



# Rock Valley College

ILLINOIS COMMUNITY COLLEGE • DISTRICT 511 • ROCKFORD, IL  
PREPARED BY RVC FINANCIAL SERVICES

## Annual Comprehensive FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2022 AND 2023

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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Years Ended  
June 30, 2023 and 2022

Prepared by

Financial Services Department

Ellen Olson  
Vice President of Finance, Chief Financial Officer

Lori Mack  
Executive Director of Financial Services

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

## **RVC Administration/Principal Officials**

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

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

Dr. Amanda Smith, Vice President of Academic Affairs/Chief Academic Officer (CAO)

Dr. Patrick Peyer, Vice President of Student Affairs (CSSO)

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

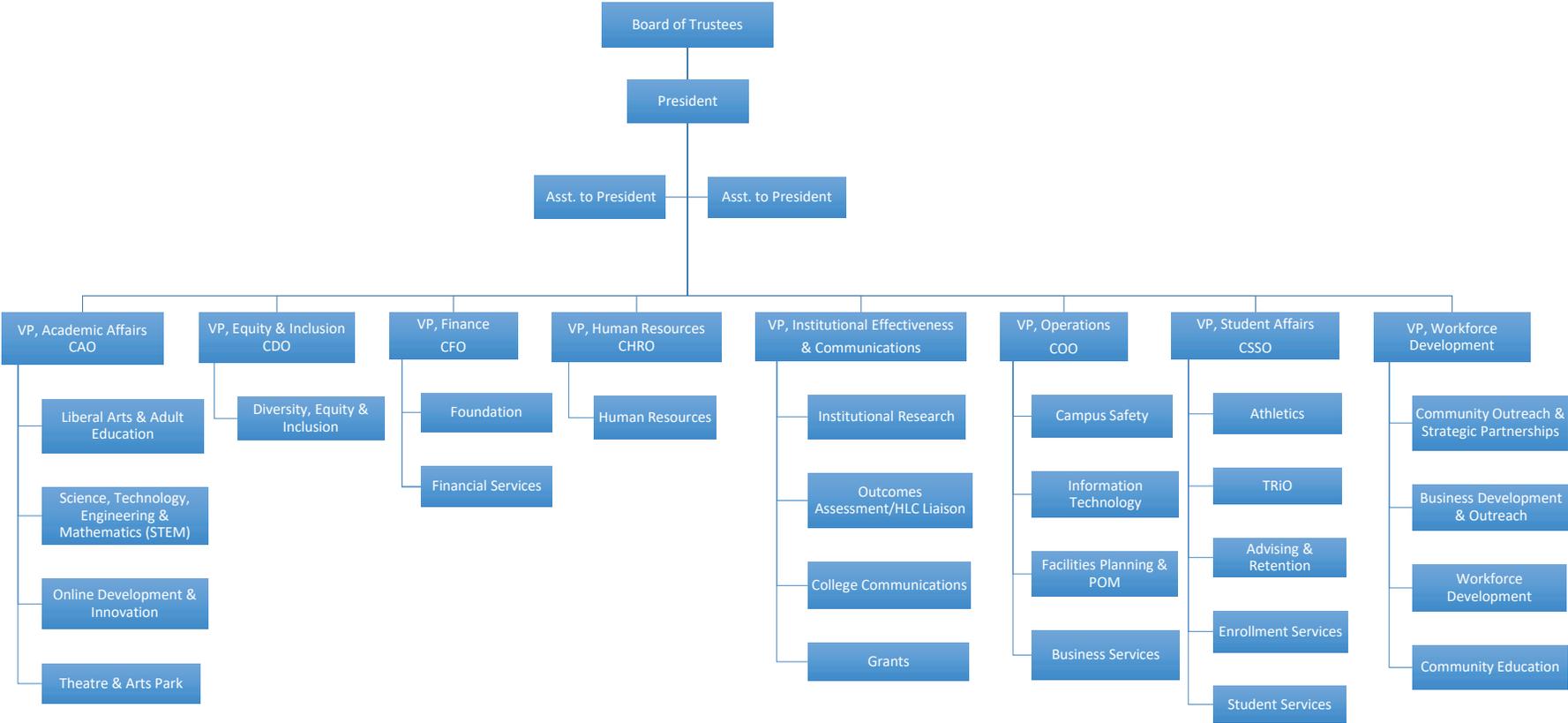
Heather Snider, Vice President of Institutional Effectiveness & Communications

Keith Barnes, Vice President of Equity & Inclusion/Chief Diversity Officer (CDO)

Ellen Olson, Vice President and Chief Financial Officer (CFO)

Dr. Hansen Stewart, Vice President of Industry Partnership and Community Engagement

# 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, 2022

*Christopher P. Morill*

Executive Director/CEO

November 3, 2023

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 Annual Comprehensive Financial Report of Rock Valley College, Illinois Community College District Number 511 (College), for the fiscal year ended June 30, 2023, 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This award was the 16<sup>th</sup> 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 annual comprehensive 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 annual comprehensive 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, 2023 and June 30, 2022. The independent auditor's report for June 30, 2023 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 require 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 six owned and leased off-campus locations: Stenstrom Center for Career Education - home to Automotive Service Technology and Truck Driver Training; Advanced Technology Center – home the 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 116 full-time faculty members, 214 part-time lecturers and more than 9,000 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 \$16 billion dollars of goods and services. The current unemployment rate is roughly 6.8 percent, down from 9.5 percent the previous year as the region recovers from the COVID-19 pandemic and the increase in jobs added. The region continues to encourage 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's 2022-2027 Strategic Plan is supported by four pillars, each with 2-3 strategic goals:

- **Access:** Provide district residents with improved accessibility to college, training, and careers.
  - Strategic Goal 1: Provide district residents with improved accessibility to credit programs and certificates.
  - Strategic Goal 2: Provide district residents with improved accessibility to non-credit programs, certificates, and training.
  
- **Exceptional Educational Opportunities:** Provide high-quality certificates, degrees, and co-curricular programs to meet district/community and regional needs and improve student success.
  - Strategic Goal 1 (Academic Plan): Ensure high-quality and relevant certificate, degree, and co-curricular programs.
  - Strategic Goal 2 (Academic Plan; Strategic Enrollment Plan): Improve student readiness, academic success, and sense of belonging.
  
- **Exceptional Training Opportunities:** Provide high-quality training and professional development to align to college, district/community, and regional needs and where employees and learners can make progress towards their educational and career goals.
  - Strategic Goal 1 (Workforce Development Plan): Increase the number of grants, scholarships, and endowments to support students enrolled in credit and non-credit programs that meet the regional workforce's need for skilled employees.
  - Strategic Goal 2 (Professional Development Plan): Provide high-quality training and professional development to improve human performance and bridge the gap between college needs and employees' educational and career goals.
  
- **Diversity, Equity, and Inclusion:** Create and sustain a diverse, equitable, and inclusive campus that improves campus culture, promotes accountability for the campus DEI effort, and increases the cultural competence of all employees, learners, and other stakeholder groups.
  - Strategic Goal 1 (DEI Plan): Improve the campus culture by establishing cultural competence, trust, and a sense of belonging among employees and learners.
  - Strategic Goal 2 (DEI Plan): Close equity gaps so that students from diverse racial, gender, and socioeconomic backgrounds can access and achieve their academic and career goals.
  - Strategic Goal 3 (DEI Plan): Employ a culturally competent workforce that reflects student and community demographics.

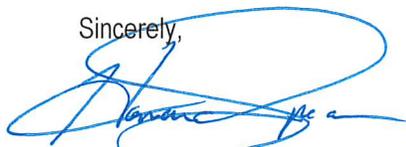
These strategic goals are further supported by actions within the Strategic Enrollment Management Plan, Academic Plan, Information Technology Plan, and Professional Development Plan.

*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.

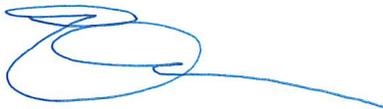
## **Acknowledgements**

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 Accounting Services staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



Howard J. Spearman, Ph.D.,  
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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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, 2023 and 2022, and the related notes to financial statements, which collectively comprise the College's basic financial statements as listed in the accompanying table of contents.

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the business type activities of Rock Valley College - Illinois Community College District Number 511 and the discretely presented component unit, Rock Valley College Foundation as of June 30, 2023 and 2022, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Change in Accounting Principle**

The College adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023 and 2022. The implementation of this guidance resulted in changes to the reporting of right-to-use intangible subscription assets, subscription liability, and the related notes to the financial statements (see Notes 5 and 15 for additional information). Our opinion is not modified with respect to this matter.

#### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audits.

## **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 is the responsibility of management and, 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.

### *Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2023 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 solely 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 effectiveness of the College's 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 3, 2023

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630.566.8400

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Rock Valley College - Illinois Community College District No. 511 (the College) as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise of the College’s basic financial statements, and have issued our report thereon dated November 3, 2023. The financial statements of Rock Valley College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Rock Valley College Foundation.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we do not express an opinion on the effectiveness of the College’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich LLP*

Naperville, Illinois  
November 3, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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***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, 2023 and 2022 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, 2023.

**Comparative Analysis of Net Position – Fiscal Years 2023 and 2022**

	Net Position As of June 30		Increase (Decrease)	Percent Change
	2023	2022		
Current assets	\$ 138,811,867	\$ 127,301,344	\$ 11,510,523	9.0
Noncurrent assets				
Capital assets and intangible assets	268,770,883	265,135,049	3,635,834	1.4
Less accumulated depreciation and accumulated amortization	(160,851,900)	(153,877,199)	(6,974,701)	4.5
Other noncurrent assets	1,709,974	1,761,931	(51,957)	(2.9)
Total assets	248,440,824	240,321,125	8,119,699	3.4
Deferred outflows of resources	2,556,052	3,288,771	(732,719)	(22.3)
Total assets and deferred outflows of resources	250,996,876	243,609,896	7,386,980	3.0
Current liabilities	31,421,258	28,107,328	3,313,930	11.8
Noncurrent liabilities	48,025,555	79,878,089	(31,852,534)	(39.9)
Total liabilities	79,446,813	107,985,417	(28,538,604)	(26.4)
Deferred inflows of resources	40,491,036	28,536,211	11,954,825	41.9
Total liabilities and deferred inflows of resources	119,937,849	136,521,628	(16,583,779)	(12.1)
Net position				
Net investment in capital assets	61,700,714	53,072,597	8,628,117	16.3
Restricted	11,855,893	12,392,948	(537,055)	(4.3)
Unrestricted	57,502,420	41,622,723	15,879,697	38.2
Total net position	\$ 131,059,027	\$ 107,088,268	\$ 23,970,759	22.4

This schedule is prepared from the College's Statement of Net Position (pages 5-6) which is presented on an accrual basis of accounting and the economic resources measurement focus whereby assets are capitalized and depreciated. Fiscal year 2022 is presented on a comparative basis due to the adaptation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

The College's total net position at June 30, 2023, increased from \$107,088,268 to \$131,059,027, an increase of approximately 22.4 percent. This is directly related to an increase in unrestricted capital during the year.

In fiscal year 2023, the College's total assets and deferred outflows of resources increased by \$7,386,980 to \$250,996,876. Current assets also increased from \$127,301,344 to \$138,811,867. The increase in current assets is due to increases in investments, which was offset by a decrease to cash and cash equivalents due to a transfer from cash and cash equivalents to investments during fiscal year 2023. The net increase of cash and cash equivalents and investments was due to the final receipt of grant funds for HEERF, and other grants. Accounts, net of allowance for uncollectable balances increased by \$2,102,052. Noncurrent assets decreased from \$113,019,781 to \$109,628,957 due to a decrease due to the net value of assets being depreciated offset in part by an increase due to the addition of capital assets during the year.

Total liabilities and deferred inflows of resources decreased from \$136,521,628 to \$119,937,849. Current liabilities increased \$3,313,930 which is attributed to an increase in the current portion of bonds payable of \$4,950,212, partially offset by a decrease in accounts payable of approximately \$662,721 and unearned revenue of \$1,127,704. Noncurrent liabilities decreased \$31,852,534 which is due to a decrease of \$16,181,553 in bonds payable and a decrease of \$14,799,427 in the OPEB liability.

