	-	-	108,828,711
95,905	9,025,732	4,585,247	8,500,000	473,883	140,356,962	108,816,211	-	(30,493,378)	218,679,795
-	-	-	-	-	-	-	200,973	-	200,973
-	-	-	416,053	-	416,053	-	145,847	-	561,900
-	-	-	416,053	-	416,053	-	346,820	-	762,873
\$ 95,905	\$ 9,025,732	\$ 4,585,247	\$ 8,916,053	\$ 473,883	\$ 140,773,015	\$ 108,816,211	\$ 346,820	\$ (30,493,378)	\$ 219,442,668

(This statement is continued on the following pages.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

COMBINING BALANCE SHEET - BY SUBFUND (Continued)

June 30, 2020

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION							
CURRENT LIABILITIES							
Accounts payable	\$ 316,371	\$ 350,765	\$ 271,999	\$ -	\$ 37,206	\$ 92,513	\$ 72,032
Accrued payroll	1,087,067	2,599	-	-	18,654	14,834	-
Compensated absences, current portion	82,319	13,855	-	-	14,679	6,112	-
Accrued interest	-	-	-	-	-	-	-
Due to other funds	27,012,160	-	-	20,140	159,766	266,479	50
Claims payable	-	-	-	-	-	-	-
Other accrued liabilities	14,106	-	-	-	-	-	171,636
Bonds payable, current portion	-	-	-	-	-	-	-
Early termination payable, current portion	28,248	-	-	-	-	-	-
OPEB liability, current portion	-	-	-	-	-	-	-
Unearned revenue							
Tuition and fees	7,688,952	-	149,133	-	350,957	-	-
Bookstore and Starlight Theater	-	-	-	-	261,159	-	-
Grant revenue	-	-	-	-	-	3,910,472	-
Other	-	172,000	-	-	-	-	-
Total current liabilities	36,229,223	539,219	421,132	20,140	842,421	4,290,410	243,718
NONCURRENT LIABILITIES							
Compensated absences	466,483	78,509	-	-	83,180	34,633	-
Bonds payable	-	-	-	-	-	-	-
Early termination payable	40,203	-	-	-	-	-	-
OPEB liability	-	-	-	-	-	-	-
Total noncurrent liabilities	506,686	78,509	-	-	83,180	34,633	-
Total liabilities	36,735,909	617,728	421,132	20,140	925,601	4,325,043	243,718
DEFERRED INFLOWS OF RESOURCES							
Property taxes	6,947,091	1,209,513	-	6,052,965	-	-	-
Deferred OPEB expense	-	-	-	-	-	-	-
Total deferred inflows of resources	6,947,091	1,209,513	-	6,052,965	-	-	-
Total liabilities and deferred inflows of resources	43,683,000	1,827,241	421,132	6,073,105	925,601	4,325,043	243,718
NET POSITION							
Net investment in capital assets	-	-	-	-	-	-	-
Restricted for							
Liability protection and settlement	-	-	-	-	-	-	-
Debt service	-	-	-	6,198,154	-	-	-
Audit	-	-	-	-	-	-	-
Capital improvements	-	-	17,682,913	-	-	-	-
Pension contributions	-	-	-	-	-	-	-
Unrestricted	23,216,754	-	11,733,870	-	502,673	(37,779)	880,770
Total net position (deficit)	23,216,754	-	29,416,783	6,198,154	502,673	(37,779)	880,770
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION							
	\$ 66,899,754	\$ 1,827,241	\$ 29,837,915	\$ 12,271,259	\$ 1,428,274	\$ 4,287,264	\$ 1,124,488

Audit Subfund	Liability, Protection Settlement Subfund	Health Subfund	OPEB Liability Subfund	SURS Penalty Liability Subfund	Total Subfunds	Capital Assets	Long-Term Debt	Eliminations/ Adjustments	Total
\$ 1,003	\$ 175	\$ 110,295	\$ -	\$ -	\$ 1,252,359	\$ -	\$ -	\$ -	\$ 1,252,359
-	-	25,882	-	-	1,149,036	-	-	-	1,149,036
-	-	-	-	-	116,965	-	-	-	116,965
-	-	-	-	-	-	-	878,188	-	878,188
-	3,034,783	-	-	-	30,493,378	-	-	(30,493,378)	-
-	-	1,090,997	-	-	1,090,997	-	-	-	1,090,997
-	-	-	-	-	185,742	-	-	-	185,742
-	-	-	-	-	-	-	9,799,845	-	9,799,845
-	-	-	-	-	28,248	-	-	-	28,248
-	-	-	123,430	-	123,430	-	-	-	123,430
-	-	-	-	-	8,189,042	-	-	-	8,189,042
-	-	-	-	-	261,159	-	-	-	261,159
-	-	-	-	-	3,910,472	-	-	-	3,910,472
-	-	-	-	-	172,000	-	-	-	172,000
1,003	3,034,958	1,227,174	123,430	-	46,972,828	-	10,678,033	(30,493,378)	27,157,483
-	-	-	-	-	662,805	-	-	-	662,805
-	-	-	-	-	-	-	66,125,889	-	66,125,889
-	-	-	-	-	40,203	-	-	-	40,203
-	-	-	24,506,525	-	24,506,525	-	-	-	24,506,525
-	-	-	24,506,525	-	25,209,533	-	66,125,889	-	91,335,422
1,003	3,034,958	1,227,174	24,629,955	-	72,182,361	-	76,803,922	(30,493,378)	118,492,905
26,445	-	-	-	-	14,236,014	-	-	-	14,236,014
-	-	-	5,851,820	-	5,851,820	-	-	-	5,851,820
26,445	-	-	5,851,820	-	20,087,834	-	-	-	20,087,834
27,448	3,034,958	1,227,174	30,481,775	-	92,270,195	-	76,803,922	(30,493,378)	138,580,739
-	-	-	-	-	-	108,816,211	(72,967,335)	-	35,848,876
-	5,990,774	-	-	-	5,990,774	-	-	-	5,990,774
-	-	-	-	-	6,198,154	-	-	-	6,198,154
68,457	-	-	-	-	68,457	-	-	-	68,457
-	-	-	-	-	17,682,913	-	(2,757,426)	-	14,925,487
-	-	-	-	-	-	-	145,847	-	145,847
-	-	3,358,073	(21,565,722)	473,883	18,562,522	-	(878,188)	-	17,684,334
68,457	5,990,774	3,358,073	(21,565,722)	473,883	48,502,820	108,816,211	(76,457,102)	-	80,861,929
\$ 95,905	\$ 9,025,732	\$ 4,585,247	\$ 8,916,053	\$ 473,883	\$ 140,773,015	\$ 108,816,211	\$ 346,820	\$ (30,493,378)	\$ 219,442,668

(See independent auditor's report.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND

For the Year Ended June 30, 2020

	Education Subfund	Operations and Maintenance Subfund (Restricted)	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
OPERATING REVENUES							
Student tuition and fees, net of scholarship allowances of \$6,693,616 for 2020 and \$5,772,920 for 2019	\$ 18,092,620	\$ 925,295	\$ 372,700	\$ -	\$ 1,505,705	\$ -	\$ 155,095
Sales and service fees	22,918	-	-	-	1,312,490	2,030	-
Auxiliary services revenue	-	-	-	-	47,923	-	-
Other operating revenues	260,251	1,261,438	-	-	646,575	255,751	380,905
Total operating revenues	18,375,789	2,186,733	372,700	-	3,512,693	257,781	536,000
OPERATING EXPENSES							
Instruction	26,193,433	-	-	-	59,226	675,300	-
Academic support	4,273,184	-	-	-	578	-	557
Student services	5,385,045	-	-	-	8,764	507,996	211,260
Public service	742,693	-	-	-	2,374,656	4,823,805	971
Operations and maintenance of plant	-	6,388,864	1,428,640	-	-	-	-
Institutional support	9,719,385	316,246	1,591	9,167,568	614,169	1,075,195	-
Auxiliary services	87	-	-	-	1,265,002	-	118,451
Depreciation	-	-	-	-	-	-	-
Other	18,929	(1,526)	-	-	-	12,308,656	213,402
Total operating expenses	46,332,756	6,703,584	1,430,231	9,167,568	4,322,395	19,390,952	544,641
OPERATING INCOME (LOSS)	(27,956,967)	(4,516,851)	(1,057,531)	(9,167,568)	(809,702)	(19,133,171)	(8,641)
NON-OPERATING REVENUES (EXPENSES)							
Local property taxes	13,595,972	2,367,604	-	12,137,481	-	-	-
Personal property replacement tax	1,412,908	249,337	-	-	-	-	-
State appropriations	15,752,154	1,237,843	-	-	926,718	1,279,500	-
State grants and contracts	8,435,475	657,500	-	-	-	2,520,710	-
Federal grants and contracts	-	-	-	76,822	-	14,478,418	-
Local grants and contracts	268,824	604	-	50,000	12,492	528,708	1,228
Investment income	929,395	3,963	136,824	39,413	-	-	-
Interest on capital assets - related debt	-	-	-	(3,061,078)	-	-	-
Non-operating revenues (expenses), net	40,394,728	4,516,851	136,824	9,242,638	939,210	18,807,336	1,228
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	12,437,761	-	(920,707)	75,070	129,508	(325,835)	(7,413)

Audit Subfund	Liability, Protection Settlement Subfund	Health Subfund	OPEB Liability Subfund	SURS Penalty Liability Subfund	Total Subfunds	Capital Assets	Long-Term Debt	Eliminations/ Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,051,415	\$ -	\$ -	\$ (7,308,692)	\$ 13,742,723
-	-	-	-	-	1,337,438	-	-	-	1,337,438
-	-	-	-	-	47,923	-	-	-	47,923
-	-	-	-	-	2,804,920	-	-	(186,950)	2,617,970
-	-	-	-	-	25,241,696	-	-	(7,495,642)	17,746,054
-	-	(101,421)	524,253	-	27,350,791	-	-	(10,790)	27,340,001
-	-	(19,970)	74,826	-	4,329,175	(8,451)	-	-	4,320,724
-	-	(33,893)	114,720	-	6,193,892	-	-	(33,027)	6,160,865
-	-	(25,170)	85,775	-	8,002,730	-	16,942	(143,133)	7,876,539
-	503	(6,684)	25,971	-	7,837,294	(1,381,887)	-	-	6,455,407
37,727	1,058,973	(21,209)	73,132	-	22,042,777	(16,988)	(9,165,000)	(615,076)	12,245,713
-	-	(49,079)	157,931	-	1,492,392	-	-	-	1,492,392
-	-	-	-	-	-	7,773,590	-	-	7,773,590
-	-	-	-	-	12,539,461	416	-	(6,693,616)	5,846,261
37,727	1,059,476	(257,426)	1,056,608	-	89,788,512	6,366,680	(9,148,058)	(7,495,642)	79,511,492
(37,727)	(1,059,476)	257,426	(1,056,608)	-	(64,546,816)	(6,366,680)	9,148,058	-	(61,765,438)
52,169	499,718	-	-	-	28,652,944	-	-	-	28,652,944
-	-	-	-	-	1,662,245	-	-	-	1,662,245
-	-	-	528,304	-	19,724,519	-	-	-	19,724,519
-	-	-	-	-	11,613,685	-	-	-	11,613,685
-	-	-	-	-	14,555,240	-	-	-	14,555,240
-	-	-	-	-	861,856	-	-	-	861,856
89	1,714	-	-	-	1,111,398	-	-	-	1,111,398
-	-	-	-	-	(3,061,078)	-	454,358	-	(2,606,720)
52,258	501,432	-	528,304	-	75,120,809	-	454,358	-	75,575,167
14,531	(558,044)	257,426	(528,304)	-	10,573,993	(6,366,680)	9,602,416	-	13,809,729

(This statement is continued on the following pages.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BY SUBFUND (Continued)

