



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

R@ckValleyCollege

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**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Years Ended
June 30, 2021 and 2020

Prepared by

Financial Services Department

Ellen Olson

Executive Director of Finance, Interim Chief Financial Officers

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 2021

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.

2020/2021 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

Ms. Jennifer Ray

Ms. Annika Vincent, Student Trustee

Administration

Dr. Howard Spearman, President/Chief Executive Officer (CEO)

Vacant, Vice President of Operations/Chief Operating Officer (COO)

Ronald Geary, Vice President of Academic Affairs/Chief Academic Officer (CAO)

Dr. Patrick Peyer, Vice President of Student Affairs/Chief Student Services Officer (CSSO)

James Handley, Vice President of Human Resources/Chief Human Resources Officer (CHRO)

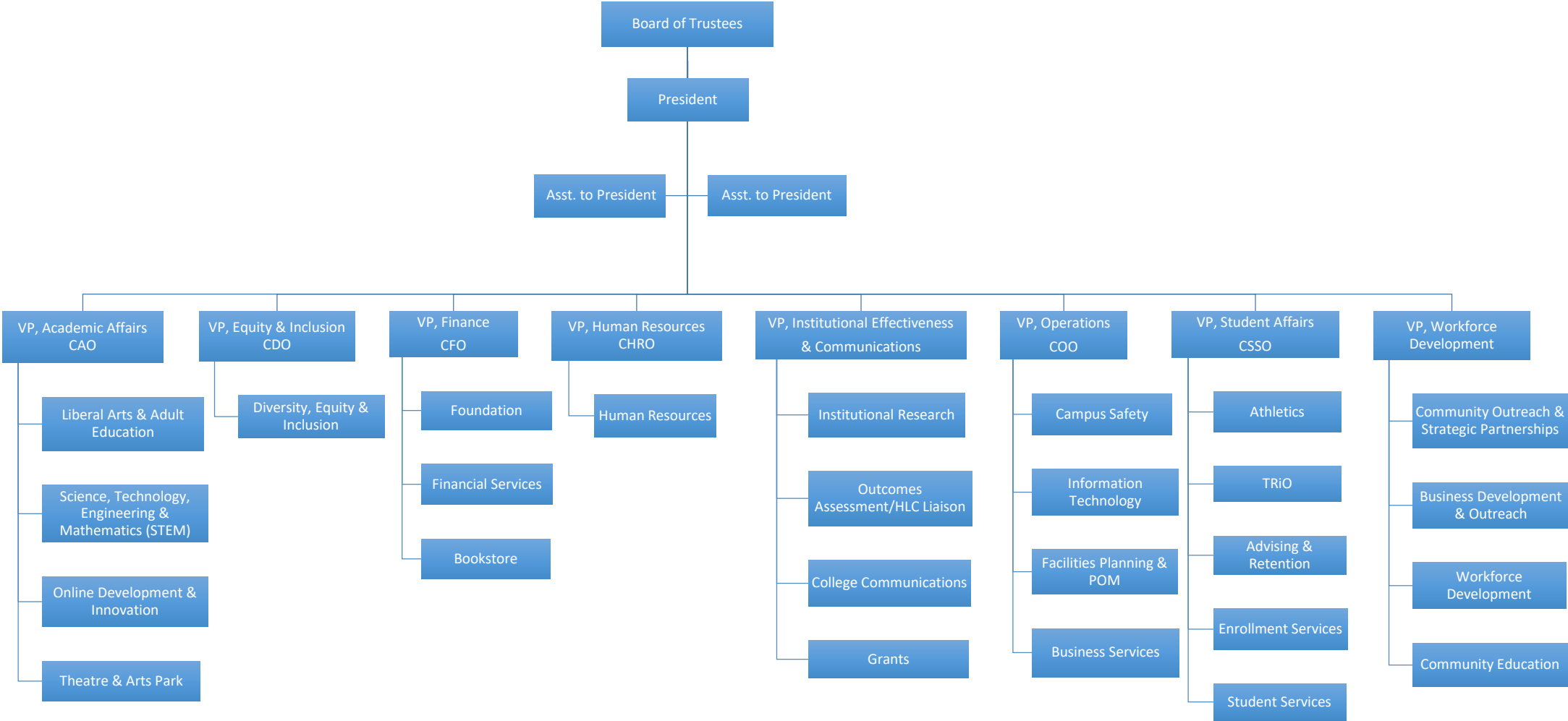
Christopher Lewis, Vice President of Workforce Development

Heather Snider, Vice President of Institutional Effectiveness & Communications

Keith Barnes, Vice President of Equity & Inclusion/Chief Diversity Officer (CDO) – *Start Date: June 28, 2021*

Ellen Olson, Executive Director of Finance/Interim Chief Financial Officer (CFO)

Rock Valley College Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rock Valley College
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

November 1, 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, 2021, 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, 2020. This award was the 14th 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, 2021 and June 30, 2020. The independent auditor's report for June 30, 2021 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 9.4 percent, down from 16.5 percent the previous year due to the continued impact of the COVID-19 pandemic. 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. 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 Sarah Shumway and Aly Behmer, 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,



Dr. Howard Spearman,
President



Ellen Olson,
Vice President & Chief Financial Officer

FINANCIAL SECTION

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 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, 2021 and 2020, 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, 2021 and 2020, 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. Our opinion is not modified with respect to this matter.

As discussed in Note 14 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*, during the year ended June 30, 2020. 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.

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 November 1, 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

November 1, 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, 2021 and 2020 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, 2021.

Comparative Analysis of Net Position – Fiscal Years 2021 and 2020

	Net Position As of June 30		Increase (Decrease)	Percent Change
	2021	2020		
Current assets	\$ 118,183,801	\$ 109,851,084	\$ 8,332,717	7.6
Noncurrent assets				
Nondepreciable assets	8,459,711	1,092,919	7,366,792	674.0
Depreciable assets, net of depreciation	101,022,724	107,723,292	(6,700,568)	(6.2)
Other noncurrent assets	12,500	12,500	-	-
Total assets	<u>227,678,736</u>	<u>218,679,795</u>	8,998,941	4.1
Deferred outflows of resources	<u>1,272,403</u>	<u>762,873</u>	509,530	66.8
Total assets and deferred outflows of resources	<u>228,951,139</u>	<u>219,442,668</u>	9,508,471	4.3
Current liabilities	30,552,628	27,157,483	3,395,145	12.5
Noncurrent liabilities	80,999,477	91,335,422	(10,335,945)	(11.3)
Total liabilities	<u>111,552,105</u>	<u>118,492,905</u>	(6,940,800)	(5.9)
Deferred inflows of resources	<u>21,327,235</u>	<u>20,087,834</u>	1,239,401	6.2
Total liabilities and deferred inflows of resources	<u>132,879,340</u>	<u>138,580,739</u>	(5,701,399)	(4.1)
Net position				
Net investment in capital assets	46,307,312	35,848,876	10,458,436	29.2
Restricted	18,569,617	27,328,719	(8,759,102)	(32.1)
Unrestricted	31,194,870	17,684,334	13,510,536	76.4
Total net position	<u>\$ 96,071,799</u>	<u>\$ 80,861,929</u>	\$ 15,209,870	18.8

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, 2021, increased from \$80,861,929 to \$96,071,799, an increase of approximately 18.8 percent. This is directly related to an increase in capital during the year.

In fiscal year 2021, the College's total assets and deferred outflows of resources increased by \$9,508,471 to \$228,951,139. Current assets also increased from \$109,851,084 to \$118,183,801. The increase in current assets is due to increases in cash and cash equivalents due to receiving 100% of the State Funds, plus additional grant funds for HEERF, Workforce Equity Initiative and other grants received in response to COVID-19 pandemic. This was partially offset by a decline in restricted cash and cash equivalents due to disbursement for the Advanced Technology Center. Noncurrent assets increased from \$108,828,711 to \$109,494,935 due an increase in construction in process for the Advanced Technology Center offset in part due to the net value of the capital assets being depreciated.

Total liabilities and deferred inflows of resources decreased from \$138,580,739 to \$132,879,340. Current liabilities increased \$3,395,145 which is attributed to an increase in accounts payable of approximately \$3,467,000. Noncurrent liabilities decreased \$10,335,945 which is directly related to a decrease in bonds payable.

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

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 Advanced 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.

Fiscal Years 2021 and 2020 Financial Highlights:

At June 30, 2021, the College's net position increased from \$80,861,929 to \$96,071,799. Revenue exceeded expenses by \$15,209,870 as follows:

	June 30		Increase (Decrease)	Percent Change
	2021	2020		
Operating revenues	\$ 15,787,521	\$ 17,746,054	\$ (1,958,533)	(11.0)
Non-operating revenues	85,303,404	78,181,887	7,121,517	9.1
Total revenues	<u>101,090,925</u>	<u>95,927,941</u>	<u>5,162,984</u>	<u>5.4</u>
Operating expenses	83,900,148	79,511,492	4,388,656	5.5
Non-operating expenses	2,248,212	2,606,720	(358,508)	(13.8)
Total expenses	<u>86,148,360</u>	<u>82,118,212</u>	<u>4,030,148</u>	<u>4.9</u>
Income before capital contributions	14,942,565	13,809,729	1,132,836	8.2
Capital contributions	267,305	-	-	NM
Change in net position	<u>15,209,870</u>	<u>13,809,729</u>	<u>1,400,141</u>	<u>10.1</u>
Net position, beginning of year	<u>80,861,929</u>	<u>66,164,017</u>	<u>14,697,912</u>	<u>22.2</u>
Change in accounting principle	-	888,183		
Net position, end of year	<u>\$ 96,071,799</u>	<u>\$ 80,861,929</u>	<u>\$ 15,209,870</u>	<u>18.8</u>

Total revenues increased \$5,162,984, an increase of approximately 5.4 percent. Operating revenues decreased \$1,958,533, a decrease of 11 percent. The decrease in operating revenues is primarily attributed to a decrease in student tuition and fees, net of scholarship allowance, of approximately \$657,000, a decrease in sales and service fees of \$687,000, due primarily to tickets sales for Starlight Theatre, and a decrease in other revenues of \$599,000, partially due to rental income. These decreases were due to the impact caused by the COVID-19 pandemic. Non-operating revenues increased \$7,121,517, an increase of 9.1 percent. This increase is attributed to increases in local property taxes of approximately \$287,000, State Grants of approximately \$617,000, State Appropriations (SURS on behalf) of \$1,311,000, and Federal Grants of \$5,360,000 due to the HEERF grant funds. The increases in non-operating revenue are offset by decreases in Investment Income of approximately \$1,009,000.

Total expenses increased \$4,030,148, an increase of approximately 4.9 percent. This is due to an increase in operating expenses of \$4,388,656, primarily due to an increase in salary and benefits and distributions to students from HEERF grant funds, whereas the benefit increase is directly attributed to an increase in the SURS on behalf allocation. This increase was offset by a decrease in non-operating expenses of \$358,508 which is attributable to a decrease in interest on debt related to capital assets.

In general, the ending net position for fiscal year 2021 increased \$15,209,870. Details for revenues and operating expenses are covered in more detail in the subsequent sections.

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	95,927,941	89,039,848	6,888,093	7.7
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	82,118,212	78,246,298	3,871,914	4.9
Income before capital contributions	13,809,729	10,793,550	3,016,179	27.9
Capital contributions	-	-	-	-
Change in net position	13,809,729	10,793,550	3,016,179	27.9
Net position, beginning of year	66,164,017	55,370,467	10,793,550	19.5
Change in accounting principle	888,183	-	-	-
Net position, end of year	\$ 80,861,929	\$ 66,164,017	\$ 14,697,912	22.2

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 HEERF grant 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 HEERF grant 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.

Fiscal Years 2021 and 2020 Revenues (Operating and Non-operating):

	2021		2020		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Student tuition & fees (net)	\$ 13,085,670	13.0	\$ 13,742,723	14.3	\$ (657,053)	(4.8)
Sales & service fees	650,879	0.6	1,337,438	1.4	(686,559)	(51.3)
State grants and contracts	12,230,878	12.1	11,613,685	12.1	617,193	5.3
Federal grants and contracts	19,915,733	19.7	14,555,240	15.2	5,360,493	36.8
State appropriations	21,035,698	20.8	19,724,519	20.6	1,311,179	6.6
Local property taxes	28,939,700	28.6	28,652,944	29.9	286,756	1.0
Personal property replacement tax	2,108,387	2.1	1,662,245	1.7	446,142	26.8
Investment income	106,253	0.1	1,111,398	1.2	(1,005,145)	(90.4)
Other	3,017,727	3.0	3,527,749	3.6	(510,022)	(14.5)
Total Revenues	\$ 101,090,925	100.0	\$ 95,927,941	100.0	\$ 5,162,984	5.4

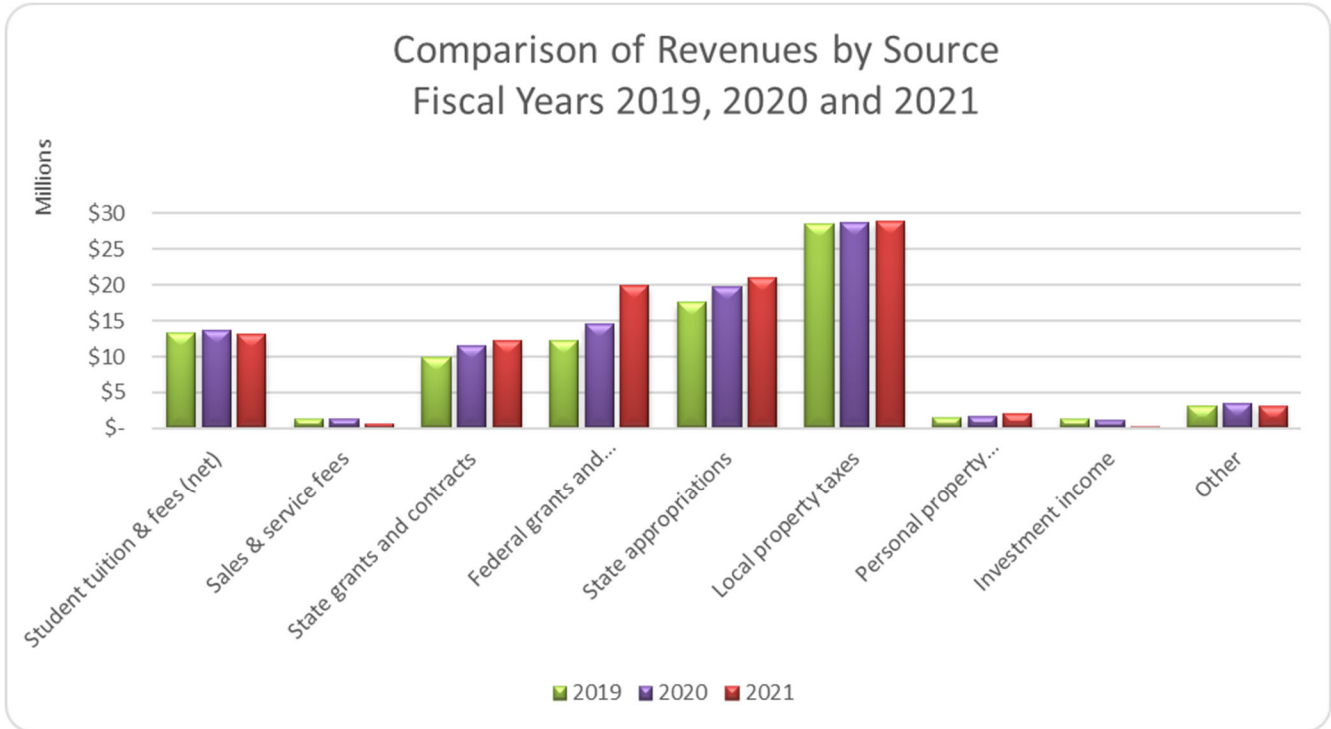
2021 Analysis of Revenues: In FY 2021, the College's total revenues increased by \$5,162,984, an increase of 5.4 percent. The increase in operating revenues is primarily attributed to an increase State grants of approximately \$617,193, Federal grants, which includes HEERF grant funds of \$5,360,493 and State Appropriations (SURS) of \$1,311,179. These increases were offset by decreases in Student Tuition and Fees of \$657,053, Sales and Service of \$686,559 and Investment Income of \$1,005,145.