**Comparative Analysis of Net Position – Fiscal Years 2022 and 2021**

	Net Position As of June 30		Increase (Decrease)	Percent Change
	2022	2021		
Current assets	\$ 127,301,344	\$ 125,044,446	\$ 2,256,898	1.8
Noncurrent assets				
Capital assets and intangible assets	265,135,049	255,638,561	9,496,488	3.7
Less accumulated depreciation and accumulated amortization	(153,877,199)	(144,906,388)	(8,970,811)	6.2
Other noncurrent assets	1,761,931	1,812,869	(50,938)	(2.8)
Total assets	240,321,125	237,589,488	2,731,637	1.1
Deferred outflows of resources	3,288,771	1,272,403	2,016,368	158.5
Total assets and deferred outflows of resources	243,609,896	238,861,891	4,748,005	2.0
Current liabilities	28,107,328	32,510,564	(4,403,236)	(13.5)
Noncurrent liabilities	79,878,089	82,091,648	(2,213,559)	(2.7)
Total liabilities	107,985,417	114,602,212	(6,616,795)	(5.8)
Deferred inflows of resources	28,536,211	28,187,880	348,331	1.2
Total liabilities and deferred inflows of resources	136,521,628	142,790,092	(6,268,464)	(4.4)
Net position				
Net investment in capital assets	53,072,597	46,307,312	6,765,285	14.6
Restricted	12,392,948	18,569,617	(6,176,669)	(33.3)
Unrestricted	41,622,723	31,194,870	10,427,853	33.4
Total net position	\$ 107,088,268	\$ 96,071,799	\$ 11,016,469	11.5

The College's total net position at June 30, 2022, increased from \$96,071,799 to \$107,088,268, an increase of approximately 11.5 percent. This is directly related to an increase in capital during the year.

In fiscal year 2022, the College's total assets and deferred outflows of resources increased by \$4,748,005 to \$240,609,896. Current assets also increased from \$125,044,446 to \$127,301,344. 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 decreased from \$112,545,042 to \$109,732,806 due a decrease due to net value of assets being depreciated offset in part by an increase due to the addition of capital assets during the year.

Total liabilities and deferred inflows of resources decreased from \$142,790,092 to \$136,521,628. Current liabilities decreased \$4,403,236 which is attributed to a decrease in accounts payable of approximately \$2,082,297. A decrease in the current position of bonds payable of approximately \$3,888,505. Noncurrent liabilities decreased \$2,231,559 which is mostly related to a decrease in bonds payable.

**Fiscal Years 2023 and 2022 Financial Highlights:**

	June 30		Increase (Decrease)	Percent Change
	2023	2022		
Operating revenues	\$ 18,607,227	\$ 16,632,788	\$ 1,974,439	11.9
Non-operating revenues	82,590,089	79,843,466	2,746,623	3.4
Total revenues	101,197,316	96,476,254	4,721,062	4.9
Operating expenses	75,676,713	84,494,455	(8,817,742)	(10.4)
Non-operating expenses	1,557,042	1,227,646	329,396	26.8
Total expenses	77,233,755	85,722,101	(8,488,346)	(9.9)
Income before capital contributions	23,963,561	10,754,153	13,209,408	122.8
Capital contributions	7,198	262,316	(255,118)	(97.3)
Change in net position	23,970,759	11,016,469	12,954,290	117.6
Net position, beginning of year	107,088,268	96,071,799	11,016,469	11.5
Net position, end of year	\$ 131,059,027	\$ 107,088,268	\$ 23,970,759	22.4

Total revenues increased \$4,721,062, an increase of approximately 4.9 percent. Operating revenues increased \$1,974,439, an increase of 11.9 percent. Operating revenues increased due to an increase in student tuition and fees, net of scholarship allowance of \$1,904,376 and sales and service fees of approximately \$203,145. Non-operating revenues increased \$2,746,623, an increase of 3.4 percent. This increase is attributed to increases in local property taxes of approximately \$2,368,915, state grants and contracts of \$2,796,149 and investment income of \$3,215,100 partially offset by decreases in State Appropriations (SURS on behalf and CIP on behalf) of approximately \$6,272,000.

Total expenses decreased \$8,488,346, a decrease of approximately 9.9 percent. Operating expense decreased \$8,817,742, primarily due to a decrease in employee benefits of approximately \$9,645,338 due to a decrease in other post-employment benefits (OPEB) of \$7,803,250 and a decrease in the SURS of be-half allocation of \$2,454,166. There was also a decrease in other expenses of \$4,652,079 due to a reduction in expenditure for both the student and institutional portions of the HEERF grant funds. This was offset by increases to salaries of \$2,478,754, contractual services \$1,374,311 and fixed charges of \$2,039,233. Non-operating expenses had an increase \$329,396 which is attributable to an increase in interest on debt related to capital assets.

In general, the ending net position for fiscal year 2023 increased \$23,970,759. Details for revenues and operating expenses are covered in more detail in the subsequent sections.

**Fiscal Years 2022 and 2021 Financial Highlights:**

	June 30		Increase (Decrease)	Percent Change
	2022	2021		
Operating revenues	\$ 16,632,788	\$ 15,787,521	\$ 845,267	5.4
Non-operating revenues	79,843,466	85,303,404	(5,459,938)	(6.4)
Total revenues	96,476,254	101,090,925	(4,614,671)	(4.6)
Operating expenses	84,494,455	83,900,148	594,307	0.7
Non-operating expenses	1,227,646	2,248,212	(1,020,566)	(45.4)
Total expenses	85,722,101	86,148,360	(426,259)	(0.5)
Income before capital contributions	10,754,153	14,942,565	(4,188,412)	(28.0)
Capital contributions	262,316	267,305	(4,989)	(1.9)
Change in net position	11,016,469	15,209,870	(4,193,401)	(27.6)
Net position, beginning of year	96,071,799	80,861,929	15,209,870	18.8
Change in accounting principle	-	-		
Net position, end of year	\$ 107,088,268	\$ 96,071,799	\$ 11,016,469	11.5

Total revenues decreased \$4,614,671, a decrease of approximately 4.6 percent. Operating revenues increased \$845,267, an increase of 5.4 percent. Operating revenues increased due to an increase in sales and service fees of approximately \$419,824 and other operating revenue of \$451,471. Non-operating revenues decreased \$5,459,938, a decrease of 6.4 percent. This decrease is attributed to decreases in State Appropriations (SURS on behalf) of approximately \$6,646,253 partially offset by an increase in local property taxes of approximately \$540,554.

Total expenses decreased \$426,259, a decrease of approximately 0.5 percent. Operating expense increased \$594,307, primarily due to an increase in materials and supplies of approximately \$949,240, fixed expenses \$1,871,354 and an increased in HEERF disbursements of approximately \$5,075,376. The decrease of \$6,347,442 in salaries and benefits is due to a decrease in the SURS on behalf allocation of \$6,646,253, offset by an increase to salaries of approximately \$958,147. Contractual service decline by approximately \$1,209,844 due to non-recurring emergency expense from tornado damages in August, 2020. Non-operating expenses decreased \$1,020,566 which is attributable to a decrease in interest on debt related to capital assets.

In general, the ending net position for fiscal year 2022 increased \$11,016,469. Details for revenues and operating expenses are covered in more detail in the subsequent sections.

**Fiscal Years 2023 and 2021 Revenues (Operating and Non-operating):**

	2023		2022		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Student tuition & fees (net)	\$ 14,972,460	14.8	\$ 13,068,084	13.5	\$ 1,904,376	14.6
Sales & service fees	1,273,848	1.3	1,070,703	1.1	203,145	19.0
State grants and contracts	15,585,632	15.4	12,789,483	13.3	2,796,149	21.9
Federal grants and contracts	18,067,124	17.9	18,142,914	18.8	(75,790)	(0.4)
State appropriations	8,117,466	8.0	14,389,445	14.9	(6,271,979)	(43.6)
Local property taxes	31,849,169	31.4	29,480,254	30.6	2,368,915	8.0
Personal property replacement tax	5,194,536	5.1	4,595,736	4.8	598,800	13.0
Investment income	3,213,970	3.2	(1,130)	-	3,215,100	N/A
Other	2,923,111	2.9	2,940,765	3.0	(17,654)	(0.6)
<b>Total Revenues</b>	<b>\$ 101,197,316</b>	<b>100.0</b>	<b>\$ 96,476,254</b>	<b>100.0</b>	<b>\$ 4,721,062</b>	<b>4.9</b>

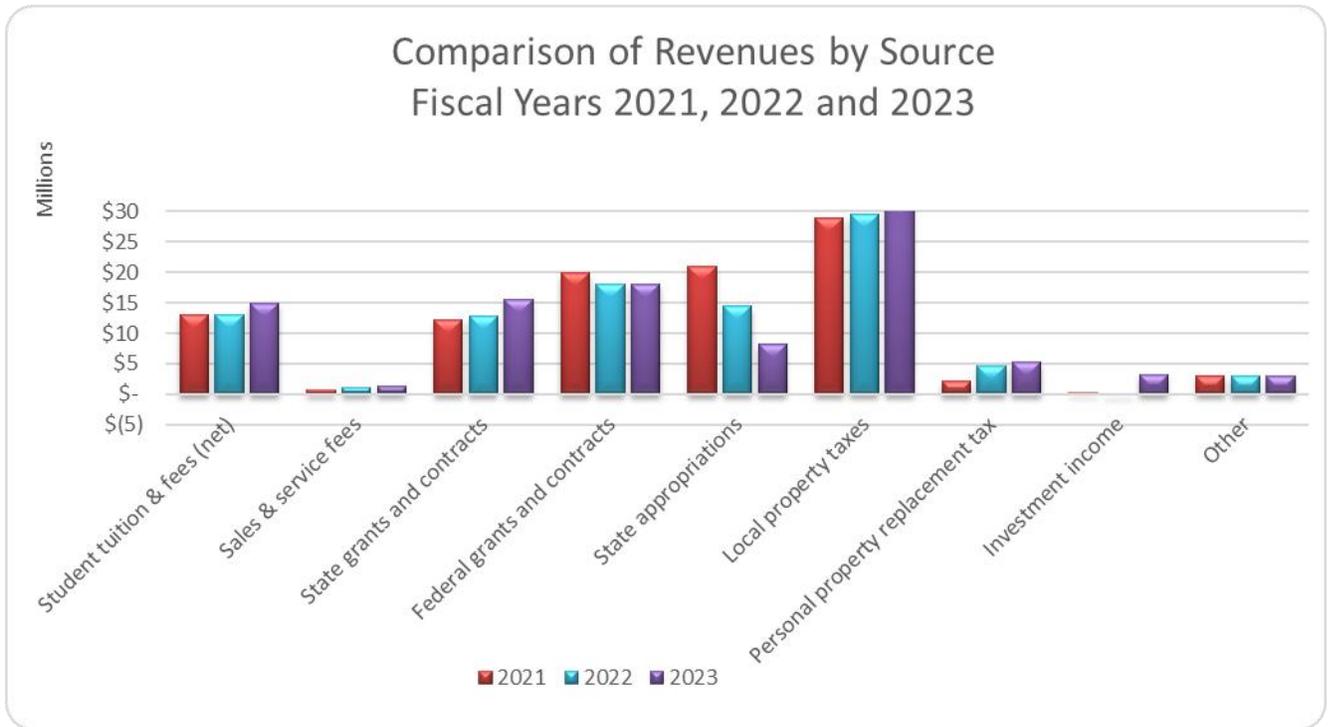
**2023 Analysis of Revenues:** In FY 2023, the College's total revenues increased by \$4,721,062, an increase of 4.9 percent. The increase in operating revenues is primarily attributed to increases in student tuition & fees, net of \$1,904,376, state grants and contracts of \$2,796,149, local property taxes \$2,368,915 and investment income of \$3,215,100. Local Property taxes increased partially in FY 2023 due to assessing a tax levy for protection, health & safety, social security and tort for levy year 2022. Investment income increased due to rising interest rates that began late fiscal year 2022 and continued through fiscal year 2023. These increases were offset in part by a decrease in State Appropriations (SURS) of \$6,271,979