For the Year Ended June 30, 2020

	Education Subfund	Operations and Maintenance Subfund (Restricted)	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
TRANSFERS							
Transfers in	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(5,000,000)	-	-	-	-	-	-
Total transfers	(5,000,000)	-	2,500,000	-	-	-	-
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	7,437,761	-	1,579,293	75,070	129,508	(325,835)	(7,413)
NET POSITION (DEFICIT), JULY 1	15,778,993	-	27,837,490	6,123,084	373,165	288,056	-
Change in accounting principle	-	-	-	-	-	-	888,183
NET POSITION (DEFICIT), JULY 1, AS RESTATED	15,778,993	-	27,837,490	6,123,084	373,165	288,056	888,183
NET POSITION (DEFICIT), JUNE 30	\$ 23,216,754	\$ -	\$ 29,416,783	\$ 6,198,154	\$ 502,673	\$ (37,779)	\$ 880,770

Audit Subfund	Liability, Protection Settlement Subfund	Health Subfund	OPEB Liability Subfund	SURS Penalty Liability Subfund	Total Subfunds	Capital Assets	Long-Term Debt	Eliminations/ Adjustments	Total
\$ -	\$ -	\$ 1,500,000	\$ 1,000,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ (5,000,000)	\$ -
-	-	-	-	-	(5,000,000)	-	-	5,000,000	-
-	-	1,500,000	1,000,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
14,531	(558,044)	1,757,426	471,696	-	10,573,993	(6,366,680)	9,602,416	-	13,809,729
53,926	6,548,818	1,600,647	(22,037,418)	473,883	37,040,644	115,182,891	(86,059,518)	-	66,164,017
-	-	-	-	-	-	-	-	-	888,183
53,926	6,548,818	1,600,647	(22,037,418)	473,883	37,040,644	115,182,891	(86,059,518)	-	67,052,200
\$ 68,457	\$ 5,990,774	\$ 3,358,073	\$ (21,565,722)	\$ 473,883	\$ 47,614,637	\$ 108,816,211	\$ (76,457,102)	\$ -	\$ 80,861,929

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

June 30, 2020

CSFA Number	Program Name	State	Federal	Other	Total
601-00-0748	Illinois Cooperative Work Study Program	\$ 26,333	\$ -	\$ -	\$ 26,333
	Career and Technical Education - Basic				
684-00-0465	Grants to States	-	250,991	-	250,991
	Career and Technical Education - Formula				
684-00-0820	Grants	344,130	-	-	344,130
684-00-0825	Base Operating Grants	4,383,330	-	-	4,383,330
684-00-0826	Equalization Grants	4,359,230	-	-	4,359,230
	Transitional Instruction Math and English				
684-00-2333	Pilot Grant	7,000	-	-	7,000
	Adult Education - Basic Grants to States -				
684-01-1625	Federal and State Funding Combined	464,305	286,105	-	750,410
	Innovative Bridge and Transition Program				
684-01-1670	Grants	161,050	-	-	161,050
684-01-2213	Workforce Equity Initiative	488,006	-	-	488,006
	Other grant programs and activities	-	13,941,857	2,153,906	16,095,763
	All other costs not allocated	-	-	55,251,969	55,251,969
TOTAL		\$ 10,233,384	\$ 14,478,953	\$ 57,405,875	\$ 82,118,212

(See independent auditor's report.)

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This part of the Rock Valley College, Illinois Community College District Number 511's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the College's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	70-73
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	74-82
Debt Capacity These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	83-86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	87-89
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	90-105

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**FINANCIAL TRENDS
NET POSITION BY COMPONENT**

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
NET POSITION				
Net investment in capital assets	\$ 26,432,405	\$ 27,348,873	\$ 29,375,419	\$ 28,428,099
Restricted for				
Liability protection and settlement	3,924,946	4,024,968	4,336,939	4,640,908
Debt service	5,619,876	5,423,955	3,989,240	4,359,895
Audit	141,798	134,010	91,461	56,810
Capital improvements	6,601,240	6,589,119	6,054,434	6,996,667
Pension contributions	-	-	-	-
Unrestricted	10,091,283	10,081,871	12,177,658	11,302,648
TOTAL NET POSITION	\$ 52,811,548	\$ 53,602,796	\$ 56,025,151	\$ 55,785,027

The College implemented GASB Statement No. 75 in 2018 which accounted for the reduction in unrestricted net position.

Data Source

Rock Valley College Financial Reports

2015	2016	2017	2018	2019	2020
\$ 27,428,699	\$ 27,068,669	\$ 24,204,424	\$ 28,831,891	\$ 32,734,119	\$ 35,848,876
5,286,213	6,523,342	7,200,345	6,633,381	6,548,818	5,990,774
5,649,540	3,772,203	5,701,784	6,095,796	5,123,084	6,198,154
49,296	60,921	52,558	50,588	53,926	68,457
6,559,383	7,086,670	5,215,883	12,016,793	15,746,194	14,925,487
128,604	136,517	148,754	154,001	162,789	145,847
10,901,866	8,864,553	19,912,383	1,588,017	4,695,087	17,684,334
\$ 56,003,601	\$ 53,512,875	\$ 62,436,131	\$ 55,370,467	\$ 65,064,017	\$ 80,861,929

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

FINANCIAL TRENDS
CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
OPERATING REVENUES				
Student tuition and fees	\$ 11,143,235	\$ 11,899,329	\$ 10,726,949	\$ 10,707,083
Sales and service fees	1,694,126	1,846,418	1,933,743	1,881,362
Auxiliary services revenue	343,467	309,278	246,205	196,016
Other operating revenue	1,951,369	1,845,054	1,453,517	1,502,544
Total operating revenues	15,132,197	15,900,079	14,360,414	14,287,005
OPERATING EXPENSES				
Instruction	23,203,646	23,663,088	24,406,750	25,745,161
Academic support	4,793,237	4,990,261	4,943,375	5,380,874
Student services	3,872,990	3,825,589	3,983,836	4,304,958
Public services	8,444,403	8,539,964	7,737,454	8,694,864
Operation and maintenance of plant	6,463,020	6,439,673	6,694,762	7,188,253
Institutional support	9,317,901	9,727,453	9,699,890	9,598,371
Auxiliary services	784,683	831,452	846,041	1,064,903
Amortization expense	375,328	-	-	-
Depreciation expense	7,372,468	7,209,540	6,234,670	5,905,656
Scholarships, grants and waivers	10,907,965	9,508,163	9,058,154	8,583,125
Total operating expenses	75,535,641	74,735,183	73,604,932	76,466,165
OPERATING INCOME (LOSS)	(60,403,444)	(58,835,104)	(59,244,518)	(62,179,160)
NON-OPERATING REVENUES (EXPENSES)				
Local property taxes	30,778,672	29,444,706	27,651,849	26,027,784
Personal property replacement tax	1,601,965	1,412,889	1,495,394	1,567,218
State appropriations	5,630,984	6,769,528	9,326,339	10,248,508
State grant and contracts	7,216,727	7,820,623	7,759,253	8,411,766
Federal grants and contracts	19,152,547	17,911,717	17,845,614	18,111,981
Local grants and contracts	373,923	486,504	616,957	580,115
Investment income	129,944	122,965	104,043	38,150
Gain (loss) on disposal of capital assets	16,738	66,949	28,706	(158,123)
Interest on capital asset-related debt	(3,315,119)	(3,478,516)	(3,182,356)	(2,912,147)
Non-operating revenues (expenses), net	61,586,381	60,557,365	61,645,799	61,915,252
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,182,937	1,722,261	2,401,281	(263,908)
CAPITAL CONTRIBUTIONS	5,611	49,527	21,074	23,784
Total capital contributions	5,611	49,527	21,074	23,784
CHANGE IN NET POSITION	1,188,548	1,771,788	2,422,355	(240,124)
NET POSITION, JULY 1	51,623,000	52,811,548	53,602,796	56,025,151
Prior period adjustment	-	(980,540)	-	-
NET POSITION, JULY 1, AS RESTATED	51,623,000	51,831,008	53,602,796	56,025,151
NET POSITION, JUNE 30	\$ 52,811,548	\$ 53,602,796	\$ 56,025,151	\$ 55,785,027

Data Source

Rock Valley College Financial Reports

	2015	2016	2017	2018	2019	2020
\$	11,431,028	\$ 11,473,592	\$ 11,567,622	\$ 11,809,687	\$ 13,398,730	\$ 13,742,723
	1,773,740	1,616,076	1,351,139	1,340,382	1,363,857	1,337,438
	197,090	154,466	150,000	93,429	78,779	47,923
	1,204,507	1,277,602	1,594,941	2,327,694	2,035,360	2,617,970
	14,606,365	14,521,736	14,663,702	15,571,192	16,876,726	17,746,054
	26,684,436	27,353,071	29,377,540	27,339,390	26,813,539	27,340,001
	4,932,388	4,340,423	3,921,766	3,888,218	3,971,394	4,320,724
	4,664,554	4,666,341	4,958,001	5,127,247	5,366,887	6,160,865
	7,948,617	6,714,877	6,094,869	7,674,370	7,800,384	7,876,539
	6,970,521	6,676,425	6,641,324	6,900,162	7,358,531	6,455,407
	11,564,008	9,931,486	10,780,276	10,339,254	10,363,673	12,245,713
	1,261,451	1,165,977	1,202,136	1,746,315	1,290,133	1,492,392
	-	-	-	-	-	-
	6,829,218	5,894,384	6,044,978	7,301,785	8,201,780	7,773,590
	6,826,126	5,768,162	5,316,407	3,572,284	4,144,123	5,846,261
	77,681,319	72,511,146	74,337,297	73,889,025	75,310,444	79,511,492
	(63,074,954)	(57,989,410)	(59,673,595)	(58,317,833)	(58,433,718)	(61,765,438)
	25,607,033	25,687,393	26,396,425	27,583,297	28,476,829	28,652,944
	1,640,382	1,317,944	1,677,508	1,481,085	1,518,538	1,662,245
	12,112,973	14,338,782	18,070,200	18,518,578	17,549,408	19,724,519
	8,945,474	2,545,508	10,443,022	9,397,395	9,953,983	11,613,685
	15,832,896	14,137,869	14,247,846	13,111,039	12,291,308	14,555,240
	707,249	1,043,822	669,730	729,388	1,019,625	861,856
	178,969	436,462	337,073	505,745	1,353,431	1,111,398
	14,406	5,832	(39,323)	-	-	-
	(2,479,796)	(4,020,819)	(3,554,030)	(3,321,273)	(2,935,854)	(2,606,720)
	62,559,586	55,492,793	68,248,451	68,005,254	69,227,268	75,575,167
	(515,368)	(2,496,617)	8,574,856	9,687,421	10,793,550	13,809,729
	733,942	5,891	348,400	9,342,214	-	-
	733,942	5,891	348,400	9,342,214	-	-
	218,574	(2,490,726)	8,923,256	19,029,635	10,793,550	13,809,729
	55,785,027	56,003,601	53,512,875	62,436,131	55,370,467	66,164,017
	-	-	-	(26,095,299)	-	888,183
	55,785,027	56,003,601	53,512,875	36,340,832	55,370,467	67,052,200
\$	56,003,601	\$ 53,512,875	\$ 62,436,131	\$ 55,370,467	\$ 66,164,017	\$ 80,861,929

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**REVENUE CAPACITY
EQUALIZED ASSESSED VALUATION, TAX RATES AND TAX EXTENSIONS**