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	99.8	\$ 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 (HEERF grant) 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.

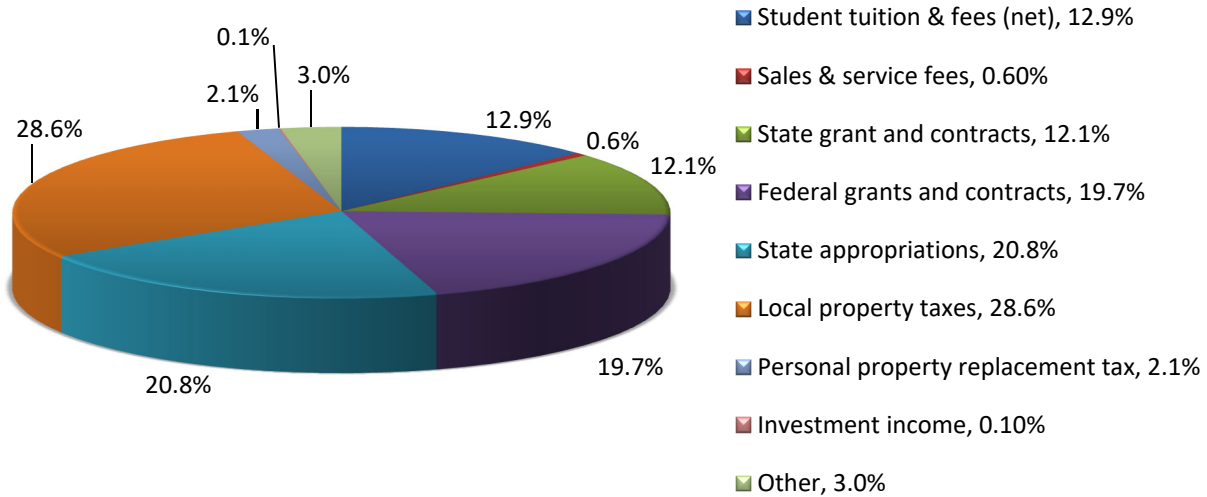
The following is a graphic illustration comparing fiscal years 2021, 2020, and 2019 revenues by source:



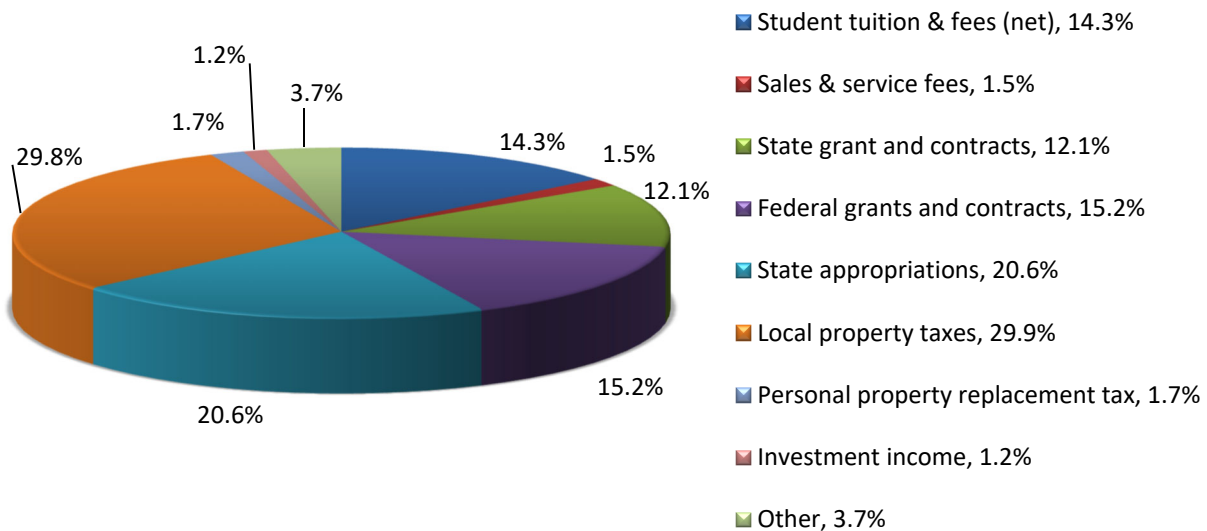
Student tuition and fees (net of scholarship allowances) decreased 4.78 percent from last year, along with decreases of 51.33 percent for sales and service fees, 90.44 percent for investment income and 14.46 percent for other. This is offset by increases in State grants and contracts of 5.31 percent, Federal grants and contracts 36.83 percent, State appropriations 6.65% and personal property tax replacement tax of 26.84%.

The following are graphic illustrations of fiscal years 2021 and 2020 revenue by source.

Percent of 2021 Revenue by Source



Percent of 2020 Revenue by Source



Fiscal Years 2021 and 2020 Operating Expenses by Function Comparison:

	2021		2020		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Instruction	\$ 27,304,131	32.5	\$ 27,340,001	34.4	\$ (35,870)	(0.1)
Academic Support	4,448,587	5.3	4,320,724	5.4	127,863	3.0
Student Services	6,703,858	8.0	6,160,865	7.7	542,993	8.8
Public Service	8,743,867	10.4	7,876,539	9.9	867,328	11.0
Plant, Operations & Maintenance	7,358,514	8.8	6,455,407	8.1	903,107	14.0
Institutional Support	16,104,922	19.2	12,245,713	15.4	3,859,209	31.5
Auxiliary Services	1,428,168	1.7	1,492,392	1.9	(64,224)	(4.3)
Depreciation	7,643,514	9.1	7,773,590	9.8	(130,076)	(1.7)
Scholarships, grants & waivers	4,164,587	5.0	5,846,261	7.2	(1,681,674)	(28.8)
Total Expenses by Function	\$ 83,900,148	100.0	\$ 79,511,492	99.8	\$ 4,388,656	5.5

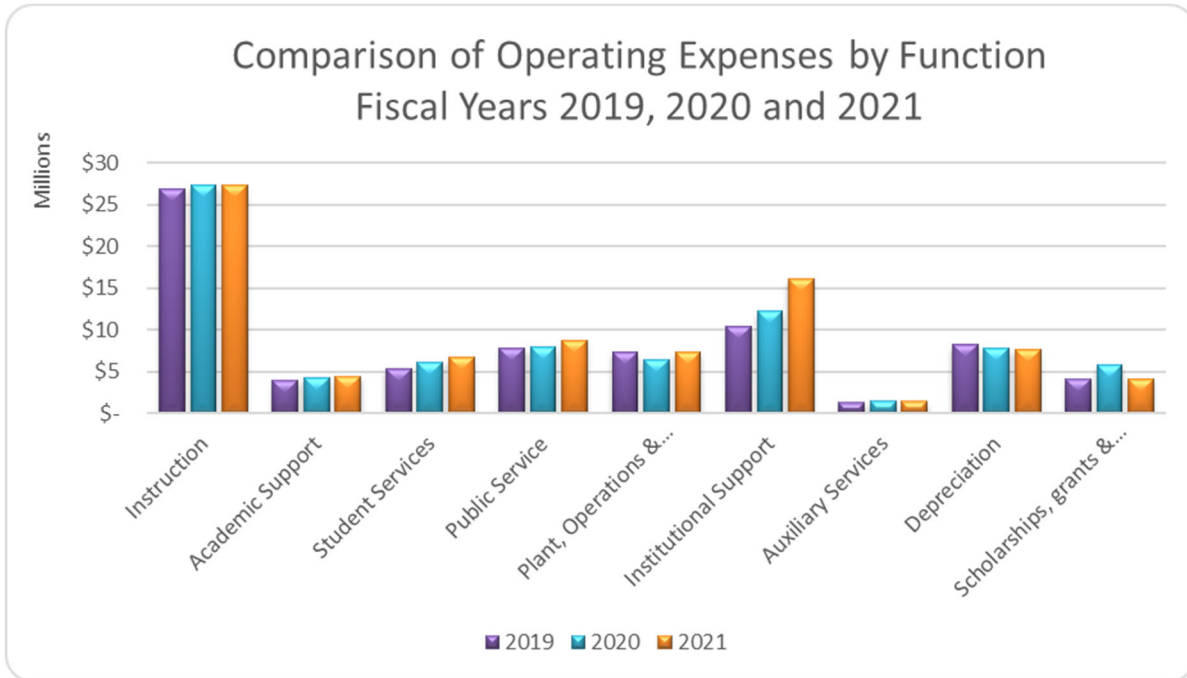
2021 Analysis of Operating Expenses by Function: The College's operating expenses by function increased approximately \$4,388,656 or 5.5 percent from prior year. This is due to an increase of \$3,859,209 in Institutional Support which is related to an increase in the SURS on behalf and an increase in expenditures of the HEERF institution allocation. Scholarship, grants and waivers decreased by \$1,681,674 due to a decrease in Federal Pell Grants distributed to students.

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	5.4	4,144,123	5.5	1,702,138	41.1
Total Expenses by Function	\$ 79,511,492	98.0	\$ 75,310,444	100.1	\$ 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. Scholarship, grants and waivers increased by \$1,702,138 due to an increase in federal grants distributed to the students from the HEERF allocation.

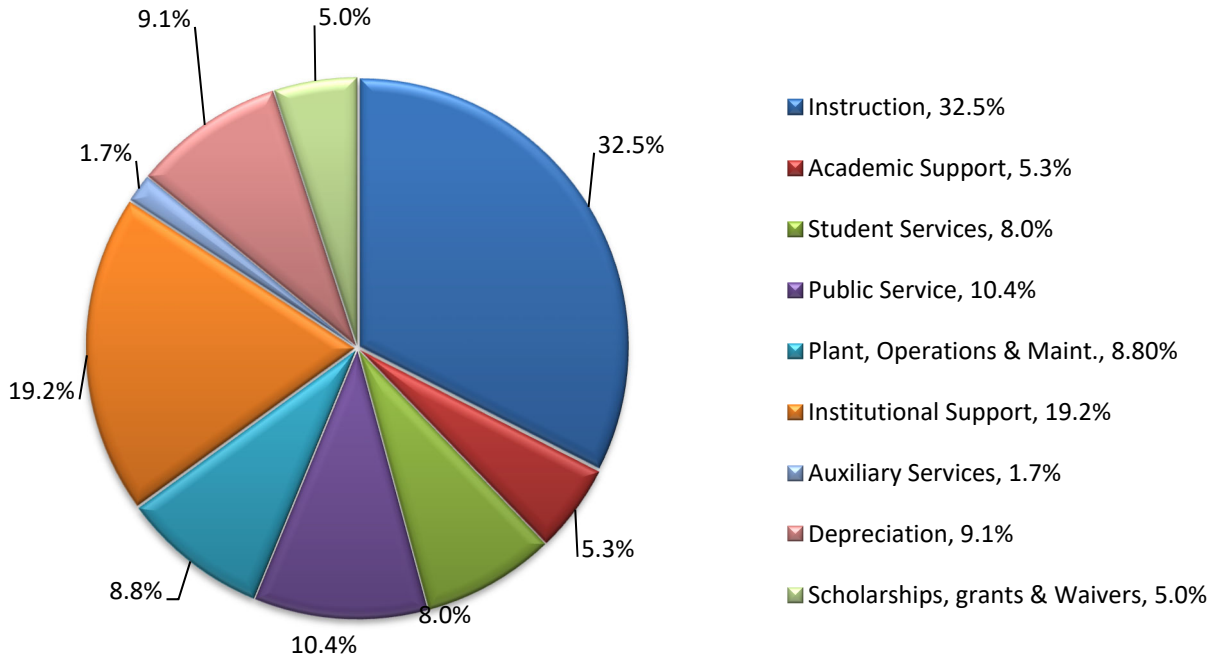
The following is a graphic illustration comparing fiscal years 2021, 2020, and 2019 expenses by function:



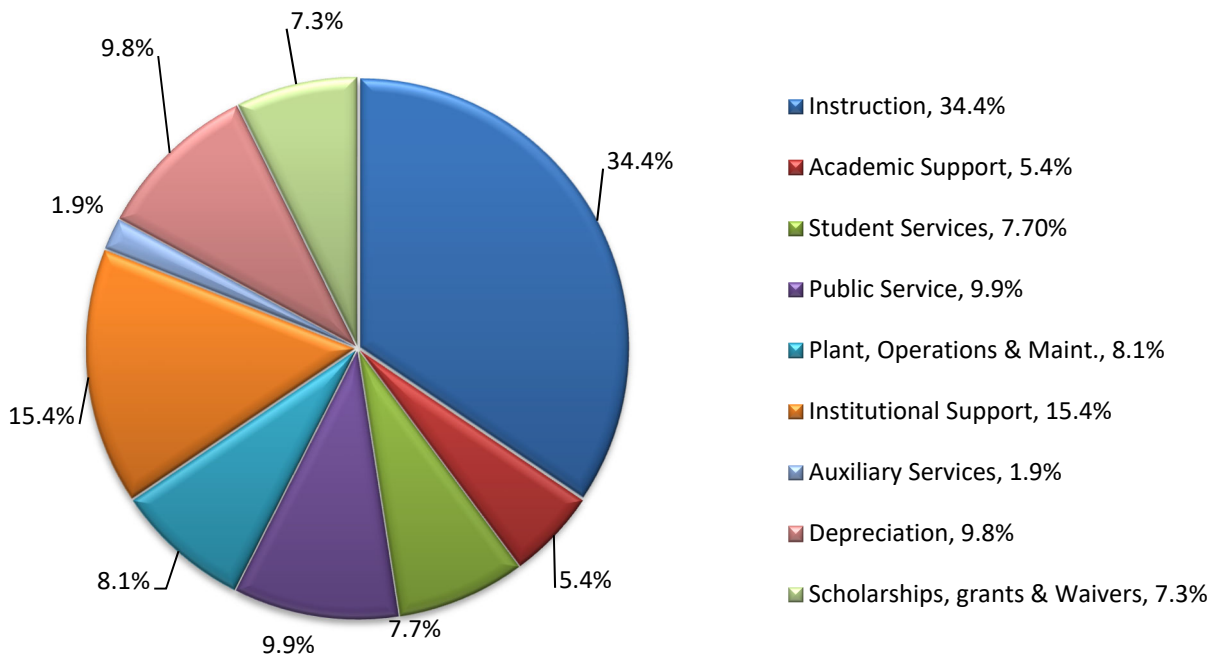
State Appropriations for the State Universities Retirement System increased. This increase impacts the function areas of areas of instruction, academic support, student services, public service, plant, operations & maintenance, institutional support, and auxiliary services. Expenditures of the institutional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

The following are graphical illustrations of fiscal years 2021 and 2020 operating expenses by function.