**Fiscal Years 2022 and 2021 Revenues (Operating and Non-operating):**

	2022		2021		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Student tuition & fees (net)	\$ 13,068,084	13.5	\$ 13,085,670	13.0	\$ (17,586)	(0.1)
Sales & service fees	1,070,703	1.1	650,879	0.6	419,824	64.5
State grants and contracts	12,789,483	13.3	12,230,878	12.1	558,605	4.6
Federal grants and contracts	18,142,914	18.8	19,915,733	19.7	(1,772,819)	(8.9)
State appropriations	14,389,445	14.9	21,035,698	20.8	(6,646,253)	(31.6)
Local property taxes	29,480,254	30.6	28,939,700	28.6	540,554	1.9
Personal property replacement tax	4,595,736	4.8	2,108,387	2.1	2,487,349	118.0
Investment income	(1,130)	-	106,253	0.1	(107,383)	(101.1)
Other	2,940,765	3.0	3,017,727	3.0	(76,962)	(2.6)
<b>Total Revenues</b>	<b>\$ 96,476,254</b>	<b>100.0</b>	<b>\$ 101,090,925</b>	<b>100.0</b>	<b>\$ (4,614,671)</b>	<b>(4.6)</b>

**2022 Analysis of Revenues:** In FY 2022, the College's total revenues decreased by \$4,614,671, a decrease of 4.6 percent. The decrease in operating revenues is primarily attributed to a decrease in State Appropriations (SURS) of \$6,646,253 and Federal grants, which includes HEERF grant funds of \$1,772,819. These decreases were offset by increases in personal property replacement tax of \$2,487,349. Investment income includes \$129,941 of unrealized losses due to recording investments at market value. The unrealized investment losses were the result of the rising rate interest environment in the later part of the fiscal year.

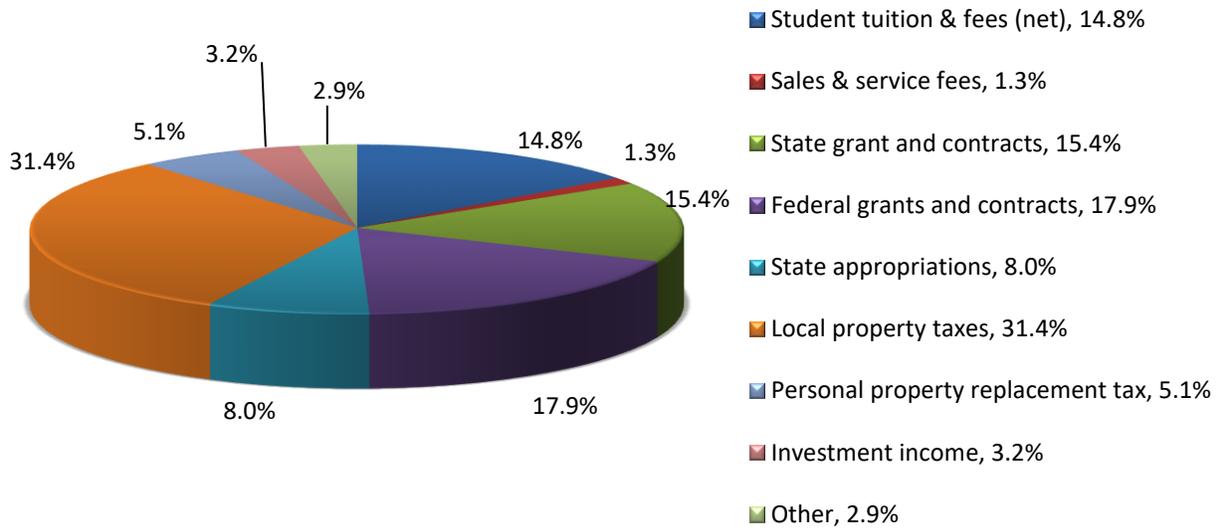
The following is a graphic illustration comparing fiscal years 2023, 2022, and 2021 revenues by source:



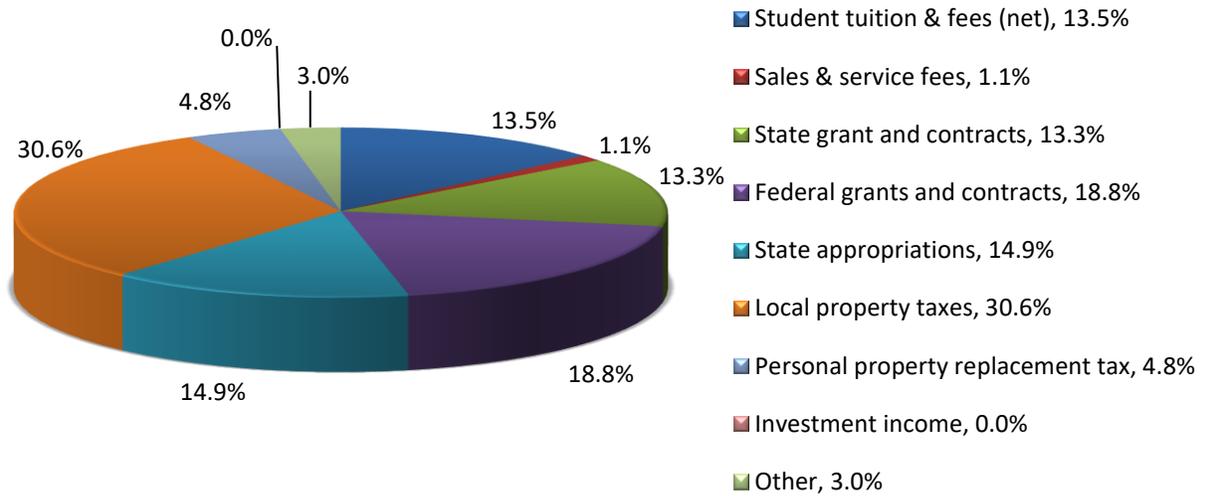
Student tuition and fees (net of scholarship allowances) increased 14.6 percent from last year, along with increases of 21.9 percent for State grants and contacts, 8.0 percent for local property taxes. This is offset by decreases of 43.6 percent for State appropriations.

The following are graphic illustrations of fiscal years 2023 and 2022 revenue by source.

### Percent of 2023 Revenue by Source



### Percent of 2022 Revenue by Source



**Fiscal Years 2023 and 2022 Operating Expenses by Function Comparison:**

	2023		2022		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Instruction	\$ 19,562,649	25.9	\$ 23,358,364	27.6	\$ (3,795,715)	(16.2)
Academic Support	3,382,100	4.5	4,028,560	4.8	(646,460)	(16.0)
Student Services	5,456,086	7.2	6,229,259	7.4	(773,173)	(12.4)
Public Service	8,008,855	10.6	7,252,297	8.6	756,558	10.4
Plant, Operations & Maintenance	6,266,497	8.3	7,585,003	9.0	(1,318,506)	(17.4)
Institutional Support	15,852,224	20.9	17,136,856	20.3	(1,284,632)	(7.5)
Auxiliary Services	1,519,294	2.0	1,812,617	2.1	(293,323)	(16.2)
Depreciation and Amortization	9,139,323	12.1	9,036,085	10.7	103,238	1.1
Scholarships, grants & waivers	6,489,685	8.5	8,055,414	9.5	(1,565,729)	(19.4)
<b>Total Expenses by Function</b>	<b>\$ 75,676,713</b>	<b>100.0</b>	<b>\$ 84,494,455</b>	<b>100.0</b>	<b>\$ (8,817,742)</b>	<b>(10.4)</b>

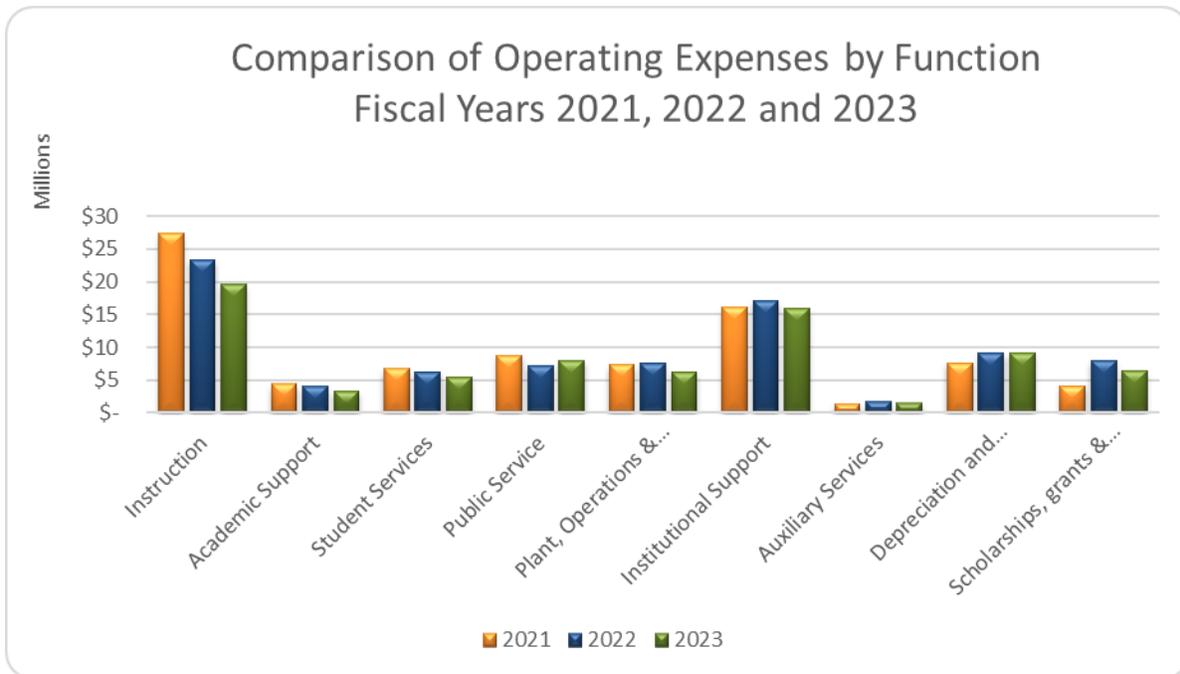
2023 Analysis of Operating Expenses by Function: The College's operating expenses by function decreased approximately \$8,817,742 or 10.4 percent from prior year. Scholarship, grants and waivers decreased by \$1,565,729 due to the reduction in the final distribution of the HEERF student allocation. Instruction, Academic Support, Student Services, Plant Operations & Maintenance, Institutional Support and Auxiliary Services all decreased due to the allocation of the SURS on behalf and the reduction of the OPEB liability.

**Fiscal Years 2022 and 2021 Operating Expenses by Function Comparison:**

	2022		2021		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Instruction	\$ 23,358,364	27.6	\$ 27,304,131	32.5	\$ (3,945,767)	(14.5)
Academic Support	4,028,560	4.8	4,448,587	5.3	(420,027)	(9.4)
Student Services	6,229,259	7.4	6,703,858	8.0	(474,599)	(7.1)
Public Service	7,252,297	8.6	8,743,867	10.4	(1,491,570)	(17.1)
Plant, Operations & Maintenance	7,585,003	9.0	7,358,514	8.8	226,489	3.1
Institutional Support	17,136,856	20.3	16,104,922	19.2	1,031,934	6.4
Auxiliary Services	1,812,617	2.1	1,428,168	1.7	384,449	26.9
Depreciation and Amortization	9,036,085	10.7	7,643,514	9.1	1,392,571	18.2
Scholarships, grants & waivers	8,055,414	9.5	4,164,587	5.0	3,890,827	93.4
<b>Total Expenses by Function</b>	<b>\$ 84,494,455</b>	<b>100.0</b>	<b>\$ 83,900,148</b>	<b>100.0</b>	<b>\$ 594,307</b>	<b>0.7</b>

2022 Analysis of Operating Expenses by Function: The College's operating expenses by function increased approximately \$594,307 or 0.7 percent from prior year. This is due to an increase of \$1,031,934 in Institutional Support which is related to an increase in expenditures of the HEERF institution allocation and decrease in the SURS on behalf. Depreciation increased due to the implementation of GASB Statement 96, *Subscription-Based Information Technology* being restated for fiscal year 2022 approximately \$962,224. Scholarship, grants and waivers increased by \$3,890,827 due to the distribution of the HEERF student allocation. Instruction, Academic Support, Student Services and Public Service all decreased due to the allocation of the SURS on behalf.