Last Ten Tax Levy Years

	2010	2011	2012	2013
TOTAL EQUALIZED ASSESSED VALUATIONS	\$ 6,673,358,941	\$ 6,369,040,810	\$ 5,933,124,874	\$ 5,555,719,801
EAV PERCENTAGE INCREASE (DECREASE)	(3.41)	(4.56)	(6.84)	(6.36)
TAX RATES (PER \$100 ASSESSED VALUATION)				
Educational Fund	0.2300	0.2300	0.2300	0.2300
Operations and Maintenance Fund	0.0400	0.0400	0.0400	0.0400
Debt Service Fund				
2000 Bond	0.0048	0.0055	0.0067	0.0068
2002 A&B Bond	0.0245	-	-	-
2003B Bond	0.0242	-	-	-
2005 Refinancing Bond	0.0058	0.0067	0.0083	-
2006 Refinancing Bond	0.0053	0.0059	0.0062	0.0067
2008 Bond	0.0221	0.0235	0.0320	0.0134
2009 Bond	0.0497	0.0591	0.0127	0.0135
2010 A&B Bond	0.0148	0.0528	0.0501	0.0755
2014 Refinancing Bond	-	-	-	0.0231
2015C Bond	-	-	-	-
2015D Bond	-	-	-	-
2015E Bond	-	-	-	-
2017A Bond	-	-	-	-
2017C Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	0.0156	0.0146	0.0223	0.0326
Workers' Compensation	0.0020	0.0019	0.0029	0.0043
Unemployment Insurance	0.0018	0.0017	0.0026	0.0039
Athletics	0.0006	0.0005	0.0009	0.0012
Property/Casualty	0.0011	0.0011	0.0015	0.0023
FICA	0.0069	0.0077	0.0083	0.0093
Audit Fund	0.0011	0.0002	0.0002	0.0004
Protection, Health and Safety Fund	-	-	0.0230	-
Adjustment for Overextended Tax	-	-	-	-
TOTAL TAX RATE	0.4503	0.4512	0.4477	0.4630

2014	2015	2016	2017	2018	2019
\$ 5,339,259,046	\$ 5,313,920,076	\$ 5,483,921,459	\$ 5,617,226,123	\$ 5,786,184,094	\$ 6,087,389,555
(3.90)	(0.47)	3.20	2.43	3.01	5.21
0.2274	0.2300	0.2300	0.2300	0.2300	0.2296
0.0396	0.0400	0.0400	0.0400	0.0400	0.0400
0.0127	-	-	-	-	-
0.0745	0.0563	-	-	-	-
-	-	-	-	-	-
0.0070	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.0141	0.0137	-	-	-	-
0.0322	0.0351	0.0338	0.0096	0.0309	0.0291
0.0044	0.0045	0.0089	0.0214	0.0769	0.0713
-	0.0114	0.0111	0.0108	0.0105	0.0100
-	0.0209	0.0203	0.0198	0.0192	0.0183
-	0.0041	0.0040	0.0039	0.0038	0.0036
-	-	0.1437	0.1201	0.0548	0.0520
-	-	-	0.0309	0.0142	0.0155
0.0434	0.0421	-	0.0179	0.0173	-
0.0056	0.0110	-	-	-	-
0.0051	0.0014	-	-	-	-
0.0015	0.0011	-	-	-	-
0.0030	0.0056	-	-	-	-
0.0106	0.0111	-	-	-	-
0.0012	0.0010	0.0009	0.0009	0.0009	0.0009
-	-	-	-	-	-
-	-	-	-	0.0002	-
0.4823	0.4893	0.4927	0.5053	0.4987	0.4703

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
EQUALIZED ASSESSED VALUATION, TAX RATES AND TAX EXTENSIONS (Continued)

Last Ten Tax Levy Years

	2010	2011	2012	2013
TAX EXTENSION				
Educational Fund	\$ 15,348,493	\$ 14,648,794	\$ 13,646,187	\$ 12,778,156
Operations and Maintenance Fund	2,690,157	2,567,511	2,389,118	2,234,841
Debt Service Fund				
2000 Bond	320,886	350,046	397,781	378,043
2002 A&B Bond	1,637,854	-	-	-
2003B Bond	1,617,799	-	-	-
2005 Refinancing Bond	387,737	426,419	492,774	-
2006 Refinancing Bond	354,311	375,504	368,096	372,484
2008 Bond	1,477,411	1,495,650	1,899,852	744,968
2009 Bond	3,322,504	3,761,400	754,004	750,527
2010 A&B Bond	989,398	3,360,438	2,974,455	4,197,395
2014 Refinancing Bond	-	-	-	1,284,236
2015C Bond	-	-	-	-
2015D Bond	-	-	-	-
2015E Bond	-	-	-	-
2017A Bond	-	-	-	-
2017C Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	1,042,251	934,496	1,323,276	1,821,261
Workers' Compensation	134,605	121,012	171,971	236,283
Unemployment Insurance	121,258	108,663	154,630	214,116
Athletics	39,139	32,040	51,273	64,001
Property/Casualty	73,406	63,690	89,735	125,503
FICA	460,370	489,547	490,882	515,434
Audit Fund	72,436	11,960	11,312	21,867
Protection, Health and Safety Fund	-	-	1,363,700	-
Adjustment for Overextended Tax	5,584	150,882	-	-
TOTAL LOCAL GOVERNMENT SUPPORT	\$ 30,095,599	\$ 28,898,052	\$ 26,579,047	\$ 25,739,115
PERCENTAGE INCREASE (DECREASE)	0.08	(4.90)	(3.98)	(8.02)

	2014	2015	2016	2017	2018	2019
\$	12,140,794	\$ 12,222,016	\$ 12,613,019	\$ 12,908,077	\$ 13,308,223	\$ 13,978,085
	2,113,392	2,134,494	2,198,281	2,252,067	2,318,427	2,433,727
	678,782	-	-	-	-	-
	3,981,851	2,994,933	-	-	-	-
	-	-	-	-	-	-
	374,130	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	753,609	728,785	-	-	-	-
	1,721,013	1,867,178	1,855,481	539,779	1,789,877	1,773,823
	235,166	239,382	488,573	1,203,258	4,454,419	4,346,171
	-	606,434	609,344	607,252	608,211	609,561
	-	1,111,796	1,114,386	1,113,295	1,112,157	1,115,497
	-	218,103	219,584	219,285	220,114	219,442
	-	-	7,888,537	6,752,863	3,174,280	3,169,718
	-	-	-	1,737,414	822,533	944,820
	2,314,439	2,236,973	-	1,003,441	1,000,724	-
	300,274	587,491	-	-	-	-
	272,100	75,059	-	-	-	-
	81,336	56,044	-	-	-	-
	159,530	295,233	-	-	-	-
	565,702	588,262	-	-	-	-
	62,767	51,821	48,984	50,415	51,403	52,890
	-	-	-	-	-	-
	-	-	-	-	1,588	-
\$	25,754,883	\$ 26,014,004	\$ 27,036,189	\$ 28,387,146	\$ 28,861,956	\$ 28,643,734
	(3.16)	0.06	1.01	5.00	1.67	(0.76)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Tax Rates per \$100 Assessed Valuation	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2010	\$ 264,955,649	\$ 4,662,880,439	\$ 922,107,948	\$ 813,158,877	\$ 10,256,028	\$ 6,673,358,941	0.4503	33.33%	\$ 20,022,079,031
2011	265,820,240	4,406,507,505	872,812,700	813,117,116	10,783,249	6,369,040,810	0.4512	33.33%	19,109,033,333
2012	262,274,442	4,031,103,341	813,401,024	814,263,446	12,082,621	5,933,124,874	0.4477	33.33%	17,801,154,737
2013	263,651,384	3,700,126,396	769,013,716	809,910,847	13,017,458	5,555,719,801	0.4630	33.33%	16,668,826,286
2014	272,394,696	3,523,480,345	743,776,679	784,847,112	14,786,646	5,339,285,478	0.4823	33.33%	16,019,458,380
2015	281,354,154	3,470,202,590	759,303,894	787,461,459	15,597,979	5,313,920,076	0.4893	33.33%	15,943,354,563
2016	295,742,554	3,548,673,977	771,377,861	850,571,965	17,555,102	5,483,921,459	0.4927	33.33%	16,453,409,718
2017	311,610,448	3,647,794,774	780,804,019	860,682,501	16,334,381	5,617,226,123	0.5053	33.33%	16,853,363,705
2018	332,725,424	3,785,524,588	810,872,074	838,816,753	18,245,252	5,786,184,091	0.4986	33.33%	17,360,288,302
2019	351,906,309	3,996,560,129	868,618,177	851,578,116	18,820,108	6,087,482,839	0.4703	33.33%	18,264,274,944

Data Sources

Counties of Winnebago, Boone, Ogle, DeKalb, Stephenson and McHenry

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
COLLEGE DIRECT RATES										
Educational	0.2300	0.2300	0.2300	0.2300	0.2274	0.2300	0.2300	0.2300	0.2300	0.2296
Operations and Maintenance	0.0400	0.0400	0.0400	0.0400	0.0396	0.0400	0.0400	0.0400	0.0400	0.0400
Audit Fund	0.0011	0.0002	0.0002	0.0004	0.0012	0.0010	0.0009	0.0009	0.0009	0.0009
Liability and Protection	0.0211	0.0198	0.0302	0.0443	0.0586	0.0612	0.0000	0.0179	0.0173	0.0000
Bond and Interest	0.1512	0.1535	0.1160	0.1390	0.1449	0.1460	0.2218	0.2165	0.2103	0.1998
Social Security	0.0069	0.0077	0.0083	0.0093	0.0106	0.0111	0.0000	0.0000	0.0000	0.0000
Protection, Health and Safety	0.0000	0.0000	0.0230	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Prior Year Adjustment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0002	0.0000
Total college direct rate	0.4583	0.4503	0.4512	0.4477	0.4630	0.4823	0.4893	0.5053	0.4987	0.4703
OVERLAPPING RATES										
Winnebago County	0.8299	0.8676	0.9423	1.0329	1.0845	1.0984	1.0826	1.0587	1.0173	0.9661
Forest Preserve District	0.0898	0.0956	0.1072	0.1165	0.1199	0.1203	0.1207	0.1182	0.1147	0.1132
Rockford Township	0.1088	0.1119	0.1200	0.1288	0.1394	0.1452	0.1455	0.1446	0.1385	0.1298
Greater Rockford Airport Authority	0.0954	0.0937	0.1024	0.1043	0.1063	0.1073	0.1103	0.1102	0.1073	0.1011
City of Rockford	2.3595	2.5191	2.8178	3.0811	3.2931	3.3595	3.3207	3.2517	3.1194	2.9185
Rockford Park District	0.7869	0.8432	0.9522	1.0577	1.1286	1.1629	1.1544	1.1371	1.0963	1.0334
Rock River Water Reclamation Authority	0.1362	0.1469	0.1665	0.1856	0.2008	0.2075	0.2082	0.2040	0.1964	0.1848
Rockford City Library	0.3564	0.3860	0.4422	0.4724	0.5042	0.5196	0.5190	0.5091	0.4890	0.4564
Rockford Public Schools	6.0152	6.5595	6.6884	7.2301	7.7810	7.9379	7.8031	7.6496	7.3508	6.8929
Total overlapping rates	10.0858	10.7781	11.6235	12.3390	13.4094	14.3578	14.6586	14.1832	13.6297	12.7962
TOTAL RATES	10.5441	11.2284	12.0747	12.7867	13.8724	14.8401	15.1479	14.6885	14.1284	13.2665

Data Source

Winnebago County Clerk's Office

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
PRINCIPAL PROPERTY TAXPAYERS