Percent of 2021 Operating Expenses by Function



Percent of 2020 Operating Expenses by Function



Fiscal Years 2021 and 2020 Operating Expenses by Object:

	Amount	% of total	Amount	% of total	(Decrease)	Change
Salaries	\$ 28,034,582	33.4	\$ 28,147,486	35.4	\$ (112,904)	(0.4)
Employee Benefits	28,595,895	34.1	27,231,195	34.2	1,364,700	5.0
Contractual Services	5,816,276	6.9	4,689,925	5.9	1,126,351	24.0
General Materials and Supplies	3,215,965	3.8	2,570,775	3.2	645,190	25.1
Travel & Conference/Meeting Expense	327,705	0.4	560,427	0.7	(232,722)	(41.5)
Fixed Charges	1,021,570	1.2	998,638	1.3	22,932	2.3
Utilities	1,817,956	2.2	1,693,195	2.1	124,761	7.4
Depreciation	7,643,514	9.1	7,773,590	9.8	(130,076)	(1.7)
Other	7,426,685	8.9	5,846,261	7.4	1,580,424	27.0
Total Expenses by Object	\$ 83,900,148	100.0	\$ 79,511,492	100.0	\$ 4,388,656	5.5

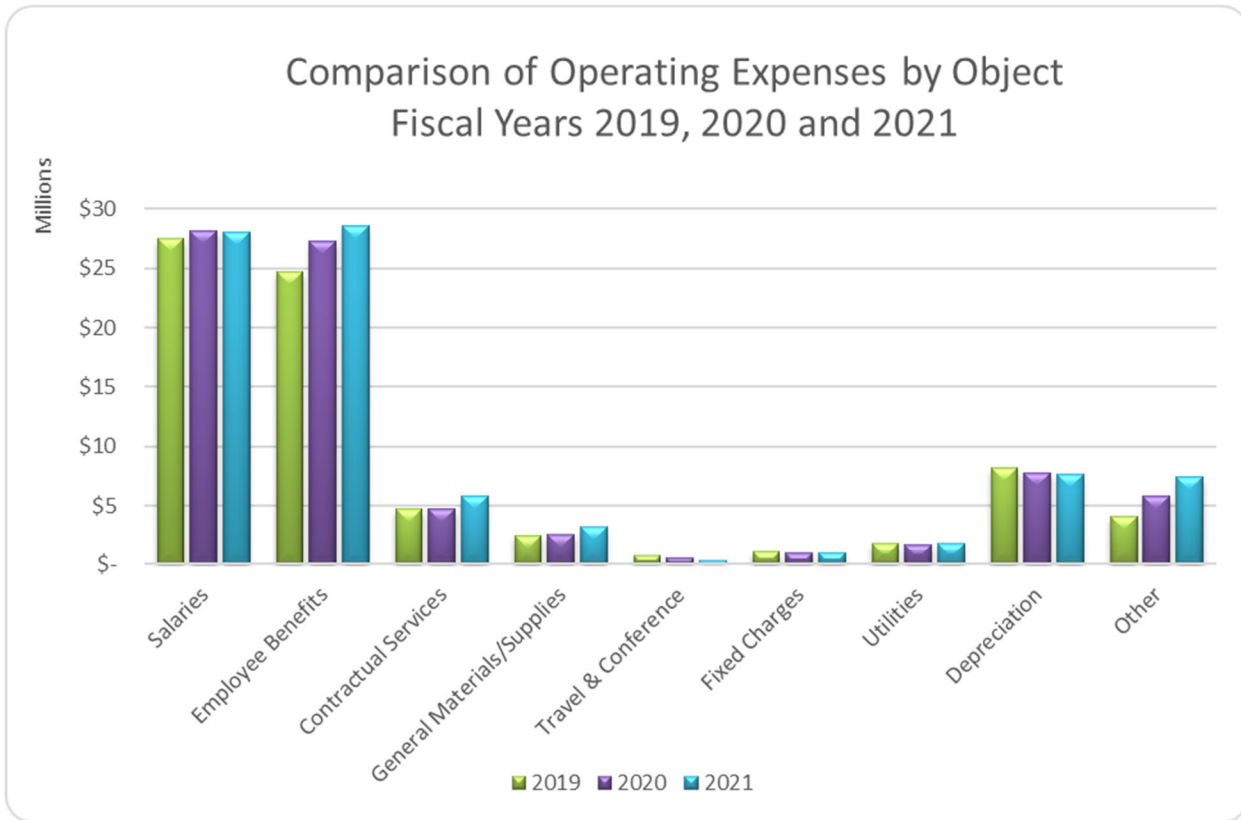
2021 Analysis of Operating Expenses by Object: Overall, the College's fiscal year operating expenses increased \$4,388,656 or 5.5 percent. The increase in employee benefits of approximately \$1,364,700 is due to an increase of \$371,023 from the State Universities Retirement System of Illinois Pension plan (SURS) on-behalf and an increase in group medical insurance of \$588,112. Contractual Services increased \$1,126,351 which is attributed to expenditures incurred during recovery from tornado damages in August, 2020. Increases in general materials and supplies of \$645,190 was due to grant expenditure along with an increase of \$1,580,424 in Other Expenses which is attributed to expenditure of both the student and institutional portions of the HEERF grant funds.

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	7.5	4,144,123	5.5	1,702,138	41.1
Total Expenses by Object	\$ 79,511,492	100.1	\$ 75,310,444	99.9	\$ 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 HEERF grant funds. These increases are offset by decreases in all other areas of approximately \$812,000.

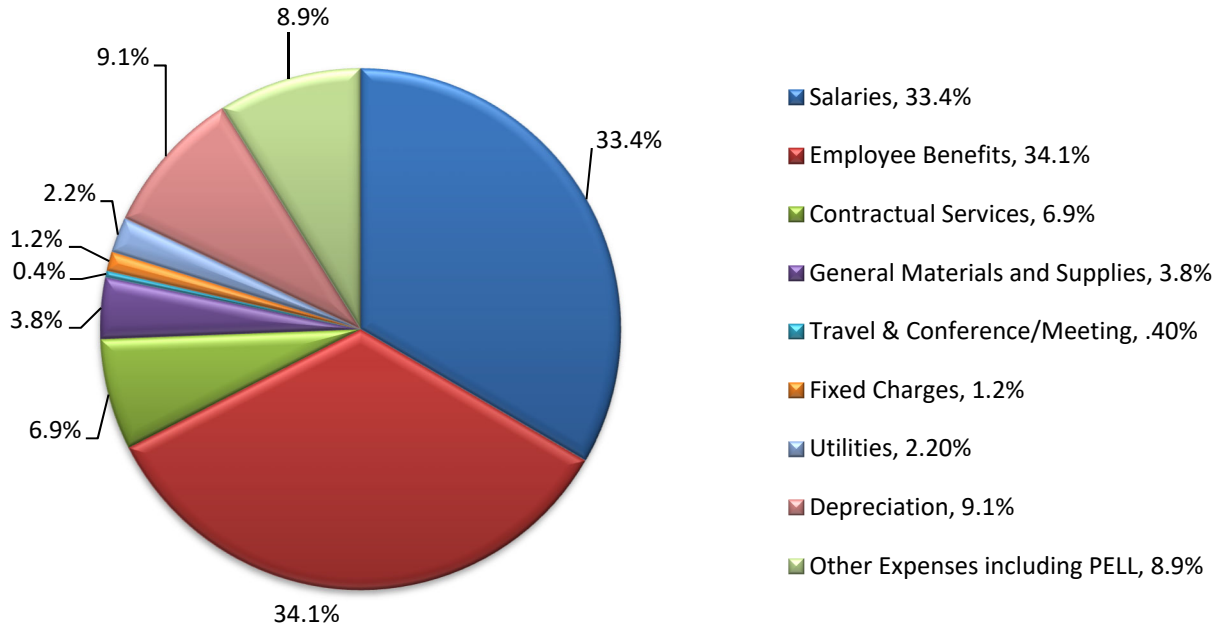
The following is a graphic illustration comparing fiscal years 2021, 2020, and 2019 expenses by object:



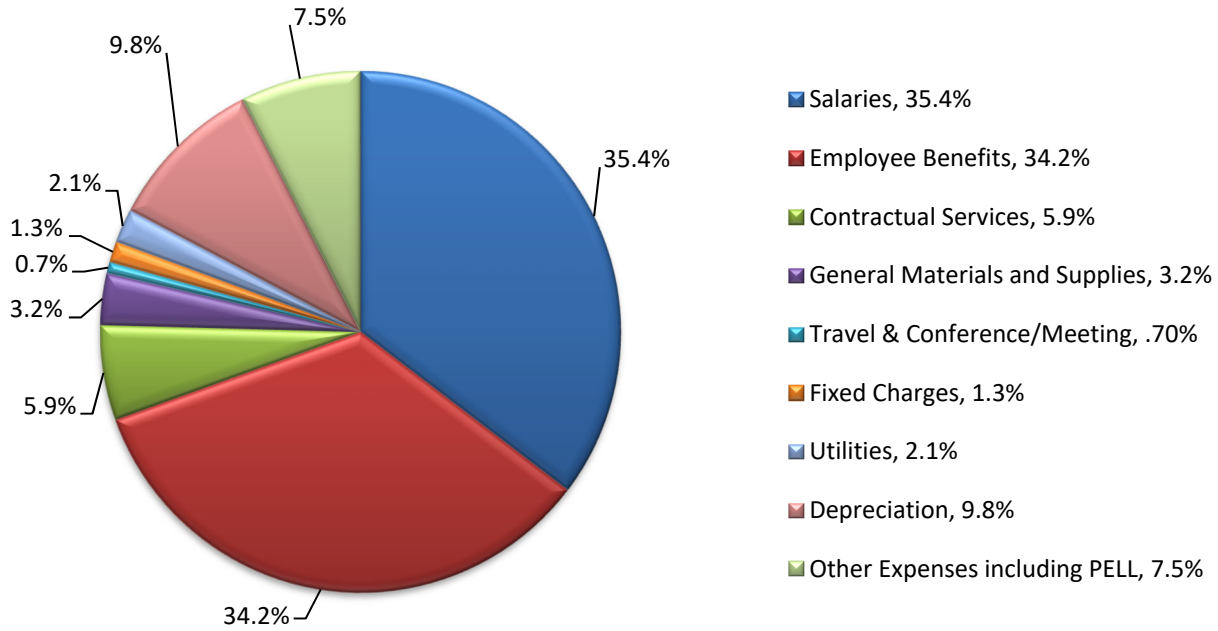
Total salaries decreased slightly this year due to the reduced number of classes taught through Community and Continuing Education due to the COVID-19 pandemic and moving classes to either an online or hybrid platform. Employee benefits increased this past year due to an increase in SURS pension plan “on-behalf” expenses and an increase in group medical premiums. Contractual services increased due to repairs from tornado damage incurred in August, 2020. General material/supplies also increased due to grant purchases of equipment and materials for students. Travel and conferences remained low due to the COVID-19 pandemic. Other expenses, which include the HEERF grant funds, increased due to allocating funding to students that qualified for federal financial aid and expending the institutional portion. Depreciation decreased in fiscal year 2021.

The following are graphical illustrations of fiscal years 2021 and 2020 operating expenses by object.

Percent of 2021 Operating Expenses by Object



Percent of 2020 Operating Expenses by Object



Fiscal Years 2021 and 2020 Capital Assets & Long-Term Debt:

	2021	2020	(Decrease)	Change
Land	\$ 200,000	\$ 200,000	\$ -	-
Land and improvements	15,652,034	15,652,034	-	-
Building and improvements	200,317,720	200,298,804	18,916	-
Equipment	29,812,292	28,949,704	862,588	3.0
Fine Art / Historic Treasures	102,000	102,000	-	-
Construction in progress	8,157,711	790,919	7,366,792	931.4
Total gross assets	254,241,757	245,993,461	8,248,296	3.4
Total accumulated depreciation	(144,759,322)	(137,177,250)	(7,582,072)	5.5
Total	<u>\$ 109,482,435</u>	<u>\$ 108,816,211</u>	<u>\$ 666,224</u>	<u>0.6</u>

2021 Capital Assets: The capital assets cost balance increased by approximately \$8,248,296 from \$245,993,461 one year ago to \$254,241,757. The increase in construction in progress is largely due to the buildout of the Advanced Technology Center. The current year's depreciation expense of approximately \$7.6 million decreased over the prior year depreciation expense of approximately \$7.7 million.

2021 Long-term Debt: As of June 30, 2021, the College's bonds payable decreased from \$75,952,734 to \$66,065,907. 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 \$414,827. Rock Valley College is scheduled to pay off its bonded debt in FY 2034.

The College's accrued compensated absences balance for fiscal year 2021 was \$824,840, with the current portion due within one year at \$123,726. Accrued compensated absences increased by \$45,070 from the fiscal year 2020 balance of \$779,770.

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 2021, this decreased from \$24,629,955 to \$24,333,939.

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, 2021, early termination payable was \$255,163 with the current portion amounting to \$28,248. The net increase in early retirement benefits amounted to \$186,712.

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 2021, 2020, and 2019 Net Position:

Analysis of Net Position:	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Net investment in capital assets	\$ 46,307,312	48.2	\$ 35,848,876	44.3	\$ 32,734,119	51.0
Restricted debt service	6,241,317	6.5	6,198,154	7.7	6,123,084	7.8
Restricted liability, protection and settlement	4,775,289	5.0	5,990,774	7.4	6,548,818	8.3
Other restricted	7,553,011	7.9	15,139,791	18.7	16,062,909	12.6
Unrestricted	31,194,870	32.5	17,684,334	21.9	4,695,087	20.3
Total Net Position	<u>\$ 96,071,799</u>	<u>100.0</u>	<u>\$ 80,861,929</u>	<u>100.0</u>	<u>\$ 66,164,017</u>	<u>100.0</u>

2021 Analysis: The College's net position increased by \$15,209,870 in 2021 to \$96,071,799 due to increases in net investment in capital assets, debt service, and unrestricted net position. These increases were offset by decreases in liability, protection, and settlement and other restricted.

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.

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 prolonged low interest rate environment has had 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 from when the VOCID-19 pandemic began to shut down the economy causing the State unemployment rate to increase. The unemployment rate at the end of the current fiscal year is 7.2%, down from 14.5% a year ago. The coronavirus or commonly known as COVID-19 also forced the College to continue to offer classes by online or limited hybrid platforms. Currently, the full impact of the COVID-19 pandemic is unknown as the College has changed the delivery modes of 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 Advanced 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 offering of services to contain costs. However, with Levy Year 2020, 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 2021.

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, 2021 and 2020

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 72,528,569	\$ 59,457,096
Receivables		
Due from component unit	253,788	1,192,277
Property taxes, net of allowance for uncollectible balances of \$177,000 for 2021 and \$172,000 for 2020	13,372,814	16,919,833
Accounts, net of allowance for uncollectible balances of \$1,073,264 for 2021 and \$1,278,869 for 2020	15,278,102	12,808,491
Accrued interest	13,653	67,930
Cash held by paying agent	103,625	221,019
Prepaid items	421,956	283,432
Restricted cash and cash equivalents	15,999,533	18,697,255
Restricted investments	211,761	203,751
Total current assets	118,183,801	109,851,084
NONCURRENT ASSETS		
Capital assets		
Depreciable assets, net of accumulated depreciation	101,022,724	107,723,292
Nondepreciable assets	8,459,711	1,092,919
Other noncurrent assets	12,500	12,500
Total noncurrent assets	109,494,935	108,828,711
Total assets	227,678,736	218,679,795
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	103,358	200,973
Deferred pension/OPEB expense	1,169,045	561,900
Total deferred outflows of resources	1,272,403	762,873
Total assets and deferred outflows of resources	228,951,139	219,442,668

(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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts payable	\$ 4,719,182	\$ 1,252,359
Accrued payroll	1,070,360	1,149,036
Accrued interest	722,117	878,188
Claims payable	1,041,886	1,090,997
Other accrued liabilities	327,040	185,742
Compensated absences	123,726	116,965
Bonds payable, current portion	10,169,846	9,799,845
Early termination payable, current portion	28,248	28,248
OPEB liability, current portion	128,552	123,430
Unearned revenue		
Tuition and fees	8,428,614	8,189,042
Bookstore and Starlight Theater	271,016	261,159
Grant revenue	3,393,041	3,910,472
Other revenue	129,000	172,000
	<u>30,552,628</u>	<u>27,157,483</u>
NONCURRENT LIABILITIES		
Compensated absences	701,114	662,805
Bonds payable	55,866,061	66,125,889
Early termination payable	226,915	40,203
OPEB liability	24,205,387	24,506,525
	<u>80,999,477</u>	<u>91,335,422</u>
Total liabilities	<u>111,552,105</u>	<u>118,492,905</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes	14,639,146	14,236,014
Deferred OPEB expense	6,688,089	5,851,820
	<u>21,327,235</u>	<u>20,087,834</u>
Total liabilities and deferred inflows of resources	<u>132,879,340</u>	<u>138,580,739</u>
NET POSITION		
Net investment in capital assets	46,307,312	35,848,876
Restricted for		
Liability protection and settlement	4,775,289	5,990,774
Debt service	6,241,317	6,198,154
Audit	48,789	68,457
Capital improvements	7,245,809	14,925,487
Pension contributions	258,413	145,847
Unrestricted	31,194,870	17,684,334
	<u>\$ 96,071,799</u>	<u>\$ 80,861,929</u>