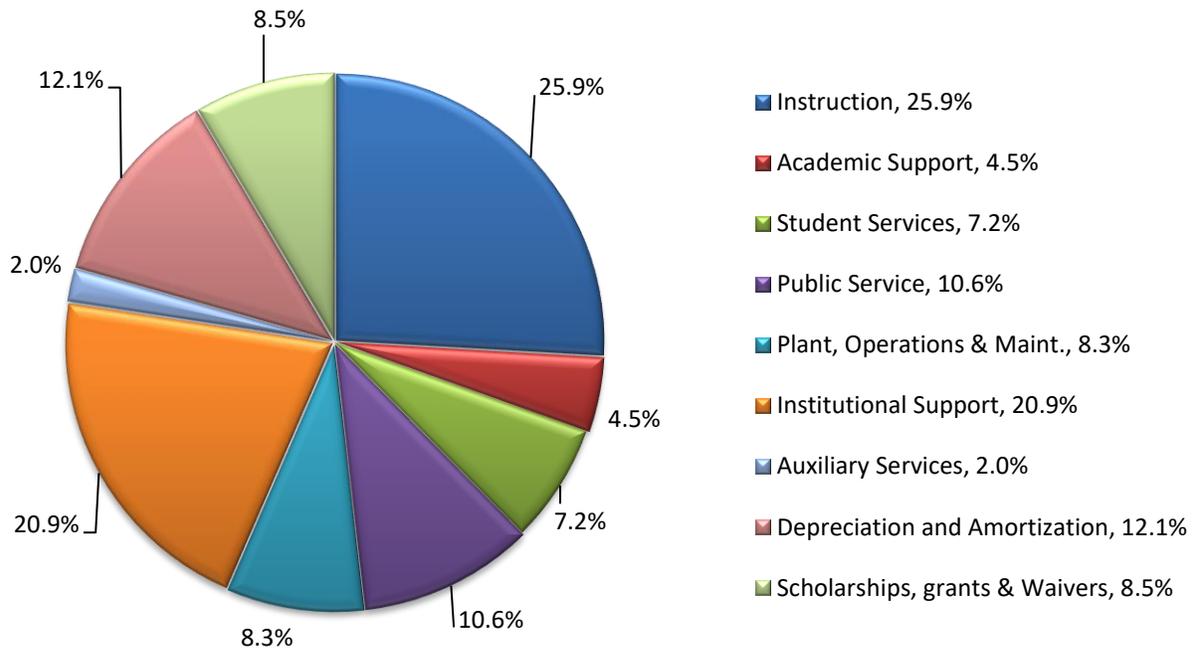
The following is a graphic illustration comparing fiscal years 2023, 2022, and 2021 expenses by function:



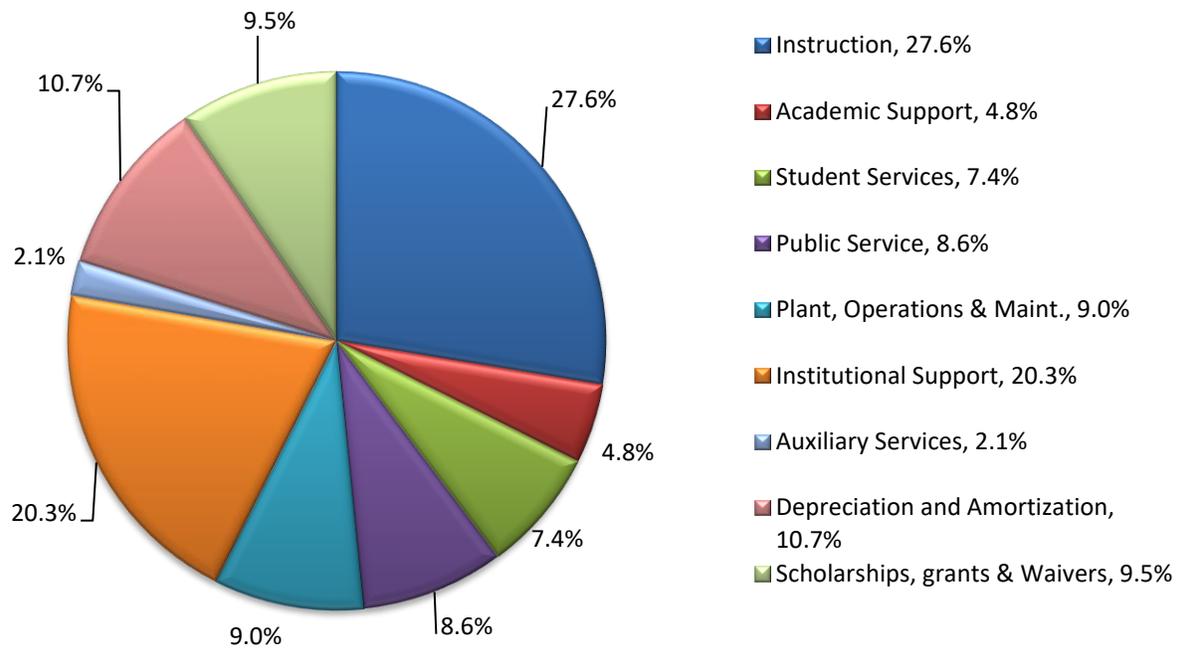
State Appropriations for the State Universities Retirement System decreased. This decrease impacts the function areas of areas of instruction, academic support, student services, public service, plant, operations & maintenance, institutional support, and auxiliary services.

The following are graphical illustrations of fiscal years 2023 and 2022 operating expenses by function.

### Percent of 2023 Operating Expenses by Function



### Percent of 2022 Operating Expenses by Function



**Fiscal Years 2023 and 2022 Operating Expenses by Object:**

	2023		2022		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Salaries	\$ 31,470,783	41.6	\$ 28,992,029	34.3	\$ 2,478,754	8.5
Employee Benefits	11,652,668	15.4	21,301,006	25.2	(9,648,338)	(45.3)
Contractual Services	5,980,743	7.9	4,606,432	5.5	1,374,311	29.8
General Materials and Supplies	3,863,697	5.1	4,165,205	4.9	(301,508)	(7.2)
Travel & Conference/Meeting Expense	1,005,354	1.3	721,297	0.9	284,057	39.4
Fixed Charges	4,785,080	6.3	2,745,857	3.2	2,039,223	74.3
Utilities	1,797,194	2.4	2,144,355	2.5	(347,161)	(16.2)
Depreciation and Amortization	9,139,323	12.1	9,036,085	10.7	103,238	1.1
Other	5,981,871	8.0	10,782,189	12.9	(4,800,318)	(44.5)
Total Expenses by Object	\$ 75,676,713	100.1	\$ 84,494,455	100.1	\$ (8,817,742)	(10.4)

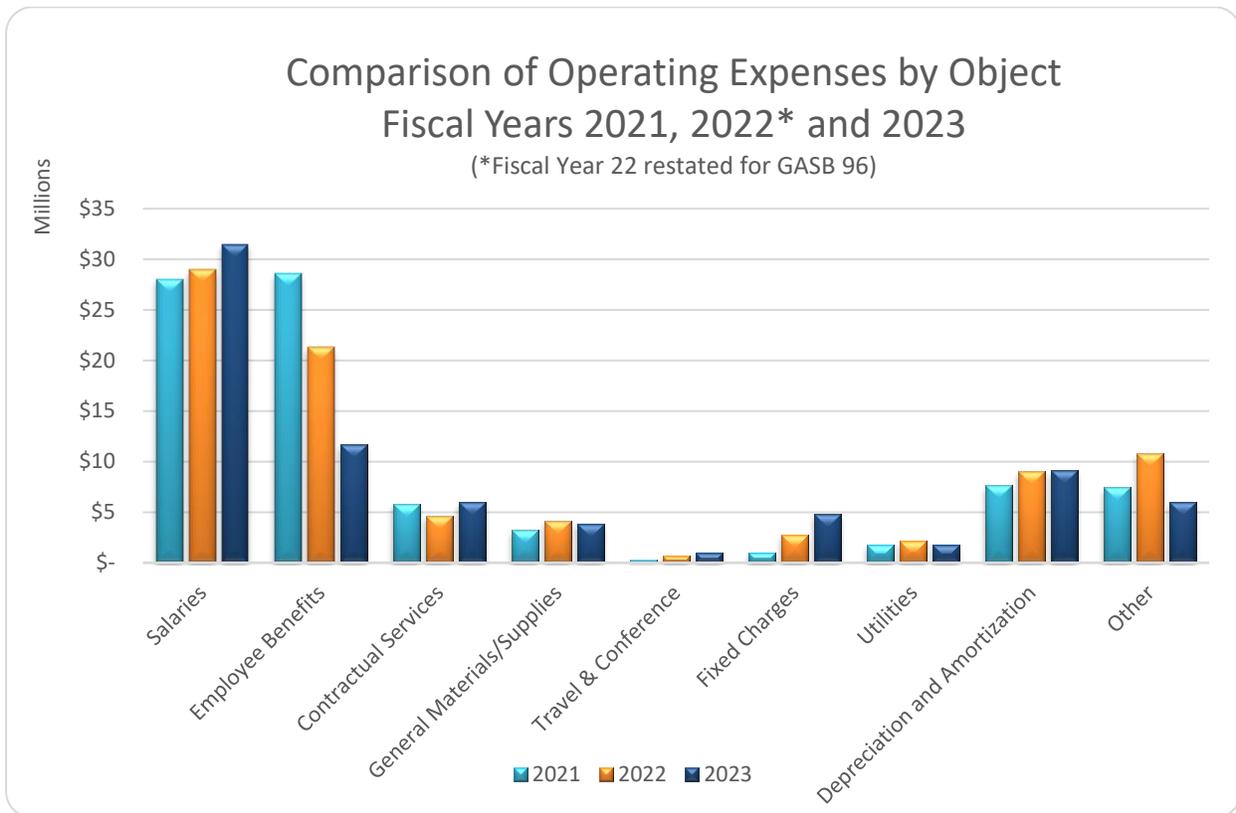
**2023 Analysis of Operating Expenses by Object:** Overall, the College's fiscal year operating expenses decreased \$8,817,742 or 10.4 percent. Salaries increased \$2,478,754 due to annual increases, and an increase in the number of positions that are paid by grant funding. The decrease in employee benefits of approximately \$9,648,338 is due to a decrease of \$7,803,250 decrease in Other Postemployment Benefits (OPEB) expense due the change used in the liability calculation from 1.92 percent as of June 30,2021 to 3.39 percent at June 30, 2022 and a decrease of \$2,454,166 from the State Universities Retirement System of Illinois Pension plan (SURS) on-behalf. Contractual Services increased \$1,374,311 in part due to an increase in professional services for capital projects on campus. The increases in fixed charges of \$2,039,223 was due the retirement of subscription-based information technology arrangements under GASB 96. The decrease of \$4,800,318 in Other Expenses which is attributed to a reduction in expenditures of both the student and institutional portions of the HEERF grant funds those grants had their final distributions.