Current Levy and Nine Years Ago

2020					2011				
Taxpayer	Type of Business	Taxable Assessed Value	% of District EAV	Rank	Taxpayer	Type of Business	Taxable Assessed Value	% of District EAV	Rank
Exelon Generation Co LLC	Nuclear Power Plant	\$ 489,434,281	8.04	1	Commonwealth Edison	Public Electric Utility	\$ 468,000,000	8.09	1
FCA US LLC (Chrysler)	Automotive	20,378,481	0.33	2	Lowes Home Center	Distribution Center	19,989,958	0.35	2
Lowes Home Center	Distribution Center	12,709,842	0.21	3	CBL / Cherry Vale LLC	Real Estate Holdings	15,782,094	0.27	3
Woodward Inc	Manufacturing	10,422,791	0.17	4	New Cargo Acquisition LLC (Chrysler)	Automotive	14,059,947	0.24	4
CBL Cherryvale	Retail	9,348,466	0.15	5	Greater Rockford Airport	Airport	11,927,080	0.21	5
Meijer Stores Limited Partnership	Retail	8,228,084	0.14	6	Beloit Memorial Hospital	Hospital	11,904,773	0.21	6
Forest Plaza LLC	Retail	7,509,397	0.12	7	Wal-Mart	Retail	8,334,958	0.14	7
Greater Rockford Airport	Airport	6,815,909	0.11	8	Forest Plaza LLC	Real Estate Holdings	8,260,403	0.14	8
Beloit Memorial Hospital	Healthcare	6,666,000	0.11	9	Two Star Property	Real Estate Holdings	5,411,879	0.09	9
Four Seasons MHC Holdings LLC	Real Estate Holdings	6,311,508	0.10	10	Menard, Inc.	Real Estate Holdings	4,938,164	0.09	10
TOTAL PERCENTAGE OF DISTRICT EAV			<u>9.49%</u>		TOTAL PERCENTAGE OF DISTRICT EAV			<u>9.83%</u>	

Data Sources

Counties of Winnebago, Boone and Ogle

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year		*Collections in Subsequent Years	Total Collections to Date	
		*Amount	Percentage of Levy		*Amount	Percentage of Levy
2010	\$ 30,095,599	\$ 13,423,020	44.60%	\$ 16,606,338	\$ 30,029,358	99.78%
2011	28,898,052	14,608,016	50.55%	14,052,446	28,660,462	99.18%
2012	26,579,047	13,258,715	49.88%	13,194,682	26,453,397	99.53%
2013	25,739,115	13,007,121	50.53%	12,595,726	25,602,847	99.47%
2014	25,754,883	12,804,167	49.72%	12,655,830	25,459,997	98.86%
2015	26,013,917	12,961,269	49.82%	12,937,239	25,898,508	99.56%
2016	27,036,189	13,773,501	50.94%	13,132,119	26,905,620	99.52%
2017	28,387,146	14,588,708	51.39%	13,417,549	28,006,257	98.66%
2018	28,861,956	8,011,735	27.76%	20,746,420	28,758,155	99.64%
2019	28,643,734	11,552,196	40.33%	-	11,552,196	40.33%

* Based on the College's property tax receipts and internal reconciliation documentation.

Data Sources

District and County Treasurer's Office - for Tax Levied

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

REVENUE CAPACITY
ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS CLAIMED AND TUITION FEE REVENUE

Last Ten Fiscal Years

Fiscal Year	FTE Credit Courses	Headcount Credit Courses	Tuition and Fee Rates			Total Credit Hours Claimed	Net Tuition and Fee Revenue	Gross Tuition
			In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour			
2011	6,302	16,530	\$ 80.00	\$ 272.00	\$ 453.00	\$ 189,050	\$ 11,143,235	\$ 16,958,308
2012	6,029	15,759	93.00	274.00	466.00	180,858	11,899,329	18,509,974
2013	5,689	15,133	93.00	274.00	466.00	173,477	10,726,949	17,827,881
2014	5,658	14,245	97.00	265.00	484.00	169,745	10,707,083	18,101,468
2015	5,262	13,292	101.00	264.00	492.00	157,865	11,431,028	18,014,491
2016	5,159	12,467	101.00	275.00	512.00	154,779	11,473,592	17,457,282
2017	5,031	11,799	110.00	287.00	519.00	150,915	11,567,622	18,224,423
2018	4,466	10,607	125.00	297.00	510.00	133,974	11,809,687	19,091,553
2019	4,319	10,102	125.00	280.00	507.00	129,566	13,398,730	19,171,650
2020	4,522	10,295	130.00	309.00	561.00	135,646	13,742,723	21,051,415

Data Source

College records

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Capital Appreciation Bonds	Total Outstanding Debt	District 511 Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Population*	Total Outstanding Debt Per Capita
2011	\$ 76,344,661	\$ 5,462,595	\$ 81,807,256	\$ 6,673,358,941	1.23	349,224	\$ 234
2012	68,646,096	5,707,595	74,353,691	6,369,040,810	1.17	347,864	214
2013	61,152,531	5,963,595	67,116,126	5,933,124,874	1.13	345,809	194
2014	56,534,875	6,232,595	62,767,470	5,555,719,801	1.13	344,746	182
2015	92,540,566	6,513,595	99,054,161	5,339,285,478	1.86	342,367	289
2016	89,558,072	2,832,595	92,390,667	5,313,920,076	1.74	340,663	271
2017	103,910,292	-	103,910,292	5,483,921,459	1.89	339,376	306
2018	94,570,436	-	94,570,436	5,617,226,123	1.68	338,291	280
2019	85,505,580	-	85,505,580	5,786,184,091	1.48	337,658	253
2020	75,925,734	-	75,925,734	6,087,482,839	1.25	336,116	226

* See the Schedule of Demographic and Economic Information for personal income and population data.

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**DEBT CAPACITY
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Net General Bonded Debt	District 511 Estimated Actual Taxable Property Value	Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value	Population*	Net General Bonded Debt Per Capita
2011	\$ 74,353,691	\$ 5,619,876	\$ 68,733,815	\$ 6,673,358,941	1.03	349,224	197
2012	67,116,126	5,423,955	61,692,171	6,369,040,810	0.97	347,864	177
2013	62,767,470	3,989,240	58,778,230	5,933,124,874	0.99	345,809	170
2014	99,054,161	4,359,895	94,694,266	5,555,719,801	1.70	344,746	275
2015	92,390,667	5,649,540	86,741,127	5,339,285,478	1.63	342,367	253
2016	92,390,667	3,772,203	88,618,464	5,313,920,076	1.67	340,663	260
2017	103,910,292	5,701,784	98,208,508	5,483,921,459	1.79	339,376	289
2018	94,570,436	6,095,796	88,474,640	5,617,226,123	1.58	338,291	262
2019	85,505,580	6,123,084	79,409,784	5,786,184,091	1.37	337,658	235
2020	75,925,734	6,198,154	69,727,580	6,087,482,839	1.15	336,116	207

* See the Schedule of Demographic and Economic Information for personal income and population data.

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
GENERAL OBLIGATION BONDS

June 30, 2020

District	Bonded Debt (1)	Percent (2)	Amount Applicable To District
Rock Valley College	\$ 75,925,734	100.00%	\$ 75,925,734
SCHOOLS			
Belvidere School District 100	28,970,000 (5)	100.00%	28,970,000
Byron Community Unit School District 226	19,285,000 (1)	100.00%	19,285,000
Durand School District 322	328,895 (1)	100.00%	328,895
Harlem School District 122	17,485,000 (1)	100.00%	17,485,000
Hiawatha School District 426	5,265,000 (1)	0.00%	-
Hononegah High School District 207	23,010,000 (1)	100.00%	23,010,000
Kinnikinnick School District 131	2,785,000 (1)	100.00%	2,785,000
Meridian Community Unit School District 223	12,015,694 (1)	100.00%	12,015,694
North Boone School District 200	13,084,157 (1)	100.00%	13,084,157
Pecatonica Community Unit School District 321	717,144 (1)	100.00%	717,144
Prairie Hill School District 133	8,850,000 (1)	100.00%	8,850,000
Rockford School District 205	157,986,608 (1)	100.00%	157,986,608
Shirland School District 134	3,505,000 (1)	100.00%	3,505,000
South Beloit School District 320	4,797,000 (1)	100.00%	4,797,000
Winnebago School District 323	10,920,400 (1)	100.00%	10,920,400
LOCAL GOVERNMENTS			
Boone County	2,690,000 (3)	99.03%	2,663,907
City of Rockford	98,720,000 (2)	100.00%	98,720,000
PARK DISTRICTS			
Belvidere Park District	1,747,707 (2)	100.00%	1,747,707
Oregon Park District	1,338,195 (2)	93.03%	1,244,923
Rockford Park District	11,155,000 (1)	100.00%	11,155,000
OTHER			
Byron Forest Preserve District	4,340,000 (4)	98.04%	4,254,936
Winnebago County Forest Preserve District	2,219,090 (1)	99.98%	2,218,646
Northwest Fire Protection District	555,000 (1)	100.00%	555,000
Subtotal	431,769,890		426,300,017
TOTAL	\$ 507,695,624		\$ 502,225,751

Sources: Winnebago County Clerk Office

Audited financial reports for governmental units in Boone and Ogle Counties

(1) As of 06/30/2019

(2) As of 04/30/2020

(3) As of 11/30/2019

(4) As of 12/31/2019

(5) As of 06/30/2019

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**DEBT CAPACITY
LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Year

Fiscal Year	Total Taxable Assessed Value	+RC[-4]*RC[-2] Statutory Rate	Debit Limit (Assessed Value x Debt Limit Rate)	Total Outstanding Debt	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
2011	\$ 6,673,358,941	2.875%	\$ 191,859,070	\$ 81,217,595	110,641,475	42.33%
2012	6,369,040,810	2.875%	183,109,923	73,887,595	109,222,328	40.35%
2013	5,933,124,874	2.875%	170,577,340	66,773,595	103,803,745	39.15%
2014	5,555,719,801	2.875%	159,726,944	62,372,595	97,354,349	39.05%
2015	5,339,285,478	2.875%	153,504,457	96,873,595	56,630,862	63.11%
2016	5,313,920,076	2.875%	152,775,202	90,362,595	62,412,607	59.15%
2017	5,483,921,459	2.875%	157,662,742	100,865,000	56,797,742	63.98%
2018	5,617,226,123	2.875%	161,495,251	91,940,000	69,555,251	56.93%
2019	5,786,184,091	2.875%	166,352,793	83,290,000	83,062,793	50.07%
2020	6,087,482,839	2.875%	175,015,132	74,125,000	100,890,132	42.35%

Note: Details of the College's outstanding debt can be found in the notes to financial statements.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	* District Population	** Total Personal Income (\$000)	Per Capita Personal Income	Unemployment Rates by County***						**** State of Illinois Unemployment Rate
		Winnebago County	Boone County	Stephenson County	Ogle County	DeKalb County	Mc Henry County			
2011	349,224	\$ 11,821,395	\$ 33,850	12.1%	12.1%	9.9%	11.9%	9.9%	9.2%	10.0%
2012	347,864	12,313,076	35,396	11.8%	11.4%	9.9%	11.1%	8.6%	8.3%	9.3%
2013	345,809	12,685,422	36,683	11.5%	10.9%	10.0%	10.8%	8.7%	8.3%	9.6%
2014	344,746	12,806,710	37,148	8.9%	8.5%	7.7%	7.9%	6.4%	6.1%	7.1%
2015	342,367	13,091,627	38,239	6.2%	5.7%	5.9%	5.5%	5.0%	5.5%	5.3%
2016	340,663	13,515,620	39,674	6.4%	6.0%	5.4%	5.4%	5.2%	5.4%	6.0%
2017	339,376	13,661,333	40,254	5.8%	5.6%	4.8%	4.9%	4.7%	4.1%	4.7%
2018	338,291	14,273,300	42,192	5.0%	4.9%	4.5%	4.3%	4.1%	3.5%	4.3%
2019	337,658	14,967,703	44,328	6.5%	6.8%	4.3%	4.7%	4.5%	3.5%	4.3%
2020	336,116	Not Available	Not Available	16.1%	15.5%	9.5%	11.3%	12.2%	13.4%	14.5%

Data Sources

* U.S. Census Bureau, "Annual Estimates of the Resident Population: April 1, 2011 to July 1, 2019" population estimate for July 1, 2019.

** U.S. Bureau of Economic Analysis, table "CA1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income" www.bea.gov

*** Illinois Department of Employment Security, Unemployment Rate by County, June, 2020 - Not Seasonally Adjusted

**** Illinois Department of Employment Security, June 2020 Unemployment Rate for Illinois - Seasonally Adjusted

All Statistics are for the Rockford Metropolitan Statistical Area which includes Winnebago and Boone Counties.