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, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances of \$5,845,683 for 2021 and \$6,693,616 for 2020	\$ 13,085,670	\$ 13,742,723
Sales and service fees	650,879	1,337,438
Auxiliary services revenue	31,709	47,923
Other operating revenues	2,019,263	2,617,970
	15,787,521	17,746,054
OPERATING EXPENSES		
Instruction	27,304,131	27,340,001
Academic support	4,448,587	4,320,724
Student services	6,703,858	6,160,865
Public service	8,743,867	7,876,539
Operations and maintenance of plant	7,358,514	6,455,407
Institutional support	16,104,922	12,245,713
Auxiliary services	1,428,168	1,492,392
Depreciation	7,643,514	7,773,590
Scholarships, grants and waivers	4,164,587	5,846,261
	83,900,148	79,511,492
OPERATING INCOME (LOSS)	(68,112,627)	(61,765,438)
NON-OPERATING REVENUES (EXPENSES)		
Local property taxes	28,939,700	28,652,944
Personal property replacement tax	2,108,387	1,662,245
State appropriations	21,035,698	19,724,519
State grants and contracts	12,230,878	11,613,685
Federal grants and contracts	19,915,733	14,555,240
Local grants and contracts	966,755	861,856
Investment income	106,253	1,111,398
Interest on capital assets - related debt	(2,248,212)	(2,606,720)
	83,055,192	75,575,167
CAPITAL CONTRIBUTIONS	267,305	-
CHANGE IN NET POSITION	15,209,870	13,809,729
NET POSITION, JULY 1	80,861,929	67,052,200
NET POSITION, JUNE 30	\$ 96,071,799	\$ 80,861,929

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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 12,984,478	\$ 13,287,782
Sales and service fees	650,879	1,337,438
Auxiliary enterprise charges	31,709	47,923
Cash paid to suppliers	(26,103,122)	(24,261,908)
Cash paid to employees	(28,026,723)	(27,443,006)
Other	1,016,452	2,609,784
Net cash from operating activities	<u>(39,446,327)</u>	<u>(34,421,987)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	32,889,851	32,300,825
Local grants and contracts	1,905,244	366,238
State grants and contracts	11,114,696	9,176,121
Personal property replacement tax	2,108,387	1,662,245
Federal grants and contracts	19,355,302	16,114,181
Net cash from noncapital financing activities	<u>67,373,480</u>	<u>59,619,610</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond payments	(9,475,000)	(9,165,000)
Purchases of capital assets	(5,626,824)	(2,279,248)
Interest paid on capital debt	(2,604,098)	(2,802,168)
Net cash from capital and related financing activities	<u>(17,705,922)</u>	<u>(14,246,416)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	-	-
Interest received	152,520	1,062,947
Net cash from investing activities	<u>152,520</u>	<u>1,062,947</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,373,751	12,014,154
CASH AND CASH EQUIVALENTS, JULY 1	<u>78,154,351</u>	<u>66,140,197</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 88,528,102</u></u>	<u><u>\$ 78,154,351</u></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, 2021 and 2020

	2021	2020
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH FLOWS FROM		
OPERATING ACTIVITIES		
Operating income (loss)	\$ (68,112,627)	\$ (61,765,438)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
Proportionate share of State pension expense	20,990,021	19,196,215
Proportionate share of State retiree health insurance expense	45,674	528,304
Depreciation	7,643,514	7,773,590
Changes in assets and liabilities		
(Increase) decrease in receivables, net	(1,353,429)	1,150,448
(Increase) decrease in prepaid items	(138,524)	112,174
Increase (decrease) in accounts payable	1,051,214	(524,172)
(Increase) decrease accrued payroll	(78,676)	(17,280)
Increase (decrease) in compensated absences	45,070	126,227
(Increase) decrease in claims payable	(49,111)	64,653
Increase (decrease) in early retirement payable	186,712	(23,187)
Increase (decrease) in OPEB liability	(296,016)	(283,604)
Increase (decrease) in deferred inflows	836,269	744,003
(Increase) decrease in deferred outflows	(607,145)	84,847
(Increase) decrease in other accrued liabilities	141,298	167,196
(Increase) decrease in deposits held in custody for others	-	(142,388)
Increase (decrease) in unearned tuition and fees	239,572	(1,427,392)
Increase (decrease) in other unearned revenue	9,857	(186,183)
NET CASH FROM OPERATING ACTIVITIES	\$ (39,446,327)	\$ (34,421,987)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 72,528,569	\$ 59,457,096
Restricted cash and cash equivalents	15,999,533	18,697,255
TOTAL CASH AND CASH EQUIVALENTS	\$ 88,528,102	\$ 78,154,351
SUPPLEMENTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed capital asset	\$ 267,305	\$ -
Capital asset purchases included in accounts payable	\$ 2,415,609	\$ 260,275
Proportionate share of State pension expense	\$ 20,990,021	\$ 19,196,215
Proportionate share of State OPEB expense	\$ 45,674	\$ 528,304

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT

**ROCK VALLEY COLLEGE FOUNDATION
ROCKFORD, ILLINOIS**

STATEMENT OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 606,718	\$ 2,539,237
Pledges receivable, net	36,256	356,639
Investments	16,063,990	12,089,853
TOTAL ASSETS	<u>\$ 16,706,964</u>	<u>\$ 14,985,729</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 8,932	\$ 112,638
Due to Rock Valley College		
General operating	109,122	655,410
Scholarships payable	-	428,801
Campaign payable	106,140	108,066
Program payable	38,527	-
Grants payable	-	71,163
Total liabilities	<u>262,721</u>	<u>1,376,078</u>
NET ASSETS		
Without donor restrictions		
Board designated for scholarships endowment	88,160	69,666
Board designated for endowments	1,531,475	1,169,196
Board designated for program	25,653	25,653
Undesignated	3,195,830	2,399,672
Total without donor restrictions	4,841,118	3,664,187
With donor restrictions	11,603,125	9,945,464
Total net assets	<u>16,444,243</u>	<u>13,609,651</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,706,964</u>	<u>\$ 14,985,729</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, 2021

(With Summarized Financial Information for the Year Ended June 30, 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE, GAINS AND OTHER SUPPORT				
Donations	\$ 447,470	\$ 91,043	\$ 538,513	\$ 866,035
Donated goods	14,670	-	14,670	15,777
Special event revenue	7,754	-	7,754	5,045
Interest and dividend income	114,459	583,777	698,236	343,181
Net realized gain (loss) on sales of investments	359,589	270,237	629,826	91,356
Net unrealized gain (loss) on investments held	563,693	1,343,073	1,906,766	(604,974)
Net assets released from restriction	630,469	(630,469)	-	-
Total revenue, gains and other support	2,138,104	1,657,661	3,795,765	716,420
EXPENSES				
Program				
Educational	687,381	-	687,381	874,401
Special event - cost of direct donor benefit	-	-	-	12,210
General and administrative	243,467	-	243,467	274,740
Fundraising	80,327	-	80,327	83,360
Total expenses	1,011,175	-	1,011,175	1,244,711
Transfer from affiliate - donated services and occupancy from Rock Valley College	50,002	-	50,002	45,577
CHANGE IN NET ASSETS	1,176,931	1,657,661	2,834,592	(482,714)
NET ASSETS, BEGINNING OF YEAR	3,664,187	9,945,464	13,609,651	14,092,365
NET ASSETS, END OF YEAR	\$ 4,841,118	\$ 11,603,125	\$ 16,444,243	\$ 13,609,651

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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 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, 2021 and 2020.

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, 2021 and 2020 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, 2021 and 2020, 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. Proportionate Share of 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, 2021 and 2020, the College has reported its proportionate share of the collective pension expense and revenue for the State's special funding situation. 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, 2021 and 2020, the College has reported its proportionate share of the collective OPEB expense and revenue for the state's special funding situation in addition to reporting the College's proportionate share of the OPEB liability and related expense.

s. Adoption of Accounting Standards

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the College has delayed the implementation of GASB Statement No. 87, *Leases*, to June 30, 2023.

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

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.

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, 2021 and 2020.

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.

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits (Continued)

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.

Investments

As of June 30, 2021, 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	\$ 7,195,469	\$ 2,066,990	\$ 3,021,277	\$ 2,107,202
TOTAL	\$ 7,195,469	\$ 2,066,990	\$ 3,021,277	\$ 2,107,202

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

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, 2021 and 2020: negotiable certificates of deposit of \$7.2 million and \$9.2 million, respectively, are valued using quoted matrix pricing models (Level 2 inputs).

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)

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.

Interest rate risk is the risk that the fair 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

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAXES (Continued)

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 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has not been recorded as a receivable as of June 30, 2021, as the tax has not yet been levied by the College and will not be levied until December 2021 and, therefore, the levy is not measurable at June 30, 2021.

The referendum approved rates and the respective actual rates for the December 2020 and 2019 tax levies, per \$100 of assessed valuation, are reflected in the following table:

	Statutory Maximum Rate**	Referendum Approved Rate	Levy Year	
			2020	2019
			Actual Rate	Actual Rate
Current				
Education	0.7500	0.2300	0.2300	0.2296
Operations and maintenance	0.1000	0.0400	0.0400	0.0400
Liability, protection and settlement	*	*	-	-
Audit	0.0050	0.0005	0.0008	0.0009
Social Security/Medicare	*	*	-	-
Total current			<u>0.2708</u>	<u>0.2705</u>
Debt				
Bond and Interest 2010 A	*	*	0.0163	0.0291
Bond and Interest 2014 B	*	*	0.0000	0.0713
Bond and Interest 2015 C, D & E	*	*	0.0303	0.0319
Bond and Interest 2017 A & C	*	*	<u>0.1441</u>	<u>0.0675</u>
Total debt			<u>0.1907</u>	<u>0.1998</u>
Prior year adjustment	*	*	-	-
TOTAL CURRENT LEVY			<u><u>0.4615</u></u>	<u><u>0.4703</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 2021 and 2020:

	Fiscal Year 2021			Balance June 30, 2021
	Balance June 30, 2020	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in process	790,919	7,835,148	468,356	8,157,711
Fine art/historic treasures	102,000	-	-	102,000
Total capital assets not being depreciated	1,092,919	7,835,148	468,356	8,459,711
Capital assets being depreciated				
Land improvements	15,652,034	-	-	15,652,034
Buildings	108,636,332	18,916	-	108,655,248
Building additions	91,662,472	-	-	91,662,472
Office equipment	2,498,044	8,815	5,000	2,501,859
Instructional equipment	8,727,052	298,701	24,781	9,000,972
Service equipment	16,029,001	449,440	12,137	16,466,304
Vehicles	1,695,607	167,074	19,524	1,843,157
Total capital assets being depreciated	244,900,542	942,946	61,442	245,782,046
Less accumulated depreciation for				
Land improvements	13,027,759	319,167	-	13,346,926
Buildings	31,316,165	2,936,855	-	34,253,020
Building additions	66,361,193	3,377,599	-	69,738,792
Office equipment	2,490,406	4,977	5,000	2,490,383
Instructional equipment	7,551,324	548,416	24,781	8,074,959
Service equipment	14,866,234	329,113	12,137	15,183,210
Vehicles	1,564,169	127,387	19,524	1,672,032
Total accumulated depreciation	137,177,250	7,643,514	61,442	144,759,322
Total capital assets being depreciated, net	107,723,292	(6,700,568)	-	101,022,724
CAPITAL ASSETS, NET	\$ 108,816,211	\$ 1,134,580	\$ 468,356	\$ 109,482,435

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

4. CAPITAL ASSETS (Continued)

	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)

5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS

Changes in long-term debt for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
Accrued compensated absences	\$ 779,770	\$ 162,036	\$ 116,966	\$ 824,840	\$ 123,726
Early termination benefits	68,451	210,560	23,848	255,163	28,248
OPEB liability	24,629,955	-	296,016	24,333,939	128,552
Community College General Obligation Bonds, Series 2010A	2,675,000	-	1,675,000	1,000,000	1,000,000
Community College General Obligation Bonds, Series 2014B	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	5,885,000	-	2,870,000	3,015,000	3,015,000
Community College General Obligation Bonds, Series 2017C	14,145,000	-	655,000	13,490,000	5,740,000
Unamortized bond premium	1,800,734	-	414,827	1,385,907	414,846
TOTAL	\$ 101,403,910	\$ 372,596	\$ 10,326,657	\$ 91,449,849	\$ 10,450,372

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)

5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

General Obligation Bonds

The College issued general obligation bonds to finance various capital projects and improvements. General Obligation Bonds at June 30, 2021 and 2020, are as follows:

	2021	2020
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.	\$ 1,000,000	\$ 2,675,000
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
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.	3,015,000	5,885,000

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

5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

General Obligation Bonds (Continued)

	<u>2021</u>	<u>2020</u>
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.	\$ 13,490,000	\$ 14,145,000
TOTAL	<u>\$ 64,650,000</u>	<u>\$ 74,125,000</u>

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
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	<u>\$ 64,650,000</u>	<u>\$ 16,818,871</u>	<u>\$ 81,468,871</u>

The June 30, 2021 legal debt margin of the College was \$118,562,533. The debt margin was computed as 2.875% of the equalized assessed valuation of \$6,372,609,837 less outstanding bond indebtedness of \$64,650,000.

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

5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)

General Obligation Bonds (Continued)

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.

6. 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, 2020, can be found in the System's comprehensive annual financial report 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

ROCK VALLEY COLLEGE
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NOTES TO FINANCIAL STATEMENTS (Continued)

6. PENSION PLAN (Continued)

Contributions (Continued)

(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 2020 and 2021 was 13.02% and 12.70%, respectively, of employee payroll. The normal cost is equal to the value of current year’s 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, 2020 and 2019, SURS reported a net pension liability (NPL) of \$30,619,504,321 and \$28,720,071,173, respectively. The net pension liability was measured as of June 30, 2020 and 2019, 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 \$191,030,181 or 0.6239% as of June 30, 2020 and \$178,150,601 or 0.6203% as of June 30, 2019. 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, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined based on the June 30, 2019 and 2018 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 2020 and 2019.

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

6. PENSION PLAN (Continued)

Contributions (Continued)

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

Pension Expense

At June 30, 2020, SURS reported a collective net pension expense of \$3,364,411,021 and at June 30, 2019, SURS reported a collective net pension expense of \$3,094,666,252.

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 2021 and 2020. As a result, the College recognized revenue and pension expense of \$20,990,021 for the fiscal year ended June 30, 2021 and \$19,196,215 for the fiscal year ended June 30, 2020.

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 \$258,413 in federal, trust or grant contributions for the fiscal year ended June 30, 2021 and \$145,847 as of June 30, 2020. The June 30, 2021 contributions were made subsequent to the pension liability measurement date of June 30, 2020 and are recognized as deferred outflows of resources as of June 30, 2021.

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

6. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs

Actuarial Assumptions

2020

The actuarial assumptions used in the June 30, 2020 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, 2020, 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 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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

Mortality rates were based on the RP2014 White Collar, gender distinct tables 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

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

6. PENSION PLAN (Continued)

Contributions (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2019 (Continued)

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, 2020 and 2019, these best estimates are summarized in the following tables:

2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	44.00%	6.67%
Credit Fixed Income	14.00%	2.39%
Core Real Assets	5.00%	4.14%
Options Strategies	6.00%	4.44%
Private Equity	8.00%	9.66%
None-Core Real Assets	3.00%	8.70%
U.S. TIPS	6.00%	0.13%
Core Fixed Income	8.00%	(0.45)%
Systematic Trend Following	2.10%	2.16%
Alternative Risk Premia	1.80%	1.60%
Long Duration	2.10%	0.86%
Total	100.00%	4.84%
Inflation		2.25%
EXPECTED ARITHMETIC RETURN		7.09%

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

6. 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%

Discount Rate

A single discount rate of 6.49% for 2020 and 6.59% for 2019 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 2020 and 6.75% for 2019 and a municipal bond rate of 2.45% for 2020 and 3.13% for 2019 (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

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

6. 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 6.49% for 2020 and 6.59% for 2019, 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:

	2020		
	1% Decrease (5.49%)	Current Single Discount Rate Assumption (6.49%)	1% Increase (7.49%)
Net pension liability	\$ 36,893,469,884	\$ 30,619,504,321	\$ 25,441,837,592
	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

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

7. 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 2029 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, 2021 and 2020, the College has accrued \$226,563 and \$53,051, respectively. At June 30, 2021 and 2020, the number of retirees covered by the College's general health insurance plan was one. At June 30, 2021 and 2020, the number of retirees covered by the College's CIP plan was zero.