**Fiscal Years 2021 and 2020 Operating Expenses by Object:**

	2022		2021		Increase (Decrease)	Percent Change
	Amount	% of total	Amount	% of total		
Salaries	\$ 28,992,029	34.3	\$ 28,034,582	33.4	\$ 957,447	3%
Employee Benefits	21,301,006	25.2	28,595,895	34.1	(7,294,889)	(25%)
Contractual Services	4,606,432	5.5	5,816,276	6.9	(1,209,844)	(20%)
General Materials and Supplies	4,165,205	4.9	3,215,965	3.8	949,240	29%
Travel & Conference/Meeting Expense	721,297	0.9	327,705	0.4	393,592	120%
Fixed Charges	2,745,857	3.2	1,021,570	1.2	1,724,287	168%
Utilities	2,144,355	2.5	1,817,956	2.2	326,399	18%
Depreciation and Amortization	9,036,085	10.7	7,643,514	9.1	1,392,571	18%
Other	10,782,189	12.9	7,426,685	8.9	3,355,504	45%
Total Expenses by Object	\$ 84,494,455	100.1	\$ 83,900,148	100.0	\$ 594,307	0.7%

**2022 Analysis of Operating Expenses by Object:** Overall, the College's fiscal year operating expenses increased \$594,307 or 0.7 percent. The decrease in employee benefits of approximately \$7,294,889 is due to a decrease of \$6,088,397 from the State Universities Retirement System of Illinois Pension plan (SURS) on-behalf and a decrease in Other Postemployment Benefits (OPEB) expense of \$890,575 Contractual Services decreased \$1,209,844 which is attributed to in the prior fiscal year the College experienced increased expenditures during recovery from tornado damages in August, 2020. Increases in general materials and supplies of \$949,240 was due to grant expenditures. The increase in fixed charges is due to changes in debt service. The increase of \$3,355,504 in Other Expenses which is attributed to expenditure of both the student and institutional portions of the HEERF grant funds.

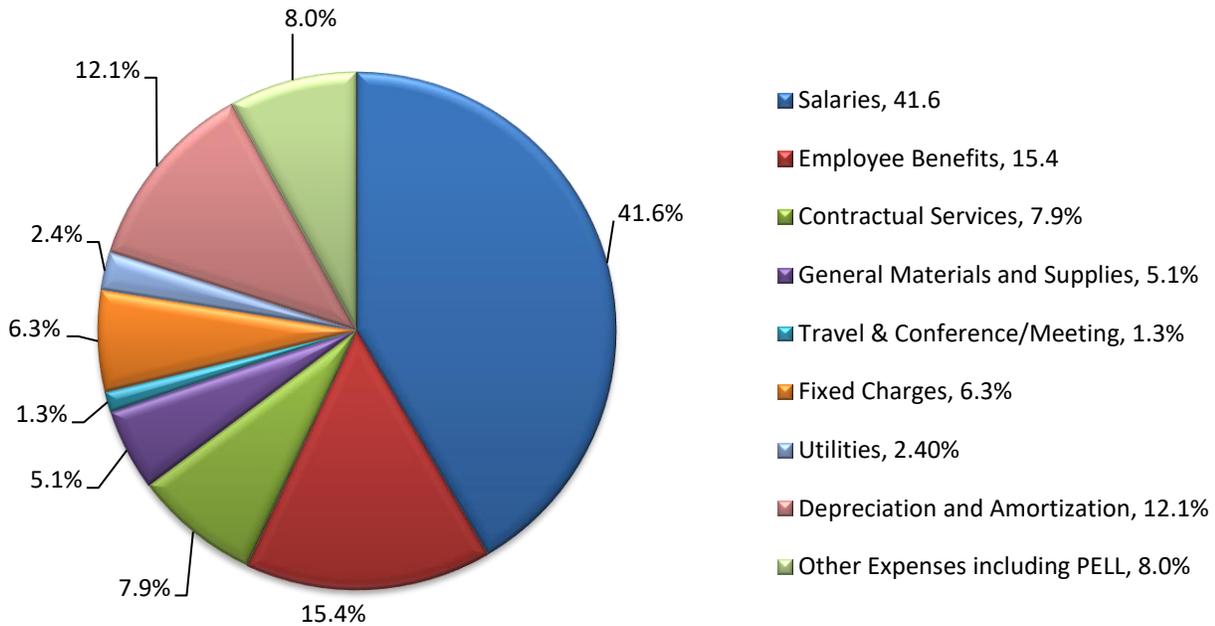
The following is a graphic illustration comparing fiscal years 2023, 2022, and 2021 expenses by object:



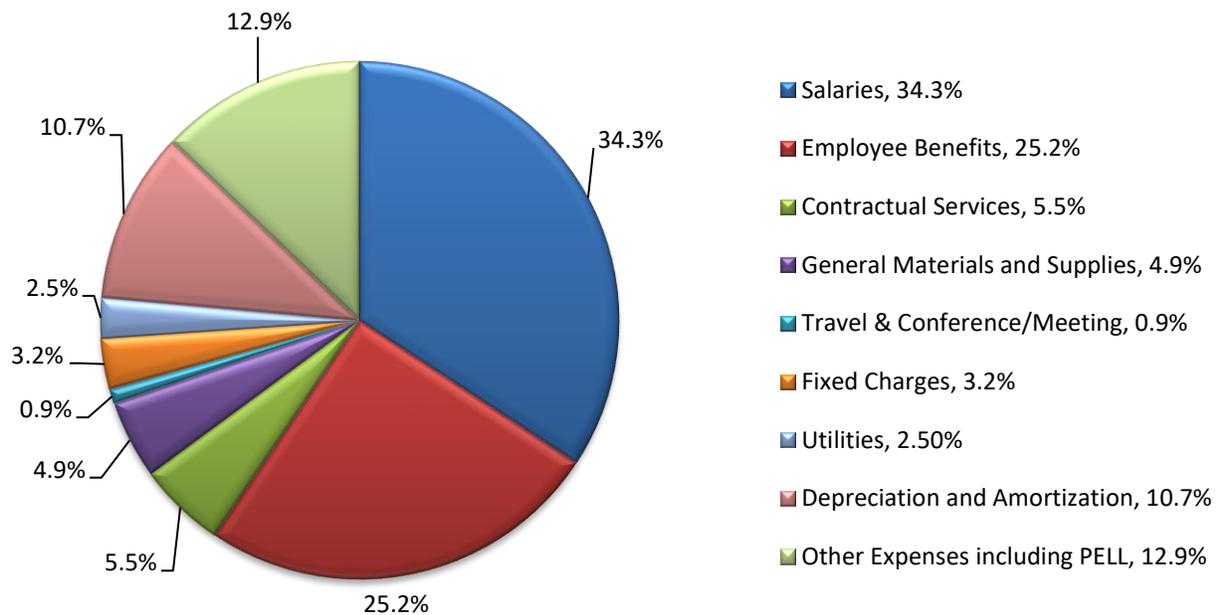
Total salaries increased this year due to a full return to new normality post COVID-19 as more individuals return for classes in person taught through Community and Continuing Education, an increase in position due to the availability of grant funding. Employee benefits decreased this past year due to a decrease in Other Postemployment Benefits (OPEB), in SURS pension plan “on-behalf” expenses. Contractual services increased due to professional services rendered for capital projects on campus. General material/supplies decreased due a net reduction in the purchase of furniture and equipment. Travel and conferences increased as post-COVID travel continued to increase. Fixed charges increased due the retirement of subscription-based information technology arrangements under GASB 96. Other expenses decreased due to the final distribution of the HEERF grant funds.

The following are graphical illustrations of fiscal years 2023 and 2022 operating expenses by object.

### Percent of 2023 Operating Expenses by Object



### Percent of 2022 Operating Expenses by Object



**Fiscal Years 2023 and 2022 Capital Assets & Long-Term Debt:**

Net Capital Assets	June 30		Increase (Decrease)	Percent Change
	2023	2022		
<b>Capital &amp; Tangible Assets</b>				
Land	\$ 1,463,639	\$ 200,000	\$ 1,263,639	631.8
Land and improvements	16,317,807	16,317,807	-	-
Building and improvements	209,360,686	200,369,470	8,991,216	4.5
Equipment	32,736,788	32,797,630	(60,842)	(0.2)
Fine Art / Historic Treasures	102,000	102,000	-	-
Construction in progress	2,894,968	9,562,192	(6,667,224)	(69.7)
Total gross assets	262,875,888	259,349,099	3,526,789	1.4
Total accumulated depreciation	(158,228,946)	(152,568,656)	(5,660,290)	3.7
Total	\$ 104,646,942	\$ 106,780,443	\$ (2,133,501)	(2.0)
<b>Intangible Assets</b>				
Land and equipment	1,535,751	1,535,751	-	-
Software	4,359,244	4,250,199	109,045	2.6
Total accumulated amortization	(2,622,954)	(1,308,543)	(1,314,411)	100.4
Total	\$ 3,272,041	\$ 4,477,407	\$ (1,205,366)	(26.9)
Total Capital Assets, Net	\$ 107,918,983	\$ 111,257,850	\$ (3,338,867)	(3.0)

**2023 Capital Assets:** The capital and tangible assets cost balance increased by approximately \$3,526,787 from \$259,349,097 one year ago to \$262,875,886. The decrease in construction in progress is largely due to the completion of the buildout of the Advanced Technology Center. The current year's depreciation expense of approximately \$7,824,911 decreased over the prior year depreciation expense of approximately \$7,869,910. Intangible Assets includes the implementation of GASB Statement 87, *Leases* in fiscal year 2021. GASB Statement 96, *Subscription-Based Information Technology Arrangements* was implemented in fiscal year 2023 and fiscal year 2022 is restated to reflect the impact and as a result, intangible assets, net, decreased \$1,205,366 from \$4,477,407 to \$3,272,041. The increase in software was due to the inception of new subscription-based information technology arrangements during the year.

**2023 Long-term Debt:** As of June 30, 2023, the College's bonds payable decreased from \$58,032,476 to \$46,801,135. The decrease is attributable to the principal payments of Series 2015E, Series 2017C and Series 2022A. The unamortized bond premium decreased \$561,341. Rock Valley College is scheduled to pay off its bonded debt in FY 2028.

The College's accrued compensated absences balance for fiscal year 2023 was \$960,933, with the current portion due within one year at \$144,140. Accrued compensated absences increased by \$97,719 from the fiscal year 2022 balance of \$863,214.

During fiscal year 2023, the College implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement required the College to recognize subscription liability for the amounts owed on these subscription-based information technology arrangement (SBITA) contracts offset by a capitalized asset. These subscription-based information technology arrangements were previously classified as operating expenses and recognize the outflows of resources based on the contractual payment provisions. As of June 30, 2022, the SBITA liability was \$2,361,398 with the current portion amounting to \$918,903.

In fiscal year 2022, the College implemented GASB Statement No. 87, *Leases*. This statement required the College to recognize certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the contractual payment provisions. Under this statement the lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As of June 30, 2023, the lease liability and intangible right to use lease asset was \$943,437 with the current portion amounting to \$173,437. The lease receivable and deferred inflow of resources was \$6,088,027.

In 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 2022, this decreased from \$23,995,913 to \$9,210,308. This change was the result of the discount rate assumption change in the actuarial valuation of the State of Illinois College Insurance Program (CIP) an assumption changes by the State of Illinois from 1.92 percent to 3.69 percent causing the OPEB liability to decrease.,

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, 2023, early termination payable was \$289,077 with the current portion amounting to \$42,080. The net increase in early retirement benefits amounted to \$35,763.

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 2023, 2022, and 2021 Net Position:**

Analysis of Net Position:	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Net investment in capital assets	\$ 61,700,714	47.1	\$ 53,072,597	49.6	\$ 46,307,312	48.2
Restricted debt service	6,708,297	5.1	7,012,618	6.5	6,241,317	6.5
Restricted liability, protection and settlement	3,307,441	2.5	3,588,358	3.4	4,775,289	5.0
Other restricted	1,840,155	1.4	1,791,972	1.7	7,553,011	7.9
Unrestricted	57,502,420	43.9	41,622,723	38.9	31,194,870	32.5
Total Net Position	<u>\$ 131,059,027</u>	<u>100.0</u>	<u>\$ 107,088,268</u>	<u>100.0</u>	<u>\$ 96,071,799</u>	<u>100.0</u>

2023 Analysis: The College’s net position increased by \$23,970,759 in 2023 to \$131,059,027 due to increases in net investment in capital assets, and unrestricted net position. These increases were offset by decreases in debt service, liability, protection, and settlement and other restricted.

2022 Analysis: The College’s net position increased by \$11,016,469 in 2022 to \$107,088,268 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.