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION
STUDENT ENROLLMENT DEMOGRAPHIC AND TOTAL CREDIT HOURS BY YEAR

Last Ten Fiscal Years

Categories	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baccalaureate	119,624.0	114,544.5	111,989.5	112,549.5	108,221.5	103,322.0	101,126.5	89,615.0	86,183.0	89,060.0
Business Occupational	8,178.0	7,599.0	7,440.5	5,980.0	5,321.5	4,970.5	4,583.0	3,519.0	3,782.5	3,284.0
Technical Occupational	19,506.5	19,584.0	18,339.0	17,024.5	15,875.0	16,137.0	17,736.5	15,143.0	13,904.5	14,389.5
Health Occupational	11,280.0	10,352.5	10,021.5	9,467.5	7,727.0	7,917.0	7,252.0	7,209.5	6,895.5	6,831.0
Remedial Development	16,804.0	15,323.0	14,150.0	14,100.0	12,281.0	11,073.0	11,148.0	9,698.0	9,549.0	8,823.0
Adult Basic and Secondary Ed	13,657.5	13,455.4	11,536.0	10,623.5	8,438.5	11,359.5	9,068.5	8,789.0	9,252.0	13,258.5
TOTAL CREDIT HOURS	186,537.5	189,050.0	180,858.4	173,476.5	169,745.0	157,864.5	154,779.0	133,973.5	129,566.5	135,646.0
PERCENTAGE										
INCREASE (DECREASE)	11.9%	1.3%	(4.3%)	(4.1%)	(2.2%)	(7.0%)	(8.8%)	(2.0%)	(3.3%)	4.7%

Data Source

District records (Apportionment Claim Reports)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

2020				2011			
Employer	Rank	Employees	% of District Population	Employer	Rank	Employees	% of District Population
Rockford Public Schools District	1	4,890	1.45%	Rockford Public Schools	1	3,730	1.07%
Mercyhealth Systems	2	4,520	1.34%	Rockford Health System	2	3,003	0.86%
Fiat Chrysler Automobiles	3	3,749	1.12%	SwedishAmerican Health System	3	2,988	0.86%
Systems	4	3,375	1.00%	Wal-Mart Stores	4	2,750	0.79%
UPS	5	2,203	0.66%	Rockford Memorial Hospital	5	2,700	0.77%
Collins Aerospace	6	2,200	0.65%	Center	6	2,303	0.66%
OSF Healthcare	7	2,200	0.65%	Hamilton Sundstrand	7	2,200	0.63%
Woodward	8	1,900	0.57%	Winnebago County	8	1,731	0.50%
PCI Pharma Services	9	1,800	0.54%	Chrysler LLC	9	1,700	0.49%
Wal-Mart Stores	10	1,470	0.44%	United Parcel Service	10	1,600	0.46%
TOTAL PERCENTAGE OF DISTRICT POPULATION			8.42%	TOTAL PERCENTAGE OF DISTRICT POPULATION			7.07%

Data Source

Source: Rockford Area Economic Development Council, "2020 Quick Reference Guide Rockford, IL MSA - Major Regional Employers."

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

OPERATING INFORMATION
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FACULTY										
Full-time	157	159	157	159	157	158	159	134	126	127
Part-time	267	281	292	303	336	300	278	268	269	285
FULL-TIME ADMINISTRATORS	36	35	34	35	33	36	30	33	31	35
CLASSIFIED STAFF										
Full-time	246	238	223	239	237	236	200	190	195	201
Part-time	48	44	58	69	83	64	51	44	34	46
TOTAL FULL-TIME EMPLOYEES	421	439	432	414	433	427	430	357	352	363
TOTAL EMPLOYEES	700	754	757	764	805	846	794	669	655	694

Data Source

ICCB Reports

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

OPERATING INFORMATION
OPERATING INDICATORS

Last Ten Fiscal Years

Categories	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baccalaureate	119,624.0	114,544.5	111,989.5	112,549.5	108,221.5	103,322.0	101,126.5	89,615.0	86,183.0	89,060.0
Business Occupational	8,178.0	7,599.0	7,440.5	5,980.0	5,321.5	4,970.5	4,583.0	3,519.0	3,794.5	3,284.0
Technical Occupational	19,506.5	19,584.0	18,339.0	17,024.5	15,875.0	16,137.0	17,736.5	15,143.0	13,892.5	14,389.5
Health Occupational	11,280.0	10,352.5	10,021.5	9,467.5	7,727.0	7,917.0	7,252.0	4,209.5	6,895.5	6,831.0
Remedial Development	16,804.0	15,323.0	14,150.0	14,100.0	12,281.0	11,073.0	11,148.0	9,698.0	9,549.0	8,823.0
Adult Basic and Secondary Ed	13,657.5	13,455.4	11,536.0	10,623.5	8,438.5	11,359.5	9,068.5	8,789.0	9,252.0	13,258.5
TOTAL CREDIT HOURS	186,537.5	189,050.0	180,858.4	173,476.5	169,745.0	157,864.5	154,779.0	150,914.5	130,973.5	135,646.0
Student headcount	16,530	15,855	15,133	14,245	13,292	12,467	11,799	10,607	10,102	10,295
Student FTE	6,302	6,029	5,689	5,658	5,262	5,159	5,030	4,466	4,319	4,678
Tuition Rate per Hour	\$ 71	\$ 83	\$ 83	\$ 87	\$ 91	\$ 91	\$ 100	\$ 115	\$ 115	\$ 115
Tuition and Fee Revenue	\$ 16,958,308	\$ 18,509,974	\$ 17,827,881	\$ 18,101,468	\$ 18,014,491	\$ 17,457,282	\$ 11,809,687	\$ 19,091,553	\$ 19,171,650	\$ 21,051,415
Degrees and Certificates awarded*										
A.A.; A.S.	705	710	816	785	783	887	811	772	744	731
A.E.S.	-	1	2	9	7	19	21	20	21	27
A.G.S.	-	-	-	-	1	1	4	1	1	-
A.A.S.	252	310	306	276	237	209	217	201	187	142
Certificates	692	682	662	607	565	937	1,198	653	626	515

* Source: ICCB S3 Apportionment Reports

Data Source

ICCB Annual Enrollment and Completion (A1 and A2) Data

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

OPERATING INFORMATION
CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Facility Information	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
Square feet - classrooms	64,318	83,090	77,169	72,729	73,661	72,012	70,599	90,958	118,292	-
Square feet - labs	121,625	117,408	131,055	134,247	133,884	146,503	144,306	187,884	194,681	-
Square feet - libraries	34,954	36,253	35,290	33,308	33,308	32,731	32,731	47,251	49,981	-
Square feet - offices	98,166	84,847	81,884	98,789	99,313	98,204	92,163	106,522	113,654	-
Total assignable square feet	488,789	551,422	325,398	551,991	553,085	562,404	551,668	605,461	648,565	-
Number of classrooms	85	144	94	97	98	97	88	125	152	-
Number of laboratories	144	152	142	156	156	158	118	230	237	-
Number of libraries	46	49	48	37	37	35	39	80	89	-
Number of offices	407	474	445	485	498	574	419	589	569	-
Number of buildings	39	40	40	40	40	38	37	38	38	-
Acres	235	235	235	235	235	235	235	235	235	-

** Final ICCB statistics for 2020 are not yet available

Data Source

Source: Rock Valley College Facilities, Plant Operations and Maintenance department

HISTORY

Rock Valley College was established in 1964 through a district-wide referendum after a two-year study established the need for a community college. The college's district is comprised of Winnebago and Boone counties and parts of Stephenson, Ogle, McHenry and DeKalb counties. The college is located on a 217 acre tract of land at Mulford and Springbrook roads in Northeast Rockford.

In addition to the main campus, the college operates programs at several owned or leased off-campus locations: the Samuelson Road Center - home to several health and technical programs; Bell School Center - which houses the college's Center for Learning and Retirement; Aviation Career Education Center at the Chicago-Rockford International Airport; RVC Downtown- which offers credit classes and Adult Education classes on the second floor of the Rockford Register Star news Tower; North Main Street – employment assistance and refugee programs.

The college holds Continuing Education classes at more than 50 sites throughout the district and operates employment and training programs at the Illinois Employment Training Center in Rockford, Illinois. Since opening for classes in 1965, the college has grown from a small community college with 35 faculty members and 1,100 students to an institution of 130 faculty members, 269 part-time lecturers and more than 10,000 students.

The college operates under the leadership of the Board of Trustees (the Board). The Board consists of seven elected officials, all of whom are elected on a non-partisan basis, and one student trustee. The Board is the policy making and legislative authority for the college.

The Rock Valley College Foundation (Foundation), established in 1979, is a 501(c)(3) non-profit corporation responsible for encouraging and administering private gifts to enhance the college's ability to serve the public. The Foundation is considered a component unit of the college and the Foundation's financial statements are included in this financial report following the college's financial statements.

- 1964 The legal entity was authorized by the voters of Boone and Winnebago Counties.
- 1965 Land was purchased at the intersection of Mulford and Springbrook Roads for the future campus.
- Classes began at various locations throughout the Rockford area with a total of 1,064 students.
- 1966 Voters approved a bond referendum to provide funds to finance the College's portion of the building program.
- College moved to interim campus at Mulford and Springbrook Roads.
- 1971 Full membership and accredited status was granted to the College by the North Central Association of Colleges and Secondary Schools.
- 1972 Voters approved a tax referendum to increase the tax rate in the Educational Fund to a maximum of 11¢ and in the Building and Maintenance Fund to a maximum of 4¢ per \$100 of tax valuation.
- 1975 Fund drive began for construction of a Community Arts Center.
- 1976 The majority of Phase 1 of Community Arts Center construction was completed.
- 1977 The western portion of the Oregon Community Unit District #220 annexed to Illinois Community College District Number 511.
- 1978 The Leola Arnold buildings were sold by the trust.

- 1980 The Rock Valley College Foundation was established.
- 1981 Bell School, one of 11 Rockford schools closed for economic reasons in June 1981, was sold to Rock Valley College for \$75,000. The price tag included the school, 2.9 acres of land, portable buildings, and a shed on the site.
- 1982 Purchased the Bell Elementary School Building from School District #205.
- 1983 Purchased computerized energy management system.
- 1984 Completed retrofitting of Classroom Building I, Classroom Building II, Student Center and the Educational Resource Center to achieve energy savings.
- The North Central Association of Colleges and Secondary School extended full accreditation for ten years.
- 1985 Illinois Building Authority transferred ownership of Educational Resource, Physical Education and Student Centers to College.
- Voters approved tax referenda to increase the tax rate in the Educational Fund to a maximum of 23¢ and to make possible a new Technology Center to provide high-tech training for the Northern Illinois area. An architect was selected and planning begun.
- 1986 Construction started on the Technology Center.
- 1987 Acquisition of Automotive Center in Eastrock Industrial Park.
- 1989 Rock Valley College, Northern Illinois University and University of Illinois were awarded a second \$80,000 Higher Education Cooperation Act Grant, with Rock Valley College the grant administrator for technology and engineering joint programs.
- 1990 Completion of bookstore, game room and sidewalk cafe in the student center.
- 1991 Rock Valley College was awarded a \$395,000 Challenge Grant to complete the development of the Computer Integrated Manufacturing (CIM) Cell. The relocation of the Records & Admissions Office to Building B and the Nursing Program to Building F were completed.
- 1992 Extensive road work at the Mulford entrance to the College, including the creation of an additional left turn lane and widening of the road.
- 1993 Rock Valley College was awarded two grants from the Department of Commerce and Community Affairs: (1) a \$383,000 Industrial Training Program (ITP) grant to assist local manufacturing and other employers obtain skilled workers for expansion and (2) a \$54,413 ITP grant to develop a Supplier Network among several local larger manufacturing firms; and a \$204,903 Project Opportunities Program grant from the Illinois Department of Public Aid to assure that needy families with children obtain the education, training and employment to avoid long-term welfare dependence.
- The Automotive Facility was paid off.
- Parking lot #1 was redesigned and rebuilt. Most of the wooden-framed buildings were re-roofed.