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, 2021 and 2020, the College has accrued \$28,600 and \$15,400, respectively. At June 30, 2021 and 2020, the number of retirees covered by this plan was three and two, respectively. The current year increase in the liability is due to a change in the mortality table used.

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

8. 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.

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, 2021, the College reported a liability of \$24,333,939 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$24,333,939 resulting in a total OPEB liability associated with the College of \$48,667,878. The OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to June 30, 2020. 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, 2021, the College's proportionate share was 1.335003%.

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

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

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%.

For the year ended June 30, 2021, the College recognized OPEB expense of \$45,674 and revenue of \$45,674 for support provided by the state. At June 30, 2021, 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	\$ 221,053	\$ 1,361,921
Changes in assumption	-	3,890,106
Changes in proportionate share and differences between college contributions and proportionate share of contributions	560,373	1,435,031
Contributions made after the measurement date	129,206	-
Net difference between projected and actual earnings on OPEB plan investments	-	1,031
	<hr/>	<hr/>
TOTAL	\$ 910,632	\$ 6,688,089

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

8. 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

2021

\$129,206 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2022	\$ 984,443
2023	984,444
2024	984,444
2025	984,444
2026	984,444
Thereafter	984,444
TOTAL	\$ 5,906,663

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

8. 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, 2021. 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>

2021

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, 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	8.25% trending to 4.25%
Asset valuation method	Fair value

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

8. 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	Fair value

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, 2019, valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

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 2.45% as of June 30, 2020, and 3.13% as of June 30, 2019.

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

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Rate Sensitivity

2021

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 2.45% 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 (1.45%) or 1 percentage point higher (3.45%) than the current rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
OPEB liability	\$ 27,726,725	\$ 24,333,939	\$ 21,408,194

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

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

8. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Rate Sensitivity (Continued)

2021

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 claims trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 20,163,104	\$ 24,333,939	\$ 29,866,355

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

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

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

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

9. RISK MANAGEMENT (Continued)

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, 2021 and 2020.

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

	2021	2020	2019
CLAIMS PAYABLE, JULY 1	\$ 1,090,997	\$ 1,026,344	\$ 887,365
Claims paid	(4,646,833)	(9,205,852)	(4,501,339)
Claims incurred	4,597,722	9,270,505	4,640,318
CLAIMS PAYABLE, JUNE 30	<u>\$ 1,041,886</u>	<u>\$ 1,090,997</u>	<u>\$ 1,026,344</u>

Settled claims have not exceeded insurance coverage in the current year or the three previous fiscal years.

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

10. 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 \$24,815 and \$45,893 for the years ended June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, cash gifts received by the Foundation from college employees amounted to approximately \$20,109 and \$22,980, respectively.

11. 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, 2021 and 2020, an immaterial amount of property taxes have been abated.

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, 2021 and 2020, an immaterial amount of property taxes have been abated.

12. 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, 2021 and 2020, was approximately \$780,138 and \$867,396, respectively.

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

12. RENTAL INCOME (Continued)

Future minimum lease payments to be received by the College as of June 30, 2021, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 760,478
2023	760,478
2024	760,478
2025	760,478
2026	760,478
2027-2031	3,802,390
2032-2036	3,802,390
2037	<u>506,985</u>
 TOTAL	 <u>\$ 11,914,155</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, 2021, the cost of the building being leased is \$34,859,648, accumulated depreciation is \$2,086,492, resulting in a \$32,773,156 book value.

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.

13. 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.

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

13. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

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:

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.

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

13. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

c. Cash and Cash Equivalents (Continued)

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2021, 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.

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 pledges expected to be collected within one year are reported at their net realizable value. Unconditional pledges 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 \$21,791 as of June 30, 2021, is adequate. However, actual write-offs may exceed the recorded allowance.

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

13. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

d. Revenue Recognition (Continued)

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 value on the dates the assets are contributed.

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. Interest income 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.

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

13. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

g. Collections (Continued)

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.

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, 2020, from which the summarized information was derived.

i. New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) No. 2016-02, *Leases (Topic 842)*, to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU No. 2016-02, as amended by ASU No. 2020-05, is effective for annual periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new leases standard at the beginning of the earliest period presented in the financial statements. In July 2018, FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The Foundation is currently assessing the impact of this new standard including the two optional transition methods.

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

13. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

i. New Accounting Pronouncements (Continued)

In September 2020, FASB issued ASU 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The standard is effective for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. The Foundation is currently assessing the impact of this new standard.

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, 2021

MEASUREMENT DATE JUNE 30,	2014	2015	2016	2017	2018	2019	2020	
(a) Proportion percentage of the collective net pension liability	0.00%	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	191,030,181	
Total (b) + (c)	\$ 158,547,115	\$ 169,225,691	\$ 181,581,941	\$ 171,385,920	\$ 167,881,763	\$ 178,150,601	\$ 191,030,181	
Employer pensionable wages	\$ 26,361,054	\$ 25,971,920	\$ 25,208,005	\$ 23,697,510	\$ 21,759,152	\$ 22,362,938	\$ 23,091,550	
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%	827.27%	
SURS plan net position as a percentage of total pension liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	
FISCAL YEAR ENDED JUNE 30,								2021
ROCK VALLEY COLLEGE								
Federal, trust, grant and other contributions	\$ 117,163	\$ 128,604	\$ 136,517	\$ 148,754	\$ 154,001	\$ 162,789	\$ 145,847	\$ 258,413
Contribution in relation to required contribution	117,163	128,604	136,517	148,754	154,001	162,789	145,847	258,413
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	\$ 27,629,829
Contributions as a percentage of covered payroll	0.40%	0.44%	0.48%	0.56%	0.63%	0.64%	0.54%	0.94%

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, 2021

MEASUREMENT DATE JUNE 30,	2017	2018	2019	2020
College's proportion of the net OPEB liability	1.433162%	1.321498%	1.304179%	1.335003%
College's proportionate share of the net OPEB liability	\$ 26,135,678	\$ 24,913,559	\$ 24,629,955	\$ 24,333,939
Portion of the state's total proportion of net OPEB liability associated with the College	25,791,449	24,913,559	24,629,955	24,333,939
TOTAL	\$ 51,927,127	\$ 49,827,118	\$ 49,259,910	\$ 48,667,878
College covered payroll	\$ 27,136,238	\$ 26,003,291	\$ 25,148,542	\$ 26,371,441
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	191.36%	191.62%	195.88%	184.55%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)
FISCAL YEAR ENDED JUNE 30,	2018	2019	2020	2021
Statutorily required contribution	\$ 116,632	\$ 117,789	\$ 123,430	\$ 128,552
Contribution in relation to the statutorily required contribution	116,632	117,789	123,430	128,552
CONTRIBUTION EXCESS (Deficiency)	\$ -	\$ -	\$ -	\$ -
Employer covered payroll	\$ 24,586,782	\$ 25,306,904	\$ 26,779,263	\$ 27,629,829
Contributions as a percentage of covered payroll	0.47%	0.47%	0.46%	0.47%

Notes to Required Supplementary Information

Changes of benefit terms - There were no benefit changes recognized in the total OPEB liability as of June 30, 2020.

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.

2020: The discount rate changed from 3.13% at June 30, 2019 to 2.45% at June 30, 2020.

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, 2021

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, 2021

	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, 2020	\$ 23,690,637	\$ -	\$ 29,416,783	\$ 6,198,154	\$ 4,741,516	\$ 4,491,798	\$ 68,457	\$ 5,990,774	\$ 74,598,119
REVENUES									
Local tax revenue	16,055,628	2,799,709	-	12,140,910	-	-	51,842	-	31,048,089
All other local revenue	-	589	-	50,000	2,474	396,229	-	-	449,292
ICCB grants	8,303,463	654,371	-	-	-	1,749,775	-	-	10,707,609
All other state revenue	-	-	-	-	-	22,944,182	-	-	22,944,182
Federal revenue	-	-	-	49,126	-	16,478,865	-	-	16,527,991
Student tuition and fees	16,135,139	1,489,414	339,177	-	1,701,766	-	-	-	19,665,496
Capital contributions	-	-	-	-	-	-	-	-	-
All other revenue	3,344,563	1,135,653	8,982	2,086	1,746,790	398,046	-	-	6,636,120
Total revenues	43,838,793	6,079,736	348,159	12,242,122	3,451,030	41,967,097	51,842	-	107,978,779
EXPENDITURES									
Instruction	15,835,504	-	-	-	110,190	11,370,945	-	-	27,316,639
Academic support	3,002,397	-	-	-	13,149	1,433,041	-	-	4,448,587
Student services	3,565,531	-	-	-	158,961	2,979,366	-	-	6,703,858
Public service/continuing education	632,639	-	-	-	1,536,222	6,911,701	-	-	9,080,562
Organized research	-	-	-	-	-	-	-	-	-
Auxiliary services	403	-	-	-	1,007,773	379,540	-	-	1,387,716
Operations and maintenance	-	5,724,893	8,026,218	-	15,211	1,572,689	-	77,324	15,416,335
Institutional support	7,072,099	354,843	1,619	12,198,959	822,851	7,462,731	71,510	1,138,161	29,122,773
Scholarships, grants and waivers	12,332	-	-	-	146,670	9,860,510	-	-	10,019,512
Total expenditures	30,120,905	6,079,736	8,027,837	12,198,959	3,811,027	41,970,523	71,510	1,215,485	103,495,982
REVENUES OVER (UNDER) EXPENDITURES	13,717,888	-	(7,679,678)	43,163	(359,997)	(3,426)	(19,668)	(1,215,485)	4,482,797
NET TRANSFERS	-	-	-	-	-	-	-	-	-
FUND BALANCES, JUNE 30, 2021	\$ 37,408,525	\$ -	\$ 21,737,105	\$ 6,241,317	\$ 4,381,519	\$ 4,488,372	\$ 48,789	\$ 4,775,289	\$ 79,080,916

*The Education Fund column includes both the Education Fund Sub-Fund as well as the SURS Penalty Liability Sub-Fund.

In accordance with the Illinois Community College Board Fiscal Management Manual, Uniform Financial Statement #1 includes the State of Illinois on-behalf revenue and expenditure for the College's participation in the State University Retirement System (SURS) and the College Health Insurance Program (CIP) within the Restricted Purposes Fund.

(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, 2021

	Balance, July 1, 2020	Additions	Transfers/ Deletions	Balance, June 30, 2021
CAPITAL ASSETS				
Sites and improvements	\$ 15,852,034	\$ -	\$ -	\$ 15,852,034
Buildings, additions and improvements	201,089,723	7,854,064	468,356	208,475,431
Equipment	28,949,704	924,030	61,442	29,812,292
Other capital assets	102,000	-	-	102,000
Accumulated depreciation	(137,177,250)	(7,643,514)	(61,442)	(144,759,322)
TOTAL CAPITAL ASSETS	\$ 108,816,211	\$ 1,134,580	\$ 468,356	\$ 109,482,435
LONG-TERM DEBT				
Bonds payable	\$ 74,125,000	\$ -	\$ 9,475,000	\$ 64,650,000
Bond premiums net of accumulated amortization	1,800,754	-	414,846	1,385,908
OPEB liability	24,629,955	-	296,016	24,333,939
TOTAL LONG-TERM DEBT	\$ 100,555,709	\$ -	\$ 10,185,862	\$ 90,369,847

(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, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local government			
Local taxes	\$ 14,263,499	\$ 2,483,451	\$ 16,746,950
CPPRT	1,792,129	316,258	2,108,387
Other	-	589	589
Total local government	16,055,628	2,800,298	18,855,926
State government			
ICCB base operating grants	3,708,104	654,371	4,362,475
ICCB equalization grants	4,245,351	-	4,245,351
ICCB career & technical education	350,008	-	350,008
Other (include other ICCB grants not above)	-	-	-
Total state government	8,303,463	654,371	8,957,834
Student tuition and fees			
Tuition	12,020,988	1,489,414	13,510,402
Fees	4,114,151	-	4,114,151
Total tuition and fees	16,135,139	1,489,414	17,624,553
Other sources			
Sales and service fees	32,276	-	32,276
Facilities revenue	-	102,054	102,054
Investment revenue	95,063	117	95,180
Other	3,217,224	1,033,482	4,250,706
Total other sources	3,344,563	1,135,653	4,480,216
Total revenue	43,838,793	6,079,736	49,918,529
Less non-operating items			
Tuition chargeback revenue	-	-	-
Instructional service contracts	-	-	-
ADJUSTED REVENUE	\$ 43,838,793	\$ 6,079,736	\$ 49,918,529

(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, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES			
BY PROGRAM			
Instruction	\$ 15,835,504	\$ -	\$ 15,835,504
Academic support	3,002,397	-	3,002,397
Student services	3,565,531	-	3,565,531
Public service/continuing education	632,639	-	632,639
Auxiliary services	403	-	403
Operations and maintenance	-	5,724,893	5,724,893
Institutional support	7,072,099	354,843	7,426,942
Scholarships, grants and waivers	12,332	-	12,332
	<u>30,120,905</u>	<u>6,079,736</u>	<u>36,200,641</u>
Total expenditures			
Less non-operating items			
Expense transfers from non-operating funds	-	-	-
	<u>\$ 30,120,905</u>	<u>\$ 6,079,736</u>	<u>\$ 36,200,641</u>
ADJUSTED EXPENDITURES			
BY OBJECT			
Salaries	\$ 22,063,594	\$ 1,976,117	\$ 24,039,711
Employee benefits	4,064,842	408,762	4,473,604
Contractual services	1,874,444	1,343,639	3,218,083
General materials and supplies	1,428,711	407,992	1,836,703
Conference and meeting expenses	103,179	3,636	106,815
Fixed charges	347,293	163,951	511,244
Utilities	2,640	1,761,006	1,763,646
Capital outlay	16,297	-	16,297
Other	219,905	14,633	234,538
	<u>30,120,905</u>	<u>6,079,736</u>	<u>36,200,641</u>
Total expenditures			
Less non-operating items			
Expense transfers from non-operating funds	-	-	-
	<u>\$ 30,120,905</u>	<u>\$ 6,079,736</u>	<u>\$ 36,200,641</u>
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, 2021

REVENUE BY SOURCE

Total local government		\$ 396,229
State government		
ICCB - Transitional Math	\$	5,000
ICCB - Adult Education		726,781
ICCB - Workforce Equity		1,017,994
Illinois Student Assistance Commission		1,161,715
Other - (attach itemization)		<u>21,782,467</u>
Total state government		<u>24,693,957</u>
Federal government		
Department of Education		14,665,604
Department of Labor		1,384,571
Department of Health and Human Services		187,310
Other		<u>241,380</u>
Total federal government		<u>16,478,865</u>
Other sources		
Tuition and fees		-
Other		<u>398,046</u>
Total other sources		<u>398,046</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES		<u><u>\$ 41,967,097</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, 2021

EXPENDITURES BY PROGRAM

Instruction	\$ 11,370,945
Academic support	1,433,041
Student services	2,979,366
Public service/continuing education	6,911,701
Auxiliary services	379,540
Operations and maintenance	1,572,689
Institutional support	7,462,731
Scholarships, grants and waivers	<u>9,860,510</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 41,970,523

EXPENDITURES BY OBJECT

Salaries	\$ 2,343,444
Employee benefits	21,669,961
Contractual services	919,166
General materials and supplies	556,406
Travel and conference/meeting expenses	74,605
Fixed charges	130,857
Utilities	20,045
Capital outlay	634,287
Other	15,621,752
Scholarships, grants and waivers*	<u>9,860,510</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES \$ 41,970,523

*Non-add line

ITEMIZATION OF OTHER STATE GOVERNMENT REVENUE

Illinois Coalition for Immigrant and Refugee Rights	\$ 72,950
Illinois Board of Higher Education GEER Grant	380,230
Illinois Welcome Center Grant	34,785
Illinois Student Assistance Commission MIA/POW Grant	9,967
Illinois Department of Transportation Careers Training	191,007
Illinois Cooperative Work Study	57,833
SURS On-Behalf Revenue	20,990,021
CIP On-Behalf Revenue	<u>45,674</u>

TOTAL OTHER \$ 21,782,467

In accordance with the Illinois Community College Board Fiscal Management Manual, Uniform Financial Statement #4 includes the State of Illinois on-behalf revenue and expenditure for the College's participation in the State University Retirement System (SURS) and the College Health Insurance Program (CIP).