**Economic Factors That May Affect the Future:**

The College continues to be concerned with the underfunding of community colleges 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 continues to track is proposed legislation for pension and retiree healthcare benefits; both of which may have a significant impact on the College. Interest rates have increased; however, the uncertainty of the economy and effects of inflation results in uncertainty regarding future interest rates and the impact on the revenue the College generates from working cash and bond proceeds to help finance operations and capital investment. Inflation pressure and supply chain issues have increased costs for the College.

The unemployment rate throughout the State and community has continued to stabilize from when the COVID-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 4.5%, down slightly from 4.8% a year ago. Currently, the full impact of the COVID-19 pandemic is still unknown on the impact on the future enrollment as the trends illustrate students did take a gap year, however enrollment at community colleges is starting to increase slightly. The College has seen a return of student preferring face-to-face instruction as opposed to virtual. The College continues its commitment to maintain low tuition costs and fees to provide affordable education and training for members of the community. 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. The College saw an increase in the assessed evaluations of the College's districts for Levy Year 2022. Therefore, it only increased tuition rates by five (5) dollars per credit hour for fiscal year 2023.

***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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 44,618,231	\$ 70,627,387
Investments	44,527,205	9,379,987
Receivables		
Due from component unit	786,982	198,546
Property taxes, net of allowance for uncollectible balances of \$196,200 for 2023 and \$177,900 for 2022	15,557,856	13,455,804
Accounts, net of allowance for uncollectible balances of \$1,670,798 for 2023 and \$1,371,317 for 2022	13,350,237	13,878,263
Accrued interest	936,777	21,868
Lease receivable	6,088,027	6,478,085
Cash held by paying agent	692,438	347,044
Prepaid items	433,087	297,645
Restricted cash and cash equivalents	11,602,671	12,404,446
Restricted investments	218,356	212,269
	<u>138,811,867</u>	<u>127,301,344</u>
<b>NONCURRENT ASSETS</b>		
Capital assets and intangible capital assets	268,770,883	265,135,049
Less accumulated depreciation and accumulated amortization	(160,851,900)	(153,877,199)
Other noncurrent assets	1,709,974	1,761,931
	<u>109,628,957</u>	<u>113,019,781</u>
Total noncurrent assets		
Total assets	<u>248,440,824</u>	<u>240,321,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized loss on refunding	1,130,276	1,542,498
Deferred pension/OPEB expense	1,425,776	1,746,273
	<u>2,556,052</u>	<u>3,288,771</u>
Total deferred outflows of resources		
Total assets and deferred outflows of resources	<u>250,996,876</u>	<u>243,609,896</u>

(This statement is continued on the following page.)

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

STATEMENTS OF NET POSITION (Continued)

June 30, 2023 and 2022

	2023	2022
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,974,162	\$ 2,636,883
Accrued payroll	1,104,049	1,014,180
Accrued interest	747,839	514,582
Claims payable	1,221,492	1,257,424
Other accrued liabilities	434,696	437,739
Compensated absences	144,140	129,482
Bonds payable, current portion	11,121,553	6,171,341
Lease payable, current portion	173,354	246,995
SBITA payable, current portion	918,903	1,009,916
Early termination payable, current portion	42,080	34,914
OPEB liability, current portion	140,703	126,881
Unearned revenue		
Tuition and fees	8,427,744	8,855,388
Bookstore and Starlight Theater	247,832	197,955
Grant revenue	2,930,280	3,587,279
Other revenue	1,792,431	1,886,369
	31,421,258	28,107,328
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	816,793	733,732
Bonds payable	35,679,582	51,861,135
Lease payable	770,083	943,437
SBITA payable	1,442,495	2,252,353
Early termination payable	246,997	218,400
OPEB liability	9,069,605	23,869,032
	48,025,555	79,878,089
<b>Total noncurrent liabilities</b>		
	79,446,813	107,985,417
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes	16,973,849	14,748,915
Leases	6,088,027	6,478,085
Deferred OPEB expense	17,429,160	7,309,211
	40,491,036	28,536,211
<b>Total deferred inflows of resources</b>		
	119,937,849	136,521,628
<b>NET POSITION</b>		
Net investment in capital assets	61,700,714	53,072,597
Restricted for		
Liability protection and settlement	3,307,441	3,588,358
Debt service	6,708,297	7,012,618
Audit	65,486	61,701
Capital improvements	1,577,340	1,577,339
Pension contributions	197,329	152,932
Unrestricted	57,502,420	41,622,723
	131,059,027	107,088,268
<b>TOTAL NET POSITION</b>		
	\$ 131,059,027	\$ 107,088,268

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
Student tuition and fees, net of scholarship allowances of \$5,228,182 for 2023 and \$6,178,415 for 2022	\$ 14,972,460	\$ 13,068,084
Sales and service fees	1,273,848	1,070,703
Auxiliary services revenue	13,034	23,267
Other operating revenues	2,347,885	2,470,734
	<hr/>	
Total operating revenues	18,607,227	16,632,788
<b>OPERATING EXPENSES</b>		
Instruction	19,562,649	23,358,364
Academic support	3,382,100	4,028,560
Student services	5,456,086	6,229,259
Public service	8,008,855	7,252,297
Operations and maintenance of plant	6,266,497	7,585,003
Institutional support	15,852,224	17,136,856
Auxiliary services	1,519,294	1,812,617
Depreciation and amortization	9,139,323	9,036,085
Scholarships, grants and waivers	6,489,685	8,055,414
	<hr/>	
Total operating expenses	75,676,713	84,494,455
OPERATING INCOME (LOSS)	<hr/> (57,069,486)	<hr/> (67,861,667)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Local property taxes	31,849,169	29,480,254
Personal property replacement tax	5,194,536	4,595,736
State appropriations	8,117,466	14,389,445
State grants and contracts	15,585,632	12,789,483
Federal grants and contracts	18,067,124	18,142,914
Local grants and contracts	562,192	446,764
Investment income	3,213,970	(1,130)
Interest on capital assets - related debt	(1,557,042)	(1,227,646)
	<hr/>	
Non-operating revenues (expenses)	81,033,047	78,615,820
<b>CAPITAL CONTRIBUTIONS</b>	<hr/> 7,198	<hr/> 262,316
CHANGE IN NET POSITION	23,970,759	11,016,469
NET POSITION, JULY 1	<hr/> 107,088,268	<hr/> 96,071,799
<b>NET POSITION, JUNE 30</b>	<hr/> <u>\$ 131,059,027</u>	<hr/> <u>\$ 107,088,268</u>

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, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 13,751,747	\$ 12,701,789
Sales and service fees	1,273,848	1,070,703
Auxiliary enterprise charges	13,034	23,267
Cash paid to suppliers	(25,464,338)	(34,128,264)
Cash paid to employees	(35,649,139)	(29,068,045)
Other	2,452,316	2,454,288
	(43,622,532)	(46,946,262)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local property taxes	31,972,051	29,507,033
Local grants and contracts	(26,244)	502,006
State grants and contracts	16,851,958	14,927,622
Personal property replacement tax	5,194,536	4,595,736
Federal grants and contracts	17,368,144	18,345,090
	71,360,445	67,877,487
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond payments	(10,670,000)	(9,755,000)
Lease and SBITA payments	(1,256,911)	(1,034,654)
Purchases of capital assets	(7,949,603)	(4,867,856)
Interest paid on capital debt	(1,818,276)	(1,380,142)
	(21,694,790)	(17,037,652)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(35,147,218)	(9,379,987)
Interest received	2,293,164	(9,855)
	(32,854,054)	(9,389,842)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(26,810,931)	(5,496,269)
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	83,031,833	88,528,102
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ 56,220,902	\$ 83,031,833

(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, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>RECONCILIATION OF OPERATING INCOME</b>		
<b>(LOSS) TO NET CASH FLOWS FROM</b>		
<b>OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (57,069,486)	\$ (67,861,667)
Adjustments to reconcile net operating income (loss) to net cash from operating activities		
Proportionate share of State pension expense	12,418,704	14,789,048
Proportionate share of State retiree health insurance expense	(4,301,453)	(397,757)
Depreciation and amortization	9,139,323	9,036,085
Changes in assets and liabilities		
(Increase) decrease in receivables, net	(738,300)	(738,300)
(Increase) decrease in prepaid items	(135,442)	124,311
Increase (decrease) in accounts payable	1,602,672	(2,264,145)
Increase (decrease) accrued payroll	89,869	(56,180)
Increase (decrease) in compensated absences	97,719	38,374
Increase (decrease) in claims payable	(35,932)	215,538
Increase (decrease) in early retirement payable	35,763	(1,849)
Increase (decrease) in OPEB liability	(14,785,605)	(338,026)
Increase (decrease) in deferred inflows	10,119,949	621,122
(Increase) decrease in deferred outflows	320,497	(577,228)
Increase (decrease) in other accrued liabilities	(3,043)	110,699
Increase (decrease) in unearned tuition and fees	(427,644)	426,774
Increase (decrease) in other unearned revenue	49,877	(73,061)
	<b>\$ (43,622,532)</b>	<b>\$ (46,946,262)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	\$ 44,618,231	\$ 70,627,387
Restricted cash and cash equivalents	11,602,671	12,404,446
	<b>\$ 56,220,902</b>	<b>\$ 83,031,833</b>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		
<b>SUPPLEMENTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributed capital asset	\$ 7,198	\$ 262,316
Capital asset purchases included in accounts payable	332,063	2,597,456
Proportionate share of State pension expense	12,418,704	14,789,048
Proportionate share of State OPEB expense	(4,301,453)	(397,757)
Issuance of refunding bonds	-	39,059,326
Issuance costs on refunding bonds	-	499,969
Refunding escrow payments	-	(38,559,357)
	<b>\$ 8,456,512</b>	<b>\$ 18,251,001</b>
<b>TOTAL SUPPLEMENTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		

See accompanying notes to financial statements.

**DISCRETELY PRESENTED COMPONENT UNIT**

**ROCK VALLEY COLLEGE FOUNDATION  
ROCKFORD, ILLINOIS**

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,682,758	\$ 708,255
Investments	8,174,394	7,421,736
Pledges receivable, net	248,611	349,130
Investments, long-term	7,786,570	7,353,228
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 17,892,333</b>	<b>\$ 15,832,349</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 288	\$ 62
Due to Rock Valley College		
General operating	289,554	52,595
Scholarships payable	468,727	135,613
Campaign payable	5,000	5,000
Program payable	23,701	5,338
	<hr/>	<hr/>
Total liabilities	787,270	198,608
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated for scholarships endowment	101,441	73,160
Board designated for endowments	1,399,075	1,306,883
Board designated for program	-	25,653
Undesignated	3,610,072	2,946,879
	<hr/>	<hr/>
Total without donor restrictions	5,110,588	4,352,575
	<hr/>	<hr/>
With donor restrictions	11,994,475	11,281,166
	<hr/>	<hr/>
Total net assets	17,105,063	15,633,741
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 17,892,333</b>	<b>\$ 15,832,349</b>
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See accompanying notes to financial statements.

**DISCRETELY PRESENTED COMPONENT UNIT**

**ROCK VALLEY COLLEGE FOUNDATION  
ROCKFORD, ILLINOIS**

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>						
Donations	\$ 775,667	\$ 568,989	\$ 1,344,656	\$ 523,553	\$ 1,188,460	\$ 1,712,013
Donated goods	66,354	-	66,354	72,530	-	72,530
Interest and dividend income	261,542	350,102	611,644	212,308	137,579	349,887
Net realized gain (loss) on sales of investments	(29,933)	(34,065)	(63,998)	37,568	(15,354)	22,214
Net unrealized gain (loss) on investments held	191,369	381,334	572,703	(923,394)	(1,142,202)	(2,065,596)
Net assets released from restriction	553,051	(553,051)	-	490,442	(490,442)	-
Total revenue, gains and other support	1,818,050	713,309	2,531,359	413,007	(321,959)	91,048
<b>EXPENSES</b>						
Program						
Educational	656,922	-	656,922	579,899	-	579,899
General and administrative	326,951	-	326,951	286,151	-	286,151
Fundraising	117,170	-	117,170	86,498	-	86,498
Total expenses	1,101,043	-	1,101,043	952,548	-	952,548
Transfer from affiliate - donated services and occupancy from Rock Valley College	41,006	-	41,006	50,998	-	50,998
CHANGE IN NET ASSETS	758,013	713,309	1,471,322	(488,543)	(321,959)	(810,502)
NET ASSETS, BEGINNING OF YEAR	4,352,575	11,281,166	15,633,741	4,841,118	11,603,125	16,444,243
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,110,588</b>	<b>\$ 11,994,475</b>	<b>\$ 17,105,063</b>	<b>\$ 4,352,575</b>	<b>\$ 11,281,166</b>	<b>\$ 15,633,741</b>

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2023 and 2022

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**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 (hereinafter referred to as generally accepted accounting principles (GAAP)) 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

GAAP requires 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)

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**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**  
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**ROCKFORD, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**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, 2023 and 2022.