1995 New bleachers were installed in the Physical Education Center (PEC). Emergency call boxes were installed around the campus and at off campus college locations. The new Hewlett Packard mainframe using CARS software was phased in for payroll processing.

1996 On January 9, 1996, the Property Tax Appeal Board reduced the assessed valuation of the Byron Station for the tax years 1989, 1990, 1991 and 1992. Based on this decision, the Ogle County Board of Review set the 1995 assessed valuation of the Byron Station at \$471,791,515, a reduction of \$523,969,287 from the originally published 1996 assessed valuation of \$995,760,802. This reduces the College's annual tax revenue by \$1,414,717 for the tax year 1995. The PTAB decision has been appealed at the 2nd District Appellate Court in Elgin. The Ogle County Board of Review decision has been appealed at the 15th Judicial Circuit Court.

The College, in conjunction with Fox Valley Education Alliance, was awarded a \$600,000 grant from the Illinois Manufacturers Association for training of member company employees.

Rock Valley College Technology Center was designated a regional Best Manufacturing Practices Center of Excellence by the University of Maryland and the National Institute of Standards and Technology to service companies in the North Central states.

1997 The 2nd District Appellate Court in Elgin upheld the Property Tax Appeal Board's opinion that reduced the assessed valuation of the Byron Station. The Ogle County Intergovernmental Agency appealed the ruling to the Illinois State Supreme Court, where it awaits a decision.

The College was designated the Northern Illinois Manufacturing Extension Center, a sub-center of the Illinois Manufacturing Extension Center. The College is providing extension services to small and mid-sized manufacturers in the northern third of Illinois. This activity is funded through a multi-year grant from the National Institute of Standards and Technology.

The College, in conjunction with the Fox Valley Education Alliance, was awarded a \$750,000 grant from the Illinois Manufacturing Association for training member company employees.

1998 Dr. Karl J. Jacobs retired as President of the College on October 31, 1997, after serving as president since January 20, 1969.

Dr. Roland Chapdelaine assumed the presidency on November 1, 1997.

During the year ended June 30, 1998, the suit (with ComEd) was settled with all parties agreeing to the allocated sums. The College's settlement amount, including related attorney fees, was \$728,000, allocated pro rata to college funds levying property taxes, and was paid before June 30, 1998.

1999 The College received \$250,000 from the Governor's budget for planning the Arts Instructional Center.

The College purchased the Rockford Regional Academic Center from District #205 and renovated the building as the Career Development Academy.

The College completed the first phase of the HVAC tunnel project and renovated the CLI Chemistry labs.

The College installed the Datatel Student Records System.

2000

Dr. Chapdelaine reorganized the College through two vice presidents and two executive deans.

The Foundation initiated a \$10 million capital campaign in support of several major College projects.

The College completed the second phase of the HVAC tunnel project.

The College received a \$300,000 State of Illinois membership initiative grant for planning and design of the Arts Instructional Center.

The College completed the installation and startup of a co-generation power plant to generate electricity for the main campus.

The College initiated a multi-year Information Technology Plan for the main campus and other facilities owned by the College.

The College sold \$15.5 million in funding bonds to support the Information Technology Plan and renovations at the Samuelson Road Center.

2001

Three new academic programs, mass communications, dental hygiene and graphic arts technology, were designed and prepared for offering in Fall 2001.

The first phase (expanded seating and support facilities) of the Bengt Sjoström Theatre was completed prior to the Summer 2001 Starlight program.

The College sold \$21.5 million in funding bonds to support Phase I of the Facilities Master Plan and defeased a portion of the 1999 bond issue.

The College sold the vocational programs property on 28th Avenue and purchased the house on Springbrook Road adjacent to the main campus.

2002

The College completed Datatel conversion with implementation of payroll/human resources and general ledger modules.

The College initiated a multi-year strategic planning process with the current year strategic plan tied to the annual operating budget.

Phase II of the Bengt Sjoström Theatre including the proscenium building was completed prior to the Summer 2002 Starlight program.

2003

The College sold \$27.5 million in funding bonds to support Phase II of the Facilities Master Plan.

Phase III of the Bengt Sjoström Theatre was completed and the gala grand opening was held on June 10, 2003.

Construction of the new Support Services Building (SSB) to be occupied by Plant Operations and Maintenance, Business Services, Human Resources, Public Safety and Financial Services was started.

The College began construction of Parking Lot 8 and the Information Technology Microwave Tower Projects.

Phase I of III of the Student Center Remodeling, which includes Levels 1 and 2, began.

- 2003 cont. The College received a federal Integrated Skills Technology grant to retrain dislocated workers under the federal Workforce Investment Act.
- 2004 The College received a ten-year accreditation from the Higher Learning Commission of the North Central Association.
- The College completed construction of the new Support Services Building (SSB).
- Construction was completed on Phase I and Phase II, Level 1 and Level 2 of the Student Center remodeling. Construction began on Phase III of the Student Center addition.
- The College sold \$8.675 million in funding bonds to defease a portion of the 1999 bond issue.
- The College developed a multi-year Financial Planning Model to assist in the long-term strategic and financial planning of the College.
- 2005 Dr. Jack Becherer assumed presidency on November 1, 2004 as the College's fifth president.
- The College partnered with Northern Illinois University, Rockford College and University of Illinois College of Medicine at Rockford to develop the Higher Education Alliance for the Rock River Region (HEARRR). HEARRR is an alliance of four, non-profit, higher education institutions that share a long-term commitment to the vitality of the Rock River Region.
- The College partnered with area manufacturers, research firms, and other higher education institutions to form the Eigerlab partnership as a venue for industry, education and government to focus on Advanced Manufacturing.
- The College began implementation of a shared governance model and held elections for the various Shared Governance Councils. Shared Governance is a collaborative process in which member groups of the college community participate in deliberations regarding college rules and procedures.
- In April, the final construction was completed on Phase III of the Student Center (Atrium) addition.
- 2006 The College sold \$17.75 million in funding bonds to defease a portion of the 2000 bond issue.
- Rock Valley College Board of Trustees approved the ERC remodel construction project totaling \$7.5 million. Approved funding for the project is as follows: \$4 million from Life Safety funds, \$1.5 million from existing bond funds and \$2 million from the Foundation.
- The College established a new Certified Manufacturing Assistant program, a partnership initiative with Sauk (Dixon) and Highland (Freeport) Community Colleges.
- 2007 The \$7.5 Million remodel of the Educational Resource Center (ERC) was substantially completed by the start of Fall Term 2007. The construction time frame was reduced from 26 months to 14 months. The dramatic reduction in construction time for the project was made possible by moving all library services to Building F and relocating all the library books to an off-campus storage facility.
- The College created an Honors Program to bring together exceptional students and faculty from a broad variety of disciplines.
- The Illinois Community College Board (ICCB) granted the status of "Recognition Continued" allowing the College to receive ICCB grants for which the College is entitled and eligible.

2007 cont.

The Higher Learning Commission completed its focus visit. The Commission recognized the College's improved financial condition and organizational stability. The Commission also required an additional progress report on assessment of student learning.

The College issued Refunding Bonds, Series 2007 - accelerating principal repayment on \$1,490,000 of debt.

The College began the process of revising its 5-year Facilities Master Plan. Many of the College's facilities need structural improvement and modernizing. The College is revising its Facilities Master Plan to accommodate changes needed for its facilities and creating a fiscally sound vision.

The College added four full-time faculty positions during FY 2006 and six full-time faculty positions during FY 2007.

The Foundation received a major gift from a single donor, LoRayne Logan, for the naming opportunity of the library located within the Educational Resource Center (ERC). The newly remodeled library - Estelle M. Black Library - was officially dedicated on August 9, 2007.

2008

The Board of Trustees adopted separate Tuition and Tax Rate Management philosophies.

A resolution was passed in February, 2008 providing for the issue of \$9,995,000 General Obligation Community College Bonds, Series 2008, of Community College District No. 511. This bond issuance was to provide additional capital funds for continued improvements to facilities and grounds.

The Physical Education Center Renovations and Additions, a \$13 million construction project, began in May 2008, in order to connect academics, athletics and the community through collaboration and shared usage of the building.

The First Year Experience (FYE) program was initiated this year. This program focuses on first-year students and attempts to shape first-year experiences in educationally purposeful ways and integrate classroom experiences with support services. The program blends student services and learning services through collection, sharing and evaluation of data and research.

The Dislocated Workers Program moved from the 11th Street location to 303 North Main Street location in Rockford.

The Stenstrom Center for Career Education renovations were initiated and include remodeling the old University Center, Surgical Tech Lab creation, and relocation of Student Support Services near the front door.

2009

The College hired instructors and restarted the Truck Driver Training program moving it to the Essex Building on 2816 North Main Street in Rockford. The training combines classroom presentation with hands-on experience that leads to a Class A Commercial driver's license.

The Academic Plan directs that the Stenstrom Center for Career Education became a degree site and was remodeled to add new Science Labs, Science Storage, Lab Technicians space, 2nd Computer Lab, Faculty, Adjunct and Academic Support offices and to relocate Traffic Safety, Foster Care & Adult Education offices.

The Board of Trustees approved the college to move forward with the Science and Mathematics Classroom Building project (formerly known as the Classroom Building III capital project)

2010

The College designates the Science and Math Building as the Karl J. Jacobs Center for Science and Math.

A resolution was passed in September 2009 providing for the issue of \$30,230,000 General Obligation Community College Bonds, Series 2009A and 2009B, of Community College District No. 511. The issuance of these bonds provided capital for the new Jacobs Center for Science and Mathematics classroom building and other smaller capital projects.

The Physical Education Center received the US Green Building Commission (USGBC) Leadership in Energy and Environmental Design (LEED) Gold Level Certification for sustainable and green design.

The College received its first Certificate of Recognition for Budget Preparation from the Government Finance Officers Association.

The College converted from EdNet to ANGEL software for distance learning offerings, greatly enhancing the quality and communications capabilities for instructors and students.

The College significantly restructured the organization creating the office of the Provost.

2011

The College opened the Learning and Opportunity Center (LOC) in the Fall of 2010.

The College received approval from the Higher Learning Commission to offer online courses.

The College received the Economic Development Administration (EDA) pass thru grant from our lead partners at the University of Wisconsin-Whitewater and utilizes those funds to support RASI and the EIGER Lab.

The College became the manager over Rockford Area Strategic Initiatives (RASI). RASI covers the expense of day to day operations at EIGER Lab.

Karl J. Jacobs Center for Science and Math is 99% complete and will be open for Fall 2011 classes.

A resolution was passed in December 2010 providing for the issue of \$18,939,748.74 General Obligation Community College Bonds, Series 2010A and 2010B, of Community College District No. 511. The issuance of these bonds provided \$10 million in capital for the new Arts and Instructional Center building (AIC) and other smaller capital projects and the remainder as refinancing opportunities for existing bonds.

(AIC) conceptual and schematic design is complete.

The College received its second Certificate of Recognition for Budget Preparation from the Government Finance Officers Association.

The College received its fourth Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

2012

The College hosted Lt. Gov. Sheila Simon in her statewide tour of community colleges, and contributed to her report to Governor Quinn and the Illinois General Assembly.

The College received its third Certificate of Recognition for Budget Preparation from the Government Finance Officers Association.

2012 cont. The College received its fifth Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

2013 The College was awarded LEED Gold certification by the U.S. Green Building Council (USGBC) for the Karl J. Jacobs Center for Science and Math (JCSM) building. The JCSM is the second RVC building to be LEED Gold certified.

The College received its sixth Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

The College received its fourth Certificate of Recognition for Budget Preparation from the Government Finance Officers Association.

For the fourth year in a row, the College was named a Military Friendly School®. The 2013 Military Friendly Schools® list honors the top 15 percent of colleges, universities and trade schools in the country that are doing the most to embrace America's military service members, veterans and spouses as students and ensure their success on campus.