(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, 2021**

INSTRUCTION	
Instructional programs	\$ 16,209,464
Other	<u>11,107,175</u>
Total instruction	<u>27,316,639</u>
ACADEMIC SUPPORT	
Library Center	716,650
Academic computing support	504,702
Academic administration and planning	1,353,674
Other	<u>1,873,561</u>
Total academic support	<u>4,448,587</u>
STUDENT SERVICES SUPPORT	
Admissions and records	1,001,321
Counseling and career services	808,036
Financial aid administration	656,190
Other	<u>4,238,311</u>
Total student services support	<u>6,703,858</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community education	3,622,912
Customized training (instructional)	1,892,785
Community services	1,111,657
Other	<u>2,453,208</u>
Total public service/continuing education	<u>9,080,562</u>
ORGANIZED RESEARCH	<u>-</u>
AUXILIARY SERVICES	<u>1,387,716</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, 2021**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 804,228
Custodial services	741,537
Grounds	345,133
Campus security	1,248,853
Transportation	147,634
Utilities	1,887,495
Administration	265,437
Other	<u>1,949,800</u>
 Total operations and maintenance of plant	 <u>7,390,117</u>

INSTITUTIONAL SUPPORT

Executive management	991,388
Fiscal operations	760,593
Community relations	1,029,422
Administrative support services	1,121,904
Board of Trustees	3,893
General institutional	3,110,589
Institutional research	486,356
Administrative data processing	<u>9,418,050</u>
 Total institutional support	 <u>16,922,195</u>

SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS 10,019,512

TOTAL CURRENT FUNDS EXPENDITURES \$ 83,269,186

* Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement; and PBC Operations and Maintenance funds.

(See independent auditor's report.)

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

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2021

**ALL FISCAL YEAR 2021 NONCAPITAL AUDITED OPERATING
EXPENDITURES FROM THE FOLLOWING FUNDS:**

1	Education Fund	\$ 30,104,608
2	Operation and Maintenance Fund	6,079,736
3	Public Building Commission Operation and Maintenance Fund	-
4	Bond and Interest Fund	-
5	Public Building Commission Rental Fund	-
6	Restricted Purposes Fund	21,336,033
7	Audit Fund	71,510
8	Liability, Protection and Settlement Fund	1,215,484
9	Auxiliary Enterprises Fund (subsidy only)	-
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u>\$ 58,807,371</u>
11	Depreciation on capital outlay expenditures (equipment, buildings and fixed equipment paid) from sources other than state and federal funds	<u>4,246,494</u>
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	<u><u>\$ 63,053,865</u></u>
13	TOTAL SEMESTER CREDIT HOURS FOR FY 2021	<u>116,443</u>
14	PER CAPITA COST (line 12 divided by line 13)	<u><u>\$ 541.50</u></u>
15	All FY 2021 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS	<u>19,098,856</u>
16	FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>164.02</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2021	<u>32.79</u>
18	District's student tuition and fee rate per semester credit hour for FY 2021	<u>132.48</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	<u>212.21</u>

(See independent auditor's report.)

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

COMBINING BALANCE SHEET - BY SUBFUND

June 30, 2021

	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	\$ 61,050,479	\$ -	\$ -	\$ 6,634,681	\$ -	\$ -	\$ 81,474
Receivables							
Due from component unit	115,511	-	-	-	-	138,277	-
Due from other funds	2,788,540	663,110	8,519,376	27,231	886,730	28,565	1,713,100
Property taxes, net of allowance for uncollectible balances of \$177,000 for 2021 and \$172,000 for 2020	6,654,971	1,158,600	-	5,536,281	-	-	-
Accounts, net of allowance for uncollectible balances of \$1,073,264 for 2021 and \$1,278,869 for 2020	8,212,282	-	-	-	89,112	6,970,334	6,374
Accrued interest	13,653	-	-	-	-	-	-
Cash held by paying agent	-	-	-	103,625	-	-	-
Prepaid items	219,229	-	166,115	-	12,805	-	-
Restricted cash and cash equivalents	-	-	15,999,533	-	-	-	-
Restricted investments	-	-	211,761	-	-	-	-
Total current assets	79,054,665	1,821,710	24,896,785	12,301,818	988,647	7,137,176	1,800,948
NONCURRENT ASSETS							
Capital assets							
Depreciable assets, net of accumulated depreciation	-	-	-	-	-	-	-
Nondepreciable assets	-	-	-	-	-	-	-
Other noncurrent assets	12,500	-	-	-	-	-	-
Total noncurrent assets	12,500	-	-	-	-	-	-
Total assets	79,067,165	1,821,710	24,896,785	12,301,818	988,647	7,137,176	1,800,948
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	-	-	-	-
Deferred pension/OPEB expense	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 79,067,165	\$ 1,821,710	\$ 24,896,785	\$ 12,301,818	\$ 988,647	\$ 7,137,176	\$ 1,800,948

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
\$ -	\$ 4,765,223	\$ (3,288)	\$ -	\$ -	\$ 72,528,569	\$ -	\$ -	\$ -	\$ 72,528,569
-	-	-	-	-	253,788	-	-	-	253,788
82,558	-	4,301,083	8,500,000	463,006	27,973,299	-	-	(27,973,299)	-
22,962	-	-	-	-	13,372,814	-	-	-	13,372,814
-	-	-	-	-	15,278,102	-	-	-	15,278,102
-	-	-	-	-	13,653	-	-	-	13,653
-	-	-	-	-	103,625	-	-	-	103,625
-	23,807	-	-	-	421,956	-	-	-	421,956
-	-	-	-	-	15,999,533	-	-	-	15,999,533
-	-	-	-	-	211,761	-	-	-	211,761
105,520	4,789,030	4,297,795	8,500,000	463,006	146,157,100	-	-	(27,973,299)	118,183,801
-	-	-	-	-	-	101,022,724	-	-	101,022,724
-	-	-	-	-	-	8,459,711	-	-	8,459,711
-	-	-	-	-	12,500	-	-	-	12,500
-	-	-	-	-	12,500	109,482,435	-	-	109,494,935
105,520	4,789,030	4,297,795	8,500,000	463,006	146,169,600	109,482,435	-	(27,973,299)	227,678,736
-	-	-	-	-	-	-	103,358	-	103,358
-	-	-	910,632	-	910,632	-	258,413	-	1,169,045
-	-	-	910,632	-	910,632	-	361,771	-	1,272,403
\$ 105,520	\$ 4,789,030	\$ 4,297,795	\$ 9,410,632	\$ 463,006	\$ 147,080,232	\$ 109,482,435	\$ 361,771	\$ (27,973,299)	\$ 228,951,139

(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, 2021

	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	\$ 548,335	\$ 311,738	\$ 3,010,956	\$ -	\$ 95,315	\$ 259,150	\$ 424,376
Accrued payroll	1,011,679	7,795	-	-	5,186	28,545	-
Compensated absences, current portion	87,191	15,720	-	-	15,511	4,848	-
Accrued interest	-	-	-	-	-	-	-
Due to other funds	24,525,084	-	-	-	-	3,419,650	-
Claims payable	-	-	-	-	-	-	-
Other accrued liabilities	17,392	-	-	-	-	-	309,648
Bonds payable, current portion	-	-	-	-	-	-	-
Early termination payable, current portion	28,248	-	-	-	-	-	-
OPEB liability, current portion	-	-	-	-	-	-	-
Unearned revenue							
Tuition and fees	7,897,639	-	148,724	-	382,251	-	-
Bookstore and Starlight Theater	-	-	-	-	271,016	-	-
Grant revenue	-	-	-	-	-	3,393,041	-
Other	-	129,000	-	-	-	-	-
Total current liabilities	34,115,568	464,253	3,159,680	-	769,279	7,105,234	734,024
NONCURRENT LIABILITIES							
Compensated absences	494,082	89,081	-	-	87,897	27,473	-
Bonds payable	-	-	-	-	-	-	-
Early termination payable	226,915	-	-	-	-	-	-
OPEB liability	-	-	-	-	-	-	-
Total noncurrent liabilities	720,997	89,081	-	-	87,897	27,473	-
Total liabilities	34,836,565	553,334	3,159,680	-	857,176	7,132,707	734,024
DEFERRED INFLOWS OF RESOURCES							
Property taxes	7,285,081	1,268,376	-	6,060,501	-	-	-
Deferred OPEB expense	-	-	-	-	-	-	-
Total deferred inflows of resources	7,285,081	1,268,376	-	6,060,501	-	-	-
Total liabilities and deferred inflows of resources	42,121,646	1,821,710	3,159,680	6,060,501	857,176	7,132,707	734,024
NET POSITION							
Net investment in capital assets	-	-	-	-	-	-	-
Restricted for							
Liability protection and settlement	-	-	-	-	-	-	-
Debt service	-	-	-	6,241,317	-	-	-
Audit	-	-	-	-	-	-	-
Capital improvements	-	-	10,003,235	-	-	-	-
Pension contributions	-	-	-	-	-	-	-
Unrestricted	36,945,519	-	11,733,870	-	131,471	4,469	1,066,924
Total net position (deficit)	36,945,519	-	21,737,105	6,241,317	131,471	4,469	1,066,924
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION							
	\$ 79,067,165	\$ 1,821,710	\$ 24,896,785	\$ 12,301,818	\$ 988,647	\$ 7,137,176	\$ 1,800,948

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
\$ 2,978	\$ 10,704	\$ 55,630	\$ -	\$ -	\$ 4,719,182	\$ -	\$ -	\$ -	\$ 4,719,182
-	-	17,155	-	-	1,070,360	-	-	-	1,070,360
-	456	-	-	-	123,726	-	-	-	123,726
-	-	-	-	-	-	-	722,117	-	722,117
28,565	-	-	-	-	27,973,299	-	-	(27,973,299)	-
-	-	1,041,886	-	-	1,041,886	-	-	-	1,041,886
-	-	-	-	-	327,040	-	-	-	327,040
-	-	-	-	-	-	-	10,169,846	-	10,169,846
-	-	-	-	-	28,248	-	-	-	28,248
-	-	-	128,552	-	128,552	-	-	-	128,552
-	-	-	-	-	8,428,614	-	-	-	8,428,614
-	-	-	-	-	271,016	-	-	-	271,016
-	-	-	-	-	3,393,041	-	-	-	3,393,041
-	-	-	-	-	129,000	-	-	-	129,000
31,543	11,160	1,114,671	128,552	-	47,633,964	-	10,891,963	(27,973,299)	30,552,628
-	2,581	-	-	-	701,114	-	-	-	701,114
-	-	-	-	-	-	-	55,866,061	-	55,866,061
-	-	-	-	-	226,915	-	-	-	226,915
-	-	-	24,205,387	-	24,205,387	-	-	-	24,205,387
-	2,581	-	24,205,387	-	25,133,416	-	55,866,061	-	80,999,477
31,543	13,741	1,114,671	24,333,939	-	72,767,380	-	66,758,024	(27,973,299)	111,552,105
25,188	-	-	-	-	14,639,146	-	-	-	14,639,146
-	-	-	6,688,089	-	6,688,089	-	-	-	6,688,089
25,188	-	-	6,688,089	-	21,327,235	-	-	-	21,327,235
56,731	13,741	1,114,671	31,022,028	-	94,094,615	-	66,758,024	(27,973,299)	132,879,340
-	-	-	-	-	-	109,482,435	(63,175,123)	-	46,307,312
-	4,775,289	-	-	-	4,775,289	-	-	-	4,775,289
-	-	-	-	-	6,241,317	-	-	-	6,241,317
48,789	-	-	-	-	48,789	-	-	-	48,789
-	-	-	-	-	10,003,235	-	(2,757,426)	-	7,245,809
-	-	-	-	-	-	-	258,413	-	258,413
-	-	3,183,124	(21,611,396)	463,006	31,916,987	-	(722,117)	-	31,194,870
48,789	4,775,289	3,183,124	(21,611,396)	463,006	52,985,617	109,482,435	(66,396,253)	-	96,071,799
\$ 105,520	\$ 4,789,030	\$ 4,297,795	\$ 9,410,632	\$ 463,006	\$ 147,080,232	\$ 109,482,435	\$ 361,771	\$ (27,973,299)	\$ 228,951,139

(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, 2021

	Education Subfund	Operations and Maintenance Subfund	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 \$5,845,683 for 2021 and \$6,693,616 for 2020	\$ 16,135,139	\$ 1,489,414	\$ 339,177	\$ -	\$ 1,481,586	\$ -	\$ 282,331
Sales and service fees	32,276	-	-	-	618,503	100	-
Auxiliary services revenue	-	-	-	-	31,709	-	-
Other operating revenues	303,868	1,135,536	-	-	431,098	156,750	223,664
Total operating revenues	16,471,283	2,624,950	339,177	-	2,562,896	156,850	505,995
OPERATING EXPENSES							
Instruction	26,447,416	-	-	-	65,898	692,181	-
Academic support	4,428,859	-	-	-	287	75	10
Student services	5,607,846	-	-	-	3,645	926,999	131,889
Public service	846,666	-	-	-	2,087,035	6,116,643	-
Operations and maintenance of plant	-	7,254,673	8,061,068	-	-	800	-
Institutional support	9,811,936	354,843	6,149	9,477,465	788,991	4,693,814	-
Auxiliary services	403	-	-	-	1,336,528	-	43,703
Depreciation	-	-	-	-	-	-	-
Other	3,090	-	-	-	-	9,860,510	146,670
Total operating expenses	47,146,216	7,609,516	8,067,217	9,477,465	4,282,384	22,291,022	322,272
OPERATING INCOME (LOSS)	(30,674,933)	(4,984,566)	(7,728,040)	(9,477,465)	(1,719,488)	(22,134,172)	183,723
NON-OPERATING REVENUES (EXPENSES)							
Local property taxes	14,263,499	2,483,451	-	12,140,910	-	-	-
Personal property replacement tax	1,792,129	316,258	-	-	-	-	-
State appropriations	17,045,429	1,529,780	39,380	-	968,578	1,406,855	-
State grants and contracts	8,303,462	654,371	-	-	-	3,273,045	-
Federal grants and contracts	2,629,277	-	-	49,126	378,234	16,859,096	-
Local grants and contracts	274,837	589	-	50,000	1,474	637,424	2,431
Investment income	95,065	117	8,982	2,087	-	-	-
Interest on capital assets - related debt	-	-	-	(2,721,495)	-	-	-
Non-operating revenues (expenses), net	44,403,698	4,984,566	48,362	9,520,628	1,348,286	22,176,420	2,431
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	13,728,765	-	(7,679,678)	43,163	(371,202)	42,248	186,154