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.

Intangible assets represent the College's right-to-use leased assets and software. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets and software. These intangible assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset.

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Capital Assets (Continued)

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

j. Unearned Tuition and Fee Revenue

Tuition and fee revenues received or receivable and related to the summer or fall period after June 30, 2023 and 2022 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

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Compensated Absences (Continued)

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, 2023 and 2022, 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.

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.

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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, 2022 and 2021, 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, 2023 and 2022, 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.

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**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, 2023 and 2022.

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

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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

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

Investments

As of June 30, 2023, 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	\$ 31,814,630	\$ 6,365,815	\$ 11,650,271	\$ 13,798,544
U.S. Treasury obligations	12,843,768	10,750,379	2,093,389	-
<b>TOTAL</b>	<b>\$ 44,658,398</b>	<b>\$ 17,116,194</b>	<b>\$ 13,743,660</b>	<b>\$ 13,798,544</b>

As of June 30, 2022, the College had investments and maturities as follows:

Investment	Fair Value	Investment Maturities		
		Less Than 6 Months	6 Months to 1 Year	1 Year to 3 Years
Negotiable certificates of deposit	\$ 1,801,360	\$ 25,004	\$ 778,196	\$ 998,160
U.S. agency obligations	997,807	997,807	-	-
U.S. Treasury obligations	6,485,328	2,337,926	2,453,252	1,694,150
<b>TOTAL</b>	<b>\$ 9,284,495</b>	<b>\$ 3,360,737</b>	<b>\$ 3,231,448</b>	<b>\$ 2,692,310</b>

The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

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

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**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Investments (Continued)

The College has the following recurring fair value measurements as of June 30, 2023 and 2022: negotiable certificates of deposit of \$31.8 million and \$1.8 million, respectively, U.S. agency obligations of \$0 and \$1.0 million, respectively, and U.S. Treasury obligations of \$12.8 million and \$6.5 million, respectively, are valued using quoted matrix pricing models (Level 2 inputs).

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

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.

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

**3. PROPERTY TAXES (Continued)**

Taxes become due and collectible in June and September and are collected by the county collector, who in turn remits to the College its respective share. The College receives these remittances approximately one month after the collection dates. The College recognizes the most recent levy passed in December as a receivable upon passage (this is the date upon which a legal claim exists and amounts are known). The College recognizes as revenue one-half of the current year levy in the current fiscal year with the second half to be recognized in the following fiscal year. The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has not been recorded as a receivable as of June 30, 2023, as the tax has not yet been levied by the College and will not be levied until December 2023 and, therefore, the levy is not measurable at June 30, 2023.

The referendum approved rates and the respective actual rates for the December 2022 and 2021 tax levies, per \$100 of assessed valuation, are reflected in the following table:

	Statutory Maximum Rate**	Referendum Approved Rate	Levy Year	
			2022 Actual Rate	2021 Actual Rate
<b>Current</b>				
Education	0.7500	0.2300	0.2276	0.2300
Operations and maintenance	0.1000	0.0400	0.0396	0.0400
Protection, health, life, or safety	*	*	0.0210	0.0000
Liability, protection and settlement	*	*	0.0220	-
Audit	0.0050	0.0050	0.0009	0.0008
Social Security/Medicare	*	*	0.0061	-
Total current			0.3172	0.2708
<b>Debt</b>				
Bond and Interest 2022 A & B	*	*	0.0905	0.0000
Bond and Interest 2015 C, D & E	*	*	0.0397	0.0965
Bond and Interest 2017 C	*	*	0.0305	0.0872
Total debt			0.1607	0.1837
Revenue recapture adjustment	*	*	(0.0017)	0.0019
<b>TOTAL CURRENT LEVY</b>			<b>0.4762</b>	<b>0.4564</b>

Note: Rate extended by Winnebago County

\* No statutory maximum or referendum approved rate.

\*\* Statutory maximum rates disclosure for informational purposes only.

**ROCK VALLEY COLLEGE**  
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**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 2023 and 2022:

	Fiscal Year 2023			Balance June 30, 2023
	Balance June 30, 2022	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 200,000	\$ 1,263,639	\$ -	\$ 1,463,639
Construction in process	9,562,192	1,939,766	8,606,990	2,894,968
Fine art/historic treasures	102,000	-	-	102,000
Total capital assets not being depreciated	9,864,192	3,203,405	8,606,990	4,460,607
Tangible assets being depreciated				
Land improvements	16,317,807	-	-	16,317,807
Buildings	108,655,248	8,991,216	-	117,646,464
Building additions	91,714,222	-	-	91,714,222
Office equipment	2,518,880	1,445,241	29,386	3,934,735
Instructional equipment	11,543,523	323,700	1,396,999	10,470,224
Service equipment	16,491,912	11,210	580,340	15,922,782
Vehicles	2,243,315	323,629	157,897	2,409,047
Total tangible assets being depreciated	249,484,907	11,094,996	2,164,622	258,415,281
Intangible capital assets being amortized				
Land and equipment	1,535,751	-	-	1,535,751
Software	4,250,199	109,045	-	4,359,244
Total intangible capital assets being amortized	5,785,950	109,045	-	5,894,995
Less accumulated depreciation for tangible capital assets				
Land improvements	13,650,667	364,770	-	14,015,437
Buildings	37,198,504	3,262,717	-	40,461,221
Building additions	72,971,363	2,652,425	-	75,623,788
Office equipment	2,481,041	218,481	29,386	2,670,136
Instructional equipment	8,952,049	768,599	1,396,999	8,323,649
Service equipment	15,535,578	296,005	580,340	15,251,243
Vehicles	1,779,454	261,915	157,897	1,883,472
Total accumulated depreciation for tangible capital assets	152,568,656	7,824,912	2,164,622	158,228,946
Less accumulated amortization for intangible capital assets				
Land and equipment	345,319	246,995	-	592,314
Software	963,224	1,067,416	-	2,030,640
Total accumulated amortization for intangible capital assets	1,308,543	1,314,411	-	2,622,954
Total tangible and intangible capital assets being depreciated and amortized, net	101,393,658	2,064,718	-	103,458,376
<b>CAPITAL ASSETS, NET</b>	<b>\$ 111,257,850</b>	<b>\$ 5,268,123</b>	<b>\$ 8,606,990</b>	<b>\$ 107,918,983</b>

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

**4. CAPITAL ASSETS (Continued)**

	Fiscal Year 2022			
	Balance June 30, 2021, As Restated*	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in process	8,157,711	2,255,192	850,711	9,562,192
Fine art/historic treasures	102,000	-	-	102,000
Total capital assets not being depreciated	8,459,711	2,255,192	850,711	9,864,192
Tangible capital assets being depreciated				
Land improvements	15,652,034	665,773	-	16,317,807
Buildings	108,655,248	-	-	108,655,248
Building additions	91,662,472	51,750	-	91,714,222
Office equipment	2,501,859	31,958	14,937	2,518,880
Instructional equipment	9,000,972	2,600,133	57,582	11,543,523
Service equipment	16,466,304	28,508	2,900	16,491,912
Vehicles	1,843,157	400,158	-	2,243,315
Total tangible capital assets being depreciated	245,782,046	3,778,280	75,419	249,484,907
Intangible capital assets being amortized				
Land and equipment	1,396,804	138,947	-	1,535,751
Software	724,584	3,525,615	-	4,250,199
Total intangible capital assets being amortized	2,121,388	3,664,562	-	5,785,950
Less accumulated depreciation for tangible capital assets				
Land improvements	13,346,926	303,741	-	13,650,667
Buildings	34,253,020	2,945,484	-	37,198,504
Building additions	69,738,792	3,232,571	-	72,971,363
Office equipment	2,490,383	5,595	14,937	2,481,041
Instructional equipment	8,074,959	924,527	47,437	8,952,049
Service equipment	15,183,210	355,268	2,900	15,535,578
Vehicles	1,672,032	107,422	-	1,779,454
Total accumulated depreciation for tangible capital assets	144,759,322	7,874,608	65,274	152,568,656
Less accumulated amortization for intangible capital assets				
Land and equipment	147,066	198,253	-	345,319
Software	-	963,224	-	963,224
Total accumulated amortization for intangible capital assets	147,066	1,161,477	-	1,308,543
Total tangible and intangible capital assets being depreciated and amortized, net	102,997,046	(1,593,243)	10,145	101,393,658
CAPITAL ASSETS, NET	\$ 111,456,757	\$ 661,949	\$ 860,856	\$ 111,257,850

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS (Continued)**

\*Beginning balances restated as part of the College's implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. See Notes 5 and 15 for additional information.

**5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS**

Changes in long-term debt for the years ended June 30, 2023 and 2022, is as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Accrued compensated absences	\$ 863,214	\$ 227,201	\$ 129,482	\$ 960,933	\$ 144,140
Early termination benefits	253,314	70,677	34,914	289,077	42,080
OPEB liability	23,995,913	-	14,785,605	9,210,308	140,703
Community College General Obligation Bonds, Series 2015C	4,175,000	-	-	4,175,000	-
Community College General Obligation Refunding Bonds, Series 2015E	7,170,000	-	4,515,000	2,655,000	2,655,000
Community College General Obligation Bonds, Series 2017C	7,750,000	-	5,610,000	2,140,000	2,140,000
Community College General Obligation Bonds, Series 2022A	23,675,000	-	545,000	23,130,000	5,780,000
Community College General Obligation Bonds, Series 2022B	12,955,000	-	-	12,955,000	-
Unamortized bond premium	2,307,476	-	561,341	1,746,135	546,553
Lease payable	1,190,432	-	246,995	943,437	173,354
SBITA payable	3,262,269	109,045	1,009,916	2,361,398	918,903
<b>TOTAL</b>	<b>\$ 87,597,618</b>	<b>\$ 406,923</b>	<b>\$ 27,438,253</b>	<b>\$ 60,566,288</b>	<b>\$ 12,540,733</b>

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

**5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)**

	Balance June 30, 2021, Restated	Additions	Reductions	Balance June 30, 2022	Current Portion
Accrued compensated absences	\$ 824,840	\$ 162,100	\$ 123,726	\$ 863,214	\$ 129,482
Early termination benefits	255,163	33,000	34,849	253,314	34,914
OPEB liability	24,333,939	-	338,026	23,995,913	126,881
Community College General Obligation Bonds, Series 2010A	1,000,000	-	1,000,000	-	-
Community College General Obligation Bonds, Series 2015C	17,805,000	-	13,630,000	4,175,000	-
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	3,015,000	-	3,015,000	-	-
Community College General Obligation Bonds, Series 2017C	13,490,000	-	5,740,000	7,750,000	5,610,000
Community College General Obligation Bonds, Series 2022A	-	23,675,000	-	23,675,000	-
Community College General Obligation Bonds, Series 2022B	-	12,955,000	-	12,955,000	-
Unamortized bond premium	1,385,907	1,226,772	305,203	2,307,476	561,341
Lease payable	1,249,738	138,947	198,253	1,190,432	246,995
SBITA payable	724,584	3,525,615	987,930	3,262,269	1,009,916
<b>TOTAL</b>	<b>\$ 93,424,171</b>	<b>\$ 41,716,434</b>	<b>\$ 47,542,987</b>	<b>\$ 87,597,618</b>	<b>\$ 7,719,529</b>