2014 The College was designated as a Right Skills Now college. Such a designation distinguishes the College as one of 10 Right Skills Now colleges in the country and the only one designated in Illinois. The College also received special recognition on the M-List from the Manufacturing Institute for its Right Skills Now program. The M-List, which showcases the best programs across the nation, distinguishes quality manufacturing education and training programs that are a preferred source of talent for manufacturing employers.

In a move designed to promote economic development and position a more strongly aligned workforce, the Greater Rockford Airport Authority (GRAA) and Rock Valley College (the College) combined efforts to create an expanded Aviation Maintenance Technology Program. The lease agreement between GRAA and the College was approved in February. The capital application for building a new state-of-the-art 40,000 square foot Aviation Maintenance Training facility was approved by the College Board of Trustees in May.

From March 31 – April 2, the College hosted a team of peer reviewers that conducted a comprehensive evaluation visit for the purpose of continued accreditation. The team felt that the prepared accreditation self-study reflected the strength of the institution and the many wonderful services and programs provided to students. The team commented on how committed all of the College's faculty and staff are to the mission of the College and recommended that the College continue full accreditation for a period of 10 years.

Michael Mastroianni was appointed sixth president of the College on April 8, 2014.

The College received its seventh Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

The College received its fifth straight Certificate of Recognition for Budget Preparation from the Government Finance Officers Association.

Northern Illinois University President Doug Baker and the College President Mike Mastroianni signed an innovative reverse transfer agreement that allows eligible NIU students who transferred from the College without associate degrees to earn the two-year degree using credit from NIU courses.

2014 cont.

For the fifth year in a row, the College was named a Military Friendly School®. The 2014 Military Friendly Schools® list honors the top 15 percent of colleges, universities and trade schools in the country that are doing the most to embrace America's military service members, veterans, and spouses as students and ensure their success on campus.

2015

The College's Truck Driver Training program and Roehl (pronounced "Rail") Transport, Inc. announced a new partnership that makes the program one of only four in the nation to be Roehl certified. The partnership allows students who take RVC's six-week Truck Driver Training program to opt for a Fast Track program that will lead directly to employment with Roehl upon completion.

Dr. Carmen Coballes-Vega was hired as the College's new Provost/Chief Academic Officer.

The College was one of only 42 Illinois organizations to have qualified for the newly established "Illinois Healthy Worksite Designation" from the Illinois Department of Public Health. RVC was one of only three employers from Winnebago County, and one of 12 in the entire state, to receive "gold" recognition.

RVC was the first community college to host "Destir", a robot powered by an iPad. "Destir" was created by Double Robotics and uses a new technology called telepresence. Students in Professor Chuck Konkol's spring 2015 CIS280 iOS Mobile App Course programmed apps for "Dester."

An agreement between Rock Valley College (RVC) and Rockford Area Strategic Initiatives (RASI) more strategically aligned programs vital to the community's manufacturing training and economic development initiatives. TechWorks -- a workforce training program previously housed at EIGERlab, a RASI entity -- moved under RVC management. TechWorks is a fast-track manufacturing training program that provides the skills and credentials needed to qualify for CNC machine operator and assembly jobs in high demand in the Rockford Region.

The College kicked off a year-long celebration of its 50th anniversary with a special event on Friday, January 23. The College revealed its 50th Anniversary logo and shared some plans for celebrating 50 years of RVC throughout the remainder of the year.

The College and the Rockford Register Star announced an agreement to move RVC's downtown Rockford presence into the historic Register Star Tower. Remodeled space on the second floor of the landmark building will offer convenient access to credit courses, programs and Adult Education offerings to those who live or work near the city's downtown area.

The College received its eighth Comprehensive Annual Financial Report Award from the Government Finance Officers Association. The College also received its sixth Distinguished Budget Presentation Award from the Government Finance Officers Association.

The College broke ground on a new main campus building project— a Health Science Center— to help meet the growing demand for nurses and other health care workers in the region. The new 79,000 square-foot, four-story building will provide world class learning facilities for students in the nursing and allied health fields. In a collaboration to provide opportunities to nursing students beyond the associate's degree, Saint Anthony College of Nursing will occupy almost two floors on the building and offer bachelor's, master's and doctorate degrees in nursing. The collaboration will create a seamless way to earn a four-year nursing degree on the RVC campus.

2015 cont.

The College's President Mike Mastroianni and NIU President Doug Baker announced the establishment of the NIU-RVC Engineering Program and signed a Letter of Intent. Beginning in Fall 2016, area students with associate's degrees in engineering science will be able to pursue one of three bachelor's degrees in engineering from the NIU College of Engineering & Engineering Technology on the RVC campus. Students who already have a bachelor's degree in engineering can earn a master's degree. Collaboration with industry is an essential element of the program, with Woodward and UTC Aerospace Systems leading the way in providing students with opportunities for experiential learning, internships and employment.

The College's Adult Education and the Rockford Rescue Mission announced a new partnership that will make the Rockford Rescue Mission a training site for Adult Basic Education. The classes will be offered at the Rescue Mission's Innovative Education Center (IEC). The IEC is equipped with 20 Internet-connected computer workstations, large work and study areas, and easy access to the RRM library, which features whiteboard for small groups and additional study tables.

On September 12, the College hosted "A Day at RVC," a free open house for members of the community to attend a variety of events and activities. Thousands from the community turned out in support and celebration of our 50th. There was a 5K race, kids games, robotics demonstrations, academic program presentations, RVC men's and women's soccer games, RVC volleyball, baseball, and softball alumni games, local band performances, and fireworks.

The College held a ribbon-cutting ceremony for its new Aviation Career Education Center (ACEC) on Wednesday, September 16. College leadership, trustees, staff, faculty, and students were joined by local dignitaries, politicians, and community members for the special ceremony. The ACEC is a 40,000-square-foot classroom and lab facility located on Cessna Drive at the Chicago Rockford International Airport. It replaces the 9,800-square-foot Falcon Road hangar that was home to the RVC's aviation maintenance technology program since 1968. Previously, the program was able to produce about 50 graduates each year, but the new facility will allow the college to triple that number.

2016

The College received its ninth Comprehensive Annual Financial Report Award from the Government Finance Officers Association. The College also received its seventh Distinguished Budget Presentation Award from the Government Finance Officers Association.

Northern Illinois University (NIU), Rock Valley College (RVC) and industry leaders announced the launch of the Engineering Our Future campaign, which will raise \$6 million to support the community-based, industry-integrated NIU-RVC Engineering Program. The Woodward Charitable Trust pledged \$2 million to the campaign, underscoring the company's longstanding leadership in manufacturing and workforce development in the Rockford area. NIU-RVC Engineering laboratories and classrooms will be located in RVC's Woodward Technology Center, so named for a previous gift by Woodward to the college.

The College held a ribbon cutting event for its new RVC Downtown site, located on the second floor of the Rockford Register Star News Tower. "RVC Downtown" offers college credit courses as well as Adult Education programs at an accessible, centralized location in the heart of downtown Rockford.

Dr. Douglas Jensen was appointed seventh president of the College in September and took office on October 10, 2016.

Beth Young was hired as the College's Chief Financial Officer.

2017

Jim Ryan was hired as the College's Chief Operating Officer.

The College received its tenth consecutive Comprehensive Annual Financial Report Award from the Government Finance Officers Association. The College also received its eighth Distinguished Budget Presentation Award from the Government Finance Officers Association.

On August 25, 2018, the college held a ribbon cutting ceremony for its new Health Sciences Center (HSC) and newly remodeled Classroom Building I (CLI).

The Workforce Connection Board awarded a contract to a newly-formed consortium to operate workforce centers and offer career services in Boone, Stephenson and Winnebago Counties. Rock Valley College, Goodwill Industries of Northern Illinois and the Illinois Department of Employment Security (IDES) have partnered to provide workforce services in the three-county region starting July 1, 2017. RVC will serve as the lead agency to administer an estimated \$1.8 million of federal funds under the Workforce Innovation and Opportunity Act (WIOA). This new, collaborative approach with Goodwill and IDES will help Rockford build its local workforce through targeted training to individuals who are seeking employment and needed support for local employers.

The College was named one of 150 community colleges eligible to compete for the 2019 Aspen Prize for Community College Excellence, the nation's signature recognition of high achievement and performance in America's community colleges. RVC was selected from a pool of nearly 1,000 public two-year colleges nationwide to compete for the \$1 million Aspen Prize.

A key component of a health and wellness initiative adopted by the Rock Valley College (RVC) Board of Trustees for RVC faculty and staff, in partnership with OSF HealthCare, opened on November 13, 2017. The RVCare on-campus wellness clinic provides services to Rock Valley College employees and family members who are covered under the Rock Valley College group insurance plan. The care will focus on the needs of employees and is provided by an OSF HealthCare Medical Group physician's assistant. Aimed at increasing satisfaction and improving the health and wellness of RVC employees and their families, RVCare is also expected to reduce the overall costs of healthcare to the College.

Rock Valley College received an educational-based grant from the Dr. Louis and Violet Rubin Endowment of the Community Foundation of Northern Illinois. The grant for Linking Talent with Opportunity in the region is worth \$675,000 over three years. The grant will fund the "Pathways" model, which is a collaboration between RVC and Highland Community College that will ultimately serve over 20 school districts in our region. Additionally, the Rock Valley College Foundation awarded the college \$225,000 over three years to help fund "Pathways." As a result, this year the college has been awarded close to one million dollars to support "Pathways."

Rock Valley College was the recipient of a \$5,000 Community Investment Grant from local energy transportation company, Enbridge. Officials from Enbridge were joined by Illinois State Representative Joe Sosnowski to present the check to RVC leaders on Monday, December 18. The grant will support five \$1,000 scholarships for students from Boone County who attend RVC for welding or engineering.

2018

The College received its eleventh consecutive Comprehensive Annual Financial Report Award from the Government Finance Officers Association. The College also received its eighth Distinguished Budget Presentation Award from the Government Finance Officers Association.

2018 cont.

A “2+2” agreement for Exercise Science was signed by Rock Valley College and Northern Illinois University. Under this agreement, students will first complete the Exercise Science option of RVC’s A.A.S. degree in Fitness, Wellness and Sport, and then transfer to NIU to complete a bachelor’s degree in Kinesiology.

The first three graduates of the NIU Engineering @ RVC program graduated in May 2018.

2019

The Rock Valley College Board of Trustees approved a new contract for President Dr. Doug Jensen that extended his term as RVC’s president through June 30, 2022. Since starting his tenure as RVC’s seventh president in October 2016, Dr. Jensen has helped the College navigate challenging fiscal year budget planning due to the State of Illinois budget crisis and helped stabilize the College financially without reliance on state funding.

Belvidere District 100 and Rock Valley College began a collaboration to offer RVC credit and non-credit classes to residents of Boone County at Belvidere North High School. Along with offering courses at the Stenstrom Center for Career Education in south Rockford and at RVC Downtown, this Belvidere collaboration seeks to expand the accessibility of the College’s offerings to residents in Community College District 511.

Chris Lewis was hired as the College’s Vice President of Community Outreach & Strategic Partnerships.

AAR, a global provider of aviation services, and Rock Valley College announced expansion of their unique aviation maintenance education and training partnership to further enhance instruction, students’ job experiences and their career prospects at AAR upon graduation. The new AAR EAGLE Career Pathway Program at RVC expands the College’s aviation maintenance technology curriculum to include job shadowing and mentoring opportunities, as well as academic support and monitoring. Students who pursue the FAA-certified aircraft mechanic’s license are eligible for up to \$15,000 in tuition reimbursements.

The College submitted an assurance argument (formerly known as a self-study report) to the Higher Learning Commission on February 4, 2019. After reviewing the document and supporting materials, a team visited the College March 4 -5, 2019 to review the College’s ongoing commitment to meeting the Commission’s Criteria for Accreditation.

The College received its twelfth consecutive Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

2020

Tiana McCall was hired as the new Vice President of Community Outreach & Strategic Partnerships. In this role, McCall works to create a greater focus and awareness of the College and its offerings to the community, and increase community relationships, partnerships, and outcomes.