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,727,647	\$ -	\$ -	\$ (6,641,977)	\$ 13,085,670
-	-	-	-	-	650,879	-	-	-	650,879
-	-	-	-	-	31,709	-	-	-	31,709
-	-	-	-	-	2,250,916	-	-	(231,653)	2,019,263
-	-	-	-	-	22,661,151	-	-	(6,873,630)	15,787,521
-	-	66,585	44,559	-	27,316,639	-	-	(12,508)	27,304,131
-	-	12,852	6,504	-	4,448,587	-	-	-	4,448,587
-	-	23,427	10,052	-	6,703,858	-	-	-	6,703,858
-	-	17,649	7,585	-	9,075,578	-	(112,566)	(219,145)	8,743,867
-	77,324	5,365	1,717	-	15,400,947	(8,042,433)	-	-	7,358,514
71,510	1,138,161	15,211	7,259	10,877	26,376,216	-	(9,475,000)	(796,294)	16,104,922
-	-	33,860	13,674	-	1,428,168	-	-	-	1,428,168
-	-	-	-	-	-	7,643,514	-	-	7,643,514
-	-	-	-	-	10,010,270	-	-	(5,845,683)	4,164,587
71,510	1,215,485	174,949	91,350	10,877	100,760,263	(398,919)	(9,587,566)	(6,873,630)	83,900,148
(71,510)	(1,215,485)	(174,949)	(91,350)	(10,877)	(78,099,112)	398,919	9,587,566	-	(68,112,627)
51,840	-	-	-	-	28,939,700	-	-	-	28,939,700
-	-	-	-	-	2,108,387	-	-	-	2,108,387
-	-	-	45,676	-	21,035,698	-	-	-	21,035,698
-	-	-	-	-	12,230,878	-	-	-	12,230,878
-	-	-	-	-	19,915,733	-	-	-	19,915,733
-	-	-	-	-	966,755	-	-	-	966,755
2	-	-	-	-	106,253	-	-	-	106,253
-	-	-	-	-	(2,721,495)	-	473,283	-	(2,248,212)
51,842	-	-	45,676	-	82,581,909	-	473,283	-	83,055,192
(19,668)	(1,215,485)	(174,949)	(45,674)	(10,877)	4,482,797	398,919	10,060,849	-	14,942,565

(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, 2021

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
TRANSFERS							
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-	-	-	-
Total transfers	-	-	-	-	-	-	-
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
CHANGE IN NET POSITION	13,728,765	-	(7,679,678)	43,163	(371,202)	42,248	186,154
NET POSITION (DEFICIT), JULY 1	23,216,754	-	29,416,783	6,198,154	502,673	(37,779)	880,770
NET POSITION (DEFICIT), JUNE 30	\$ 36,945,519	\$ -	\$ 21,737,105	\$ 6,241,317	\$ 131,471	\$ 4,469	\$ 1,066,924

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	267,305	-	-	267,305
(19,668)	(1,215,485)	(174,949)	(45,674)	(10,877)	4,482,797	666,224	10,060,849	-	15,209,870
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
\$ 48,789	\$ 4,775,289	\$ 3,183,124	\$ (21,611,396)	\$ 463,006	\$ 52,985,617	\$ 109,482,435	\$ (66,396,253)	\$ -	\$ 96,071,799

(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, 2021

CSFA Number	Program Name	State	Federal	Other	Total
444-80-1493	Welcoming Center	\$ 34,845	\$ -	\$ -	\$ 34,845
601-00-0748	Illinois Cooperative Work Study Program	57,833	-	-	57,833
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	339,249	-	339,249
684-00-2455	Governor's Emergency Education Relief - Federal	-	380,230	-	380,230
684-00-2499	CURES Grant	-	128,994	-	128,994
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	404,044	367,581	-	771,625
684-01-1670	Innovative Bridge and Transition Grant - State	5,000	-	-	5,000
684-01-2213	Workforce Equity Initiative	1,305,435	-	-	1,305,435
	Other grant programs and activities	-	15,643,041	2,251,680	17,894,721
	All other costs not allocated	-	-	65,230,428	65,230,428
	TOTAL	\$ 1,807,157	\$ 16,859,095	\$ 67,482,108	\$ 86,148,360

(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.	69-72
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	73-81
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.	82-85
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.	86-88
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.	89-104

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	2012	2013	2014	2015
NET POSITION				
Net investment in capital assets	\$ 27,348,873	\$ 29,375,419	\$ 28,428,099	\$ 27,428,699
Restricted for				
Liability protection and settlement	4,024,968	4,336,939	4,640,908	5,286,213
Debt service	5,423,955	3,989,240	4,359,895	5,649,540
Audit	134,010	91,461	56,810	49,296
Capital improvements	6,589,119	6,054,434	6,996,667	6,559,383
Pension contributions	-	-	-	128,604
Unrestricted	10,081,871	12,177,658	11,302,648	10,901,866
TOTAL NET POSITION	\$ 53,602,796	\$ 56,025,151	\$ 55,785,027	\$ 56,003,601

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

2016	2017	2018	2019	2020	2021
\$ 27,068,669	\$ 24,204,424	\$ 28,831,891	\$ 32,734,119	\$ 35,848,876	\$ 46,307,312
6,523,342	7,200,345	6,633,381	6,548,818	5,990,774	4,775,289
3,772,203	5,701,784	6,095,796	5,123,084	6,198,154	6,241,317
60,921	52,558	50,588	53,926	68,457	48,789
7,086,670	5,215,883	12,016,793	15,746,194	14,925,487	7,245,809
136,517	148,754	154,001	162,789	145,847	258,413
8,864,553	19,912,383	1,588,017	4,695,087	17,684,334	31,194,870
\$ 53,512,875	\$ 62,436,131	\$ 55,370,467	\$ 65,064,017	\$ 80,861,929	\$ 96,071,799

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

FINANCIAL TRENDS
CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2015
OPERATING REVENUES				
Student tuition and fees	\$ 11,899,329	\$ 10,726,949	\$ 10,707,083	\$ 11,431,028
Sales and service fees	1,846,418	1,933,743	1,881,362	1,773,740
Auxiliary services revenue	309,278	246,205	196,016	197,090
Other operating revenue	1,845,054	1,453,517	1,502,544	1,204,507
Total operating revenues	15,900,079	14,360,414	14,287,005	14,606,365
OPERATING EXPENSES				
Instruction	23,663,088	24,406,750	25,745,161	26,684,436
Academic support	4,990,261	4,943,375	5,380,874	4,932,388
Student services	3,825,589	3,983,836	4,304,958	4,664,554
Public services	8,539,964	7,737,454	8,694,864	7,948,617
Operation and maintenance of plant	6,439,673	6,694,762	7,188,253	6,970,521
Institutional support	9,727,453	9,699,890	9,598,371	11,564,008
Auxiliary services	831,452	846,041	1,064,903	1,261,451
Amortization expense	-	-	-	-
Depreciation expense	7,209,540	6,234,670	5,905,656	6,829,218
Scholarships, grants and waivers	9,508,163	9,058,154	8,583,125	6,826,126
Total operating expenses	74,735,183	73,604,932	76,466,165	77,681,319
OPERATING INCOME (LOSS)	(58,835,104)	(59,244,518)	(62,179,160)	(63,074,954)
NON-OPERATING REVENUES (EXPENSES)				
Local property taxes	29,444,706	27,651,849	26,027,784	25,607,033
Personal property replacement tax	1,412,889	1,495,394	1,567,218	1,640,382
State appropriations	6,769,528	9,326,339	10,248,508	12,112,973
State grant and contracts	7,820,623	7,759,253	8,411,766	8,945,474
Federal grants and contracts	17,911,717	17,845,614	18,111,981	15,832,896
Local grants and contracts	486,504	616,957	580,115	707,249
Investment income	122,965	104,043	38,150	178,969
Gain (loss) on disposal of capital assets	66,949	28,706	(158,123)	14,406
Interest on capital asset-related debt	(3,478,516)	(3,182,356)	(2,912,147)	(2,479,796)
Non-operating revenues (expenses), net	60,557,365	61,645,799	61,915,252	62,559,586
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	1,722,261	2,401,281	(263,908)	(515,368)
CAPITAL CONTRIBUTIONS				
Total capital contributions	49,527	21,074	23,784	733,942
CHANGE IN NET POSITION	1,771,788	2,422,355	(240,124)	218,574
NET POSITION, JULY 1	52,811,548	53,602,796	56,025,151	55,785,027
Prior period adjustment	(980,540)	-	-	-
NET POSITION, JULY 1, AS RESTATED	51,831,008	53,602,796	56,025,151	55,785,027
NET POSITION, JUNE 30	\$ 53,602,796	\$ 56,025,151	\$ 55,785,027	\$ 56,003,601

Data Source

Rock Valley College Financial Reports

2016	2017	2018	2019	2020	2021
\$ 11,473,592	\$ 11,567,622	\$ 11,809,687	\$ 13,398,730	\$ 13,742,723	\$ 13,085,670
1,616,076	1,351,139	1,340,382	1,363,857	1,337,438	650,879
154,466	150,000	93,429	78,779	47,923	31,709
1,277,602	1,594,941	2,327,694	2,035,360	2,617,970	2,019,263
14,521,736	14,663,702	15,571,192	16,876,726	17,746,054	15,787,521
27,353,071	29,377,540	27,339,390	26,813,539	27,340,001	27,304,131
4,340,423	3,921,766	3,888,218	3,971,394	4,320,724	4,448,587
4,666,341	4,958,001	5,127,247	5,366,887	6,160,865	6,703,858
6,714,877	6,094,869	7,674,370	7,800,384	7,876,539	8,743,867
6,676,425	6,641,324	6,900,162	7,358,531	6,455,407	7,358,514
9,931,486	10,780,276	10,339,254	10,363,673	12,245,713	16,104,922
1,165,977	1,202,136	1,746,315	1,290,133	1,492,392	1,428,168
-	-	-	-	-	-
5,894,384	6,044,978	7,301,785	8,201,780	7,773,590	7,643,514
5,768,162	5,316,407	3,572,284	4,144,123	5,846,261	4,164,587
72,511,146	74,337,297	73,889,025	75,310,444	79,511,492	83,900,148
(57,989,410)	(59,673,595)	(58,317,833)	(58,433,718)	(61,765,438)	(68,112,627)
25,687,393	26,396,425	27,583,297	28,476,829	28,652,944	28,939,700
1,317,944	1,677,508	1,481,085	1,518,538	1,662,245	2,108,387
14,338,782	18,070,200	18,518,578	17,549,408	19,724,519	21,035,698
2,545,508	10,443,022	9,397,395	9,953,983	11,613,685	12,230,878
14,137,869	14,247,846	13,111,039	12,291,308	14,555,240	19,915,733
1,043,822	669,730	729,388	1,019,625	861,856	966,755
436,462	337,073	505,745	1,353,431	1,111,398	106,253
5,832	(39,323)	-	-	-	-
(4,020,819)	(3,554,030)	(3,321,273)	(2,935,854)	(2,606,720)	(2,248,212)
55,492,793	68,248,451	68,005,254	69,227,268	75,575,167	83,055,192
(2,496,617)	8,574,856	9,687,421	10,793,550	13,809,729	14,942,565
5,891	348,400	9,342,214	-	-	267,305
5,891	348,400	9,342,214	-	-	267,305
(2,490,726)	8,923,256	19,029,635	10,793,550	13,809,729	15,209,870
56,003,601	53,512,875	62,436,131	55,370,467	66,164,017	80,861,929
-	-	(26,095,299)	-	888,183	-
56,003,601	53,512,875	36,340,832	55,370,467	67,052,200	80,861,929
\$ 53,512,875	\$ 62,436,131	\$ 55,370,467	\$ 66,164,017	\$ 80,861,929	\$ 96,071,799

**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

	2011	2012	2013	2014
TOTAL EQUALIZED ASSESSED VALUATIONS	\$ 6,369,040,810	\$ 5,933,124,874	\$ 5,555,719,801	\$ 5,339,259,046
EAV PERCENTAGE INCREASE (DECREASE)	(4.56)	(6.84)	(6.36)	(3.90)
TAX RATES (PER \$100 ASSESSED VALUATION)				
Educational Fund	0.2300	0.2300	0.2300	0.2274
Operations and Maintenance Fund	0.0400	0.0400	0.0400	0.0396
Debt Service Fund				
2000 Bond	0.0055	0.0067	0.0068	0.0127
2002 A&B Bond	-	-	-	0.0745
2005 Refinancing Bond	0.0067	0.0083	-	0.0070
2006 Refinancing Bond	0.0059	0.0062	0.0067	-
2008 Bond	0.0235	0.0320	0.0134	-
2009 Bond	0.0591	0.0127	0.0135	0.0141
2010 A&B Bond	0.0528	0.0501	0.0755	0.0322
2014 Refinancing Bond	-	-	0.0231	0.0044
2015C Bond	-	-	-	-
2015D Bond	-	-	-	-
2015E Bond	-	-	-	-
2017A Bond	-	-	-	-
2017C Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	0.0146	0.0223	0.0326	0.0434
Workers' Compensation	0.0019	0.0029	0.0043	0.0056
Unemployment Insurance	0.0017	0.0026	0.0039	0.0051
Athletics	0.0005	0.0009	0.0012	0.0015
Property/Casualty	0.0011	0.0015	0.0023	0.0030
FICA	0.0077	0.0083	0.0093	0.0106
Audit Fund	0.0002	0.0002	0.0004	0.0012
Protection, Health and Safety Fund	-	0.0230	-	-
Adjustment for Overextended Tax	-	-	-	-
TOTAL TAX RATE	0.4512	0.4477	0.4630	0.4823

2015	2016	2017	2018	2019	2020
\$ 5,313,920,076	\$ 5,483,921,459	\$ 5,617,226,123	\$ 5,786,184,094	\$ 6,087,389,555	\$ 6,373,157,081
(0.47)	3.20	2.43	3.01	5.21	4.69
0.2300	0.2300	0.2300	0.2300	0.2296	0.2300
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
-	-	-	-	-	-
0.0563	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.0137	-	-	-	-	-
0.0351	0.0338	0.0096	0.0309	0.0291	0.0163
0.0045	0.0089	0.0214	0.0769	0.0713	-
0.0114	0.0111	0.0108	0.0105	0.0100	0.0095
0.0209	0.0203	0.0198	0.0192	0.0183	0.0174
0.0041	0.0040	0.0039	0.0038	0.0036	0.0036
-	0.1437	0.1201	0.0548	0.0520	0.0497
-	-	0.0309	0.0142	0.0155	0.0944
0.0421	-	0.0179	0.0173	-	-
0.0110	-	-	-	-	-
0.0014	-	-	-	-	-
0.0011	-	-	-	-	-
0.0056	-	-	-	-	-
0.0111	-	-	-	-	-
0.0010	0.0009	0.0009	0.0009	0.0009	0.0008
-	-	-	-	-	-
-	-	-	0.0002	-	-
0.4893	0.4927	0.5053	0.4987	0.4703	0.4617

**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

	2011	2012	2013	2014
TAX EXTENSION				
Educational Fund	\$ 14,648,794	\$ 13,646,187	\$ 12,778,156	\$ 12,140,794
Operations and Maintenance Fund	2,567,511	2,389,118	2,234,841	2,113,392
Debt Service Fund				
2000 Bond	350,046	397,781	378,043	678,782
2002 A&B Bond	-	-	-	3,981,851
2005 Refinancing Bond	426,419	492,774	-	374,130
2006 Refinancing Bond	375,504	368,096	372,484	-
2008 Bond	1,495,650	1,899,852	744,968	-
2009 Bond	3,761,400	754,004	750,527	753,609
2010 A&B Bond	3,360,438	2,974,455	4,197,395	1,721,013
2014 Refinancing Bond	-	-	1,284,236	235,166
2015C Bond	-	-	-	-
2015D Bond	-	-	-	-
2015E Bond	-	-	-	-
2017A Bond	-	-	-	-
2017C Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	934,496	1,323,276	1,821,261	2,314,439
Workers' Compensation	121,012	171,971	236,283	300,274
Unemployment Insurance	108,663	154,630	214,116	272,100
Athletics	32,040	51,273	64,001	81,336
Property/Casualty	63,690	89,735	125,503	159,530
FICA	489,547	490,882	515,434	565,702
Audit Fund	11,960	11,312	21,867	62,767
Protection, Health and Safety Fund	-	1,363,700	-	-
Adjustment for Overextended Tax	150,882	-	-	-
TOTAL LOCAL GOVERNMENT SUPPORT	\$ 28,898,052	\$ 26,579,047	\$ 25,739,115	\$ 25,754,883
PERCENTAGE INCREASE (DECREASE)	(4.90)	(3.98)	(8.02)	(3.16)

	2015	2016	2017	2018	2019	2020
\$	12,222,016	\$ 12,613,019	\$ 12,908,077	\$ 13,308,223	\$ 13,978,085	\$ 14,658,261
	2,134,494	2,198,281	2,252,067	2,318,427	2,433,727	2,552,169
	-	-	-	-	-	-
	2,994,933	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	728,785	-	-	-	-	-
	1,867,178	1,855,481	539,779	1,789,877	1,773,823	1,039,907
	239,382	488,573	1,203,258	4,454,419	4,346,171	-
	606,434	609,344	607,252	608,211	609,561	606,081
	1,111,796	1,114,386	1,113,295	1,112,157	1,115,497	1,110,085
	218,103	219,584	219,285	220,114	219,442	229,673
	-	7,888,537	6,752,863	3,174,280	3,169,718	3,170,759
	-	-	1,737,414	822,533	944,820	6,022,528
	2,236,973	-	1,003,441	1,000,724	-	-
	587,491	-	-	-	-	-
	75,059	-	-	-	-	-
	56,044	-	-	-	-	-
	295,233	-	-	-	-	-
	588,262	-	-	-	-	-
	51,821	48,984	50,415	51,403	52,890	50,777
	-	-	-	-	-	-
	-	-	-	1,588	-	-
\$	26,014,004	\$ 27,036,189	\$ 28,387,146	\$ 28,861,956	\$ 28,643,734	\$ 29,440,240
	0.06	1.01	5.00	1.67	(0.76)	2.78

**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
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
2020	374,596,348	4,207,750,326	901,676,487	866,753,371	22,380,549	6,373,157,081	0.4615	33.33%	19,121,383,381

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
COLLEGE DIRECT RATES										
Educational	0.2300	0.2300	0.2300	0.2274	0.2300	0.2300	0.2300	0.2300	0.2296	0.2300
Operations and Maintenance	0.0400	0.0400	0.0400	0.0396	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Audit Fund	0.0002	0.0002	0.0004	0.0012	0.0010	0.0009	0.0009	0.0009	0.0009	0.0008
Liability and Protection	0.0198	0.0302	0.0443	0.0586	0.0612	0.0000	0.0179	0.0173	0.0000	0.0000
Bond and Interest	0.1535	0.1160	0.1390	0.1449	0.1460	0.2218	0.2165	0.2103	0.1998	0.1909
Social Security	0.0077	0.0083	0.0093	0.0106	0.0111	0.0000	0.0000	0.0000	0.0000	0.0000
Protection, Health and Safety	0.0000	0.0230	0.0000	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	0.0002	0.0000	0.0000
Total college direct rate	0.4503	0.4512	0.4477	0.4630	0.4823	0.4893	0.5053	0.4987	0.4703	0.4617
OVERLAPPING RATES										
Winnebago County	0.8676	0.9423	1.0329	1.0845	1.0984	1.0826	1.0587	1.0173	0.9661	0.9436
Forest Preserve District	0.0956	0.1072	0.1165	0.1199	0.1203	0.1207	0.1182	0.1147	0.1132	0.1073
Rockford Township	0.1119	0.1200	0.1288	0.1394	0.1452	0.1455	0.1446	0.1385	0.1298	0.1233
Greater Rockford Airport Authority	0.0937	0.1024	0.1043	0.1063	0.1073	0.1103	0.1102	0.1073	0.1011	0.0987
City of Rockford	2.5191	2.8178	3.0811	3.2931	3.3595	3.3207	3.2517	3.1194	2.9185	2.7943
Rockford Park District	0.8432	0.9522	1.0577	1.1286	1.1629	1.1544	1.1371	1.0963	1.0334	1.0042
Rock River Water Reclamation Authority	0.1469	0.1665	0.1856	0.2008	0.2075	0.2082	0.2040	0.1964	0.1848	0.1795
Rockford City Library	0.3860	0.4422	0.4724	0.5042	0.5196	0.5190	0.5091	0.4890	0.4564	0.4343
Rockford Public Schools	6.5595	6.6884	7.2301	7.7810	7.9379	7.8031	7.6496	7.3508	6.8929	6.5857
Total overlapping rates	10.7781	11.6235	12.3390	13.4094	14.3578	14.6586	14.1832	13.6297	12.7962	12.2709
TOTAL RATES	11.2284	12.0747	12.7867	13.8724	14.8401	15.1479	14.6885	14.1284	13.2665	12.7326

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	\$ 505,734,914	7.94	1	Commonwealth Edison	Public Electric Utility	\$ 486,000,000	8.09	1
Americold Real Estate	Supply Chain Logistics	33,177,897	0.52	2	Lowes Home Center	Distribution Center	19,989,958	0.35	2
FCA US LLC (Chrysler)	Automotive	20,378,481	0.32	3	CBL/Cherry Vale LLC	Real Estate Holdings	15,782,094	0.27	3
Illinois River Energy LLC	Manufacturing	13,333,775	0.21	4	New Cargo Acquisition LLC (Chrysler)	Automotive	14,059,947	0.24	4
Lowes Home Centers	Distribution Center	13,322,861	0.21	5	Greater Rockford Airport	Airport	11,927,080	0.21	5
Sara Lee Corporation	Food Company	11,870,000	0.19	6	Beliot Memorial Hospital	Hospital	11,904,773	0.21	6
Exeter 1800 Steward LLC	Real Estate Holdings	11,264,353	0.18	7	Wal-Mart	Retail	8,334,958	0.14	7
Woodward Inc	Manufacturing	10,881,395	0.17	8	Forest Plaza LLC	Real Estate Holdings	8,260,403	0.14	8
CBL Cherryvale	Real Estate Holdings	9,808,411	0.15	9	Two Star Property	Real Estate Holdings	5,411,879	0.09	9
Meijer Stores	Retail	8,609,321	0.14	10	Menard, Inc	Real Estate Holdings	4,938,164	0.09	10
TOTAL PERCENTAGE OF DISTRICT EAV			<u>10.02%</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
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%	16,986,894	28,539,090	99.63%
2020	29,455,292	15,905,477	5,400.00%	-	15,905,477	54.00%

* 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			
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	13,398,730	19,171,650
2021	4,090	8,744	132.00	310.00	566.00	116,443	13,085,670	19,727,647

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
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
2021	66,035,907	-	66,035,907	6,373,157,081	1.04	336,116	196

* 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
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	6,123,084	69,802,650	6,087,482,839	1.15	336,116	208
2021	66,035,907	6,241,317	59,794,590	6,373,157,081	0.94	336,116	178

* 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, 2021

District	Bonded Debt (1)	Percent (2)	Amount Applicable To District
Rock Valley College	\$ 66,035,907	100.00%	\$ 66,035,907
SCHOOLS			
Belvidere School District 100	55,150,000 (1)	100.00%	55,150,000
Byron Community Unit School District 226	26,900,000 (1)	100.00%	26,900,000
Durand School District 322	241,001 (1)	100.00%	241,001
Harlem School District 122	8,830,000 (4)	100.00%	8,830,000
Hiawatha School District 426	4,610,000 (4)	0.00%	-
Hononegah High School District 207	20,190,000 (4)	100.00%	20,190,000
Kinnikinnick School District 131	3,477,900 (4)	100.00%	3,477,900
Meridian Community Unit School District 223	11,182,261 (4)	100.00%	11,182,261
North Boone School District 200	11,646,326 (4)	100.00%	11,646,326
Pecatonica Community Unit School District 321	1,289,000 (4)	100.00%	1,289,000
Prairie Hill School District 133	6,935,000 (4)	100.00%	6,935,000
Rockford School District 205	145,160,395 (4)	100.00%	145,160,395
Shirland School District 134	3,045,000 (4)	100.00%	3,045,000
South Beloit School District 320	6,522,000 (4)	100.00%	6,522,000
Winnebago School District 323	13,453,500 (4)	100.00%	13,453,500
LOCAL GOVERNMENTS			
Boone County	2,455,000 (3)	99.03%	2,431,187
City of Rockford	99,935,000 (2)	100.00%	99,935,000
PARK DISTRICTS			
Belvidere Park District	1,140,000 (2)	100.00%	1,140,000
Oregon Park District	- (2)	93.03%	-
Rockford Park District	11,851,000 (1)	100.00%	11,851,000
OTHER			
Byron Forest Preserve District	3,965,000 (2)	98.04%	3,887,286
Winnebago County Forest Preserve District	1,725,163 (4)	99.98%	1,724,818
Northwest Fire Protection District	455,000 (4)	100.00%	455,000
Subtotal	<u>440,158,546</u>		<u>435,446,673</u>
TOTAL	<u><u>\$ 506,194,453</u></u>		<u><u>\$ 501,482,580</u></u>

Sources: Winnebago County Clerk Office

Audited financial reports for governmental units in Boone and Ogle Counties

(1) As of 06/30/2020

(2) As of 12/31/2020

(3) As of 11/30/2020

(4) As of 6/30/21

**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
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%
2021	6,373,157,081	2.875%	183,228,266	64,650,000	118,578,266	35.28%

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			
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	15,052,234	44,783	16.1%	15.5%	9.5%	11.3%	12.2%	13.4%	14.5%
2021	336,116	Not Available	Not Available	9.5%	9.6%	5.8%	5.9%	6.2%	6.8%	7.2%

Data Sources

* U.S. Census Bureau, "Annual Estimates of the Resident Population: April 1, 2011 to July 1, 2020 population estimate for July 1, 2020.

** U.S. Bureau of Economic Analysis, table "CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income" www.bea.gov

*** Illinois Department of Employment Security, Unemployment Rate by County, June 2021 - Not Seasonally Adjusted

**** Illinois Department of Employment Security, June 2021 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Baccalaureate	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	83,379.0
Business Occupational	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	5,285.0
Technical Occupational	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	10,467.5
Health Occupational	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	6,103.0
Remedial Development	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	3,749.0
Adult Basic and Secondary Ed	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	7,459.0
TOTAL CREDIT HOURS	180,858.4	173,476.5	169,745.0	157,864.5	154,779.0	150,914.5	133,973.5	129,566.5	135,646.0	116,442.5
PERCENTAGE										
INCREASE (DECREASE)	(4.3%)	(4.1%)	(2.2%)	(7.0%)	(8.8%)	(2.0%)	(11.2%)	(3.3%)	4.7%	(14.2%)

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

2021				2012			
Employer	Rank	Employees	% of District Population	Employer	Rank	Employees	% of District Population
Mercyhealth	1	4,520	1.34%	Rockford Public Schools	1	3,730	1.07%
Rockford Public Schools	2	4,075	1.21%	Chrysler	2	3,400	0.98%
Fiat Chrysler Automobiles (FCA)	3	3,580	1.07%	Rockford Health Systems	3	3,000	0.86%
Swedish American	4	3,375	1.00%	System	4	2,988	0.86%
UPS	5	2,203	0.66%	Hamilton Sundstrand	5	2,175	0.63%
Collins Aerospace	6	2,200	0.65%	OSF Healthcare	6	1,800	0.52%
OSF Healthcare	7	2,200	0.65%	Rockford Park District	7	1,739	0.50%
Woodward	8	1,675	0.50%	Winnebago County	8	1,731	0.50%
Wal-Mart	9	1,470	0.44%	Wal-Mart	9	1,700	0.49%
Winnebago County	10	1,461	0.43%	Woodward	10	1,325	0.38%
TOTAL PERCENTAGE OF DISTRICT POPULATION			<u>7.95%</u>	TOTAL PERCENTAGE OF DISTRICT POPULATION			<u>6.79%</u>

Data Source

Source: Rockford Area Economic Development Council, "2021 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FACULTY										
Full-time	159	157	159	157	158	159	134	126	127	123
Part-time	281	292	303	336	300	278	268	269	285	300
FULL-TIME ADMINISTRATORS	35	34	35	33	36	30	33	31	35	36
CLASSIFIED STAFF										
Full-time	238	223	239	237	236	200	190	195	201	215
Part-time	44	58	69	83	64	51	44	34	46	40
TOTAL FULL-TIME EMPLOYEES	439	432	414	433	427	430	357	352	363	374
TOTAL EMPLOYEES	754	757	764	805	846	794	669	655	694	714

Data Source

ICCB Reports

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

OPERATING INFORMATION
OPERATING INDICATORS

Last Ten Fiscal Years

Categories	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
Baccalaureate	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	83,379.0
Business Occupational	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	5,285.0
Technical Occupational	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	10,467.5
Health Occupational	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	6,103.0
Remedial Development	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	3,749.0
Adult Basic and Secondary Ed	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	7,459.0
TOTAL CREDIT HOURS	180,858.4	173,476.5	169,745.0	157,864.5	154,779.0	150,914.5	133,973.5	129,566.5	135,646.0	116,442.5
Student headcount	15,759	15,133	14,245	13,292	12,467	11,799	10,607	10,102	10,295	8,744
Student FTE	6,029	5,689	5,658	5,262	5,159	5,030	4,466	4,319	4,678	4,090
Tuition Rate per Hour	\$ 83	\$ 83	\$ 87	\$ 91	\$ 91	\$ 100	\$ 115	\$ 115	\$ 115	\$ 115
Tuition and Fee Revenue	\$ 18,509,974	\$ 17,827,881	\$ 18,101,468	\$ 18,014,491	\$ 17,457,282	\$ 18,224,423	\$ 19,091,553	\$ 19,171,650	\$ 13,085,670	\$ 19,727,647
Degrees and Certificates awarded*										
A.A.; A.S.	710	816	785	783	887	811	772	744	731	714
A.E.S.	1	2	9	7	19	21	20	21	27	28
A.G.S	-	-	-	1	1	4	1	1	-	-
A.A.S.	310	306	276	237	209	217	201	187	142	211
Certificates	682	662	607	565	937	1,198	653	626	515	466

* Source: ICCB S3 Apportionment Reports

**2021 Source: College's Department of Institutional Research

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Square feet - classrooms	83,090	77,169	72,729	73,661	72,012	70,599	90,958	118,292	118,292	118,292
Square feet - labs	117,408	131,055	134,247	133,884	146,503	144,306	187,884	194,681	194,146	194,146
Square feet - libraries	36,253	35,290	33,308	33,308	32,731	32,731	47,251	49,981	49,981	49,981
Square feet - offices	84,847	81,884	98,789	99,313	98,204	92,163	106,522	113,654	113,505	113,505
Total assignable square feet	551,422	325,398	551,991	553,085	562,404	551,668	605,461	648,565	649,435	649,435
Number of classrooms	144	94	97	98	97	88	125	152	152	152
Number of laboratories	152	142	156	156	158	118	230	237	235	235
Number of libraries	49	48	37	37	35	39	80	89	89	89
Number of offices	474	445	485	498	574	419	589	569	567	567
Number of buildings	40	40	40	40	38	37	38	38	38	38
Acres	235	235	235	235	235	235	235	235	235	235

Data Source

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

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, 2021, 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, 2021, 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, 2021, 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
November 1, 2021

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

**STATE ADULT EDUCATION AND FAMILY LITERACY GRANT PROGRAM
BALANCE SHEET**

June 30, 2021

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Accounts receivable	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND PROGRAM BALANCE			
LIABILITIES			
Due to restricted purposes subfund	\$ -	\$ -	\$ -
Total liabilities	-	-	-
PROGRAM BALANCE			
None	-	-	-
Total program balance	-	-	-
TOTAL LIABILITIES AND PROGRAM BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

	State Basic	Performance	Total (Memorandum Only)
REVENUES			
Grant revenue	\$ 256,294	\$ 147,750	\$ 404,044
EXPENDITURES			
Direct instruction			
Instruction	124,078	-	124,078
Total direct instruction	124,078	-	124,078
Instructional and student services			
Social work services	52,736	27,051	79,787
Guidance services	26,338	27,051	53,389
Student transportation services	-	600	-
Assessment and testing	52,742	27,051	79,793
Total instructional and student services	131,816	81,753	212,969
Program support			
Improvement of instructional services	-	6,620	6,620
General administration	400	22,729	23,129
Operation and maintenance of plant services	-	1,800	-
Workforce coordination	-	598	-
Data and information services	-	34,250	34,250
Total program support	400	65,997	63,999
Total expenditures	256,294	147,750	401,046
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	2,998
PROGRAM BALANCE, JULY 1, 2020	-	-	-
PROGRAM BALANCE, JUNE 30, 2021	\$ -	\$ -	\$ 2,998

(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, 2021

	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
STATE BASIC		
Instruction (45% minimum required)	\$ 124,078	48.41%
General administration (15% maximum allowed)	400	0.16%

(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.