Jim Handley was hired as the new Vice President of Human Resources. In this role, he is responsible for developing and executing the human resource strategy in support of the overall business plan and strategic direction of the College, specifically in the areas of talent acquisition, benefits administration, talent management, change management, and organizational effectiveness.

Rock Valley College Board of Trustees appointed Beth Young as Interim President during the April 28, 2020, Board of Trustees meeting. Young was delegated as Acting President by outgoing President Dr. Doug Jensen on March 30, 2020. The vote by trustees transitions Young from Acting President to Interim President.

2020 cont.

The College received 21 proposals responding to its Request for Proposal (RFP) process to house the new Advanced Technology Center at locations throughout the RVC community.

The Rock Valley College District 511 Board chooses a site for its Advanced Technology Center in Belvidere. The site is located just off of Business State Route 20 near Route 76. The board approval authorizes the staff to finalize the details of the project. This is the first RVC facility to be located outside of Winnebago County. The RVC District 511 has all or parts of six counties.

After six months of bargaining, the Rock Valley College Board of Trustees signed a Memorandum of Understanding (MOU) with the Rock Valley College Faculty Association on June 23. The MOU extends the terms of the current collective bargaining agreement by one year. Due to the COVID-19 health crisis and related economic uncertainty, both parties agreed to temporarily halt negotiations for a five-year agreement.

After a national search that took place over the last several weeks, the Rock Valley College Board of Trustees announced the appointment of Dr. Howard J. Spearman as the college's eighth president. Dr. Spearman returns to RVC where he previously worked in several leadership roles from 2011-2019. In all of his roles, Dr. Spearman has over two decades of higher education experience and a proven track-record of leading and implementing successful strategic enrollment, innovative programming, and diversity and inclusion initiatives.

The College received its thirteenth consecutive Comprehensive Annual Financial Report Award from the Government Finance Officers Association.

SPECIAL REPORTS SECTION

ICCB STATE GRANT PROGRAMS

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rock Valley College
Illinois Community College
District Number 511
Rockford, Illinois

We have audited the accompanying balance sheets of Rock Valley College - Illinois Community College District Number 511's (the College), State Adult Education and Family Literacy Grant Programs as of June 30, 2020, and the related statement of revenues, expenditures and changes in program balance for the year then ended and the notes to financial statements - grants programs.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the College's management. 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 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 guidelines of the Illinois Community College Board (ICCB) *Fiscal Management Manual*. Those standards 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We also reviewed the compliance with the provisions of the agreement between the College and the ICCB. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rock Valley College - Illinois Community College District Number 511's State Adult Education and Family Literacy Grant Programs as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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. Our opinions are not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the balance sheets the College's State Adult Education and Family Literacy Grant Programs as of June 30, 2020, and the related statements of revenues, expenditures and changes in program balance for the year then ended. The Schedule of Expenditure Amounts and Percentages for ICCB Grant Funds only is presented for purposes of additional analysis and is not a required part of these financial statements. The Schedule of Expenditure Amounts and Percentages for ICCB Grant Funds only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements. The information has been subjected to the auditing procedures applied in the audit of these financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used and was derived from and relate directly to the underlying accounting and other records used to prepare to prepare the financial statements or to the 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 these financial statements as a whole.

In connection with our audit, nothing came to our attention that caused us to believe that the College failed to comply with the terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the College's noncompliance with the above-referenced terms, covenants, provisions or conditions of the agreements, insofar as they relate to accounting matters.

Sikich LLP

Naperville, Illinois
January 8, 2021

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

STATE ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAM
BALANCE SHEET

June 30, 2020

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Accounts receivable	\$ 28,009	\$ 18,422	\$ 46,431
TOTAL ASSETS	<u>\$ 28,009</u>	<u>\$ 18,422</u>	<u>\$ 46,431</u>
LIABILITIES AND PROGRAM BALANCE			
LIABILITIES			
Due to restricted purposes subfund	\$ 28,009	\$ 18,422	\$ 46,431
Total liabilities	<u>28,009</u>	<u>18,422</u>	<u>46,431</u>
PROGRAM BALANCE			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total program balance	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND PROGRAM BALANCE	<u>\$ 28,009</u>	<u>\$ 18,422</u>	<u>\$ 46,431</u>

(See independent auditor's report.)

ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS

STATE ADULT EDUCATION AND FAMILY
LITERACY GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN PROGRAM BALANCE

For the Year Ended June 30, 2020

	State Basic	Performance	Total (Memorandum Only)
REVENUES			
Grant revenue	\$ 280,090	\$ 184,215	\$ 464,305
EXPENDITURES			
Direct instruction			
Instruction	126,815	-	126,815
Total direct instruction	126,815	-	126,815
Instructional and student services			
Social work services	50,900	25,981	76,881
Guidance services	25,558	25,981	51,539
Assessment and testing	50,900	40,724	91,624
Total instructional and student services	127,358	92,686	220,044
Program support			
Improvement of instructional services	-	35,613	35,613
General administration	-	22,607	22,607
Data and information services	25,917	33,309	59,226
Total program support	25,917	91,529	117,446
Total expenditures	280,090	184,215	464,305
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	-
PROGRAM BALANCE, JULY 1, 2019	-	-	-
PROGRAM BALANCE, JUNE 30, 2020	\$ -	\$ -	\$ -

(See independent auditor's report.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

STATE ADULT EDUCATION AND FAMILY
LITERACY GRANT PROGRAM
SCHEDULE OF EXPENDITURE AMOUNTS AND
PERCENTAGES FOR ICCB GRANT FUNDS ONLY

For the Year Ended June 30, 2020

	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
STATE BASIC		
Instruction (45% minimum required)	\$ 126,815	45.28%
General administration (15% maximum allowed)	-	0.00%

(See independent auditor's report.)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS - GRANT PROGRAMS

June 30, 2020

1. ESTABLISHMENT OF PROGRAMS

State Adult Education and Family Literacy Grants

State Basic

Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 16 and over and not otherwise in attendance in public school; and (1) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; (2) do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or (3) are unable to speak, read or write the English language.

Performance

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

2. SIGNIFICANT ACCOUNTING POLICIES

a. General

The accompanying statements include only those transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Grant programs. These transactions have all been accounted for in the Restricted Purpose Fund.

b. Basis for Accounting

The statements have been prepared on the full accrual basis under which revenue is recognized when earned and expenditures are recorded when the obligation has been incurred.

c. Reserve for Encumbrances

Funds obligated for goods prior to June 30 for which the goods are received prior to August 31 are recognized as reserved program balances for encumbrances for all grants.

d. Capital Assets

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

**ENROLLMENT DATA AND
RESIDENCY REQUIREMENTS**

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA
AND OTHER BASES UPON WHICH CLAIMS ARE FILED AND
SUPPORTING RECONCILIATION OF SEMESTER CREDIT HOURS**

Board of Trustees
Rock Valley College
Illinois Community College
District Number 511
Rockford, Illinois

We have examined management of Rock Valley College - Illinois Community College District Number 511's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Rock Valley College during the period July 1, 2019 through June 30, 2020. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the College's compliance with the specified requirements.

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Rock Valley College is fairly stated, in all material respects.

Sikich LLP

Naperville, Illinois
January 8, 2021

ROCK VALLEY COLLEGE

ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED
FOR THE YEAR ENDED JUNE 30, 2020

Total Semester Credit Hours by Term (In-District and Out of District Reimbursable)

Categories	Summer		Fall		Winter		Spring		TOTAL	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Notes 1 and 2										
Baccalaureate	9,857.0	-	41,159.0	56.0	-	-	37,940.0	48.0	88,956.0	104.0
Business Occupational	131.0	-	1,435.0	-	-	-	1,718.0	-	3,284.0	-
Technical Occupational	1,903.0	-	6,307.5	-	-	-	6,179.0	-	14,389.5	-
Health Occupational	775.0	-	3,176.5	-	-	-	2,879.5	-	6,831.0	-
Remedial Developmental	935.0	-	4,823.0	-	-	-	3,065.0	-	8,823.0	-
Adults Basic/Secondary Educations	-	-	611.0	6,352.5	-	-	593.0	5,702.0	1,204.0	12,054.5
TOTAL	13,601.0	-	57,512.0	6,408.5	-	-	52,374.5	5,750.0	123,487.5	12,158.5

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.

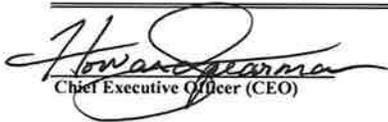
NOTE 2) Restricted credit hours are supported with more than 50% of restricted sources of funding.

NOTE 3) Total of unrestricted and restricted should equal the S-3 record totals.

	Attending In-District	Attending Out-of District on Chargeback or Cooperative/Contractual Agreement	TOTAL
Semester Credit Hours (All Terms)	132,166.0	0.00	132,166.0
District 2018-19 Equalized Assessed Valuation			6,087,482,839

Categories	Correctional Semester Credit Hours by Term				
	Summer	Fall	Winter	Spring	Total
Baccalaureate	-	-	-	-	-
Business Occupational	-	-	-	-	-
Technical Occupational	-	-	-	-	-
Health Occupational	-	-	-	-	-
Remedial Development	-	-	-	-	-
Adult Basic/Secondary Education	-	-	-	-	-
TOTAL	-	-	-	-	-

Signatures:


Chief Executive Officer (CEO)


Chief Financial Officer (CFO)

**ROCK VALLEY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT NUMBER 511
RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS
FOR THE YEAR ENDED JUNE 30, 2020**

Categories	Total	Total	Difference	Total	Total Restricted	Difference
	Unrestricted Credit	Unrestricted Credit		Restricted Credit	Credit Hours	
	Hours	Certified to the ICCB		Hours	Certified to the ICCB	
Baccalaureate	88,956.0	88,956.0	-	-	-	-
Business Occupational	3,284.0	3,284.0	-	-	-	-
Technical Occupational	14,389.5	14,389.5	-	-	-	-
Health Occupational	6,831.0	6,831.0	-	-	-	-
Remedial Development	8,823.0	8,823.0	-	-	-	-
Adult Basic/Secondary Education	1,204.0	1,204.0	-	12,158.5	12,158.5	-
TOTAL	123,487.5	123,487.5	-	12,158.5	12,158.5	-

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

	Total Attending	Total Attending as Certified to the ICCB	Difference
	(Unrestricted and Restricted)	(Unrestricted and Restricted)	
In-District Residents	132,166.0	132,166.0	-
Out-of-District on Chargeback or Contractual Agreement	-	-	-
TOTAL	132,166.0	132,166.0	-

	Total Reimbursable	Total Reimbursable Certified to ICCB	Difference
	Dual Credit	9,396.00	
Dual Enrollment	899.00	899.00	-

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS FOR THE YEAR ENDED JUNE 30, 2020

Categories	Total Correctional Credit Hours	Total Correctional Credit Hours Certified	Difference
		to ICCB	
Baccalaureate	-	-	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic/Secondary Education	-	-	-
TOTAL	-	-	-

Student Residency Verification Process

Rock Valley College verifies residency when a student changes from an in-district to an out-of-district or out-of-state address, or an out-of-district or out-of-state to an in-district address. The College requires documentation of residency status at the time of registration. Proof of residency includes: driver's license, voter's registration card, library card, lease, and/or utility bill. Should a student change from one in-district address to another in-district address, documentation is not necessary to verify. Students are not subject to verification at the time of application. Verification only occurs once a request to update the address as indicated above occurs. All changes must be done in person.

A student must reside within the district for at least 30 days prior to the start of semester classes in order to meet the residency requirement unless they met the options outlined by ICCB. A student may also qualify for in-district tuition rates if he/she is employed full time at a company within the Rock Valley College district and provides a letter from the employer to the Admissions Office.

District Prior Year Equalized Assessed Valuation \$ 6,087,482,839

Signatures:


Howard Pearson
Chief Executive Officer (CEO)


Beth Young
Chief Financial Officer (CFO)