**ROCK VALLEY COLLEGE**  
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**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, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Community College General Obligation Bonds, Series 2015C, issued June 2015 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on October 1, 2026 through October 1, 2029. Interest at 0.90% to 1.20% is due April 1 and October 1 of each year.	\$ 4,175,000	\$ 4,175,000
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.	2,655,000	7,170,000
Community College General Obligation Bonds, Series 2017C, issued June 2017 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on January 1, 2019 through January 1, 2024. Interest at 2.02% is due January 1 and July 1 of each year.	2,140,000	7,750,000
Community College General Obligation Bonds, Series 2022A, issued March 2022 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on July 1, 2022 through January 1, 2026. Interest at 3% is due January 1 and July 1 of each year.	23,130,000	23,675,000
Community College General Obligation Bonds, Series 2022B, issued March 2022 under the provisions of the Public Community College Act of the State of Illinois. Principal payments are due annually beginning on July 1, 2022 through January 1, 2027. Interest at 5% is due January 1 and July 1 of each year.	<u>12,955,000</u>	<u>12,955,000</u>
<b>TOTAL</b>	<u>\$ 45,055,000</u>	<u>\$ 55,725,000</u>

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

**5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)**

General Obligation Bonds (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 10,575,000	\$ 1,566,653	\$ 12,141,653
2025	10,830,000	1,310,200	12,140,200
2026	11,155,000	985,300	12,140,300
2027	11,635,000	501,595	12,136,595
2028	860,000	14,620	874,620
<b>TOTAL</b>	<b>\$ 45,055,000</b>	<b>\$ 4,378,368</b>	<b>\$ 49,433,368</b>

The June 30, 2023 legal debt margin of the College was \$160,822,075. The debt margin was computed as 2.875% of the equalized assessed valuation of \$7,160,941,744 less outstanding bond indebtedness of \$45,055,000.

The June 30, 2022 legal debt margin of the College was \$136,428,428. The debt margin was computed as 2.875% of the equalized assessed valuation of \$6,683,597,509 less outstanding bond indebtedness of \$55,725,000.

Leases

The College entered into a lease arrangement on June 1, 2021, for the right-to-use copy machines. Payments of \$814 are due in monthly installments, through June 2026. Total intangible right-to-use assets acquired under this agreement are \$45,910.

The College entered into a lease arrangement on February 12, 2019, for the right-to-use the RVC Downtown facilities. Payments of \$13,015 are due in monthly installments, through September 2025. Total intangible right-to-use assets acquired under this agreement are \$637,601.

The College entered into a lease arrangement on January 10, 2022, for the right-to-use copiers. Payments of \$7,397 are due in monthly installments, through August 2023. Total intangible right-to-use assets acquired under this agreement are \$98,262.

The College entered into a lease arrangement on February 28, 2014, for the right-to-use land. Payments of \$942 to \$2,056 are due in monthly installments, through 2074. Total intangible right-to-use assets acquired under this agreement are \$566,226.

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NOTES TO FINANCIAL STATEMENTS (Continued)

**5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)**

Leases (Continued)

Future principal and interest payments, were as follows:

Fiscal Year Ending June 30,	Leases	
	Principal	Interest
2024	\$ 173,354	\$ 15,008
2025	164,966	12,301
2026	49,562	9,748
2027	2,314	8,994
2028	2,351	8,957
2029-2033	12,341	44,200
2034-2038	27,109	42,796
2039-2043	31,570	40,391
2044-2048	43,369	37,502
2049-2053	48,459	33,783
2054-2058	70,827	29,233
2059-2063	79,677	23,125
2064-2068	104,657	15,964
2069-2073	116,337	7,026
2074-2075	16,544	262
<b>TOTAL</b>	<b>\$ 943,437</b>	<b>\$ 329,290</b>

Subscription Based Information Technology Arrangements

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the College's SBITA activity is as follows:

The College entered into 11 different SBITA agreements for the right to use various software. The SBITAs are payable in monthly and annual principal and interest installments of \$6,400 to 579,810 annually through 2027. The total intangible right-to-use asset acquired under these SBITAs is \$4,359,245. During the fiscal year ended June 30, 2023, the College paid \$1,009,916 in principal towards the SBITA and recognized amortization expense of \$1,067,416. During the fiscal year ended June 30, 2022, the College paid \$987,930 in principal towards the SBITA and recognized amortization expense of \$963,224.

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NOTES TO FINANCIAL STATEMENTS (Continued)

**5. GENERAL OBLIGATION DEBT CERTIFICATES AND BONDS (Continued)**

Subscription Based Information Technology Arrangements (Continued)

The following schedule reflects the College's future obligations under the SBITA payable:

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2024	\$ 918,903	\$ 49,173
2025	774,187	22,733
2026	655,818	425
2027	12,490	-
<b>TOTAL</b>	<b>\$ 2,361,398</b>	<b>\$ 72,331</b>

**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](http://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

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. PENSION PLAN (Continued)**

Benefits Provided (Continued)

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, 2022, can be found in the System's annual comprehensive 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 (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 2022 and 2023 was 12.32% and 12.83%, 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, 2022 and 2021, SURS reported a net pension liability (NPL) of \$29,078,053,857 and \$28,528,477,079, respectively. The net pension liability was measured as of June 30, 2022 and 2021.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. PENSION PLAN (Continued)**

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

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the state's net pension liability associated with the College is \$185,218,189 or 0.6370% as of June 30, 2022 and \$177,539,560 or 0.6223% as of June 30, 2021. 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, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined based on the June 30, 2021 and 2020 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 2022 and 2021.

Pension Expense

At June 30, 2022, SURS reported a collective net pension expense of \$1,903,314,699 and at June 30, 2021, SURS reported a collective net pension expense of \$2,342,460,058.

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 2022 and 2021. As a result, the College recognized revenue and pension expense of \$12,123,525 for the fiscal year ended June 30, 2023 and \$14,577,691 for the fiscal year ended June 30, 2022.

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 \$197,329 in federal, trust or grant contributions for the fiscal year ended June 30, 2023 and \$152,932 as of June 30, 2022. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and 2021 and are recognized as deferred outflows of resources as of June 30, 2023 and 2022.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. PENSION PLAN (Continued)**

b. Assumptions and Other Inputs

Actuarial Assumptions

2022

Actuarial assumptions. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

2021

Actuarial assumptions. The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2021, 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	6.50% beginning with the actuarial valuation as of June 30, 2021

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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NOTES TO FINANCIAL STATEMENTS (Continued)

**6. PENSION PLAN (Continued)**

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022 and 2021, these best estimates are summarized in the following tables:

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	38.00%	7.62%
Stabilized Growth		
Public Credit Fixed Income	9.00%	4.20%
Credit Real Assets	4.50%	4.98%
Options Strategies	2.50%	4.91%
Private Credit	1.00%	7.45%
Non-Traditional Growth		
Private Equity	10.50%	11.91%
Non-Core Real Assets	2.50%	9.43%
Inflation Sensitive		
U.S. TIPS	5.00%	1.23%
Principal Protection		
Core Fixed Income	8.00%	1.79%
Crisis Risk Offset		
Systematic Trend Following	10.0%	4.33%
Alternative Risk Premia	5.00%	3.59%
Long Duration	4.00%	2.16%
Total	100.00%	6.08%
Inflation		2.25%
<b>EXPECTED ARITHMETIC RETURN</b>		<b>8.33%</b>

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NOTES TO FINANCIAL STATEMENTS (Continued)

**6. PENSION PLAN (Continued)**

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2021		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	41.00%	6.30%
Stabilized Growth		
Credit Fixed Income	14.00%	1.82%
Core Real Assets	5.00%	3.92%
Options Strategies	6.00%	4.20%
Non-Traditional Growth		
Private Equity	7.50%	10.45%
Non-Core Real Assets	2.50%	8.83%
Inflation Sensitive		
U.S. TIPS	6.00%	(0.22)%
Principal Protection		
Core Fixed Income	8.00%	(0.81)%
Crisis Risk Offset		
Systematic Trend Following	3.50%	3.45%
Alternative Risk Premia	3.00%	2.30%
Long Duration	3.50%	0.91%
	<hr/>	
Total	100.00%	4.43%
Inflation		<hr/> 2.25%
		<hr/>
EXPECTED ARITHMETIC RETURN		<hr/> 6.68%

Discount Rate

A single discount rate of 6.39% for 2022 and 6.12% for 2021 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 6.50% for 2022 and 6.50% for 2021 and a municipal bond rate of 3.69% for 2022 and 1.92% for 2021 (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 and assumed that plan member contributions will be made at

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. PENSION PLAN (Continued)**

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, 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 6.39% for 2022 and 6.12% for 2021, 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:

	2022		
	1% Decrease (5.39%)	Current Single Discount Rate Assumption (6.39%)	1% Increase (7.39%)
Net pension liability	\$ 35,261,802,968	\$ 29,078,053,857	\$ 23,928,731,076
	2021		
	1% Decrease (5.12%)	Current Single Discount Rate Assumption (6.12%)	1% Increase (7.12%)
Net pension liability	\$ 35,000,704,353	\$ 28,528,477,079	\$ 23,155,085,730

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. RETIREMENT COMMITMENTS**

Defined Contribution Pension Plan

a. Plan Description

The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all 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 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 governed by Chapter 40, Act 5, Article 15 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](http://www.SURS.org). The RSP and its benefit terms were established and may be amended by the State's General Assembly.

b. Benefits Provided

A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2023 and June 30, 2022, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.60% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. RETIREMENT COMMITMENTS (Continued)**

Defined Contribution Pension Plan (Continued)

d. Forfeitures

Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

e. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense:

For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$89,770,940. Of this amount, \$80,902,699 was funded via an appropriation from the State and \$8,868,241 was funded from previously forfeited contributions.

For the year ended June 30, 2021, the State's contributions to the RSP on behalf of individual employers totaled \$76,280,832. Of this amount, \$70,403,460 was funded via an appropriation from the State and \$5,877,372 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense:

The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022 and 2021. The College's share of pensionable contributions was 0.3288% and 0.2771%, respectively. As a result, the College recognized revenue and defined contribution pension expense of \$295,179 and \$211,367, respectively from this special funding situation during the year ended June 30, 2023 and June 30, 2022, of which \$29,160 and \$16,286 constituted forfeitures.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. EARLY RETIREMENT BENEFITS**

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

Employees that elected to take the single plan, the College pays 100% of their health insurance. Employees who elected the single plus one plan are required to pay annual premiums to the College of approximately \$7,600, and the College pays the remaining amount. To estimate the health insurance liability, the College used annual health plan cost for single, single plus one and family and calculated a medical inflation rate of 12% compounded each fiscal year through fiscal year 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, 2023 and 2022, the College has accrued \$247,277 and \$202,714, respectively. At June 30, 2023 and 2022, the number of retirees covered by the College's general health insurance plan was one. At June 30, 2023 and 2022, 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, 2023 and 2022, the College has accrued \$41,800 and \$50,600, respectively. At June 30, 2023 and 2022, the number of retirees covered by this plan was five.

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NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREE HEALTH PLAN**

Plan Description

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

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, 2023, the College reported a liability of \$9,210,308 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$9,210,308 resulting in a total OPEB liability associated with the College of \$18,420,616. The OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to June 30, 2022. 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, 2022, the College's proportionate share was 1.345434%.

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

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

At June 30, 2022, the College reported a liability of \$23,995,913 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of \$23,995,913 resulting in a total OPEB liability associated with the College of \$47,991,826. The OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to June 30, 2021. 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, 2022, the College's proportionate share was 1.382625%.

For the year ended June 30, 2023, the College recognized OPEB expense of \$4,301,453 and revenue of \$4,301,453 for support provided by the state. At June 30, 2023, 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
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 72,760	\$ 3,836,379
Changes in assumption	-	12,415,208
Changes in proportionate share and differences between college contributions and proportionate share of contributions	1,013,166	1,177,097
Contributions made after the measurement date	142,521	-
Net difference between projected and actual earnings on OPEB plan investments	-	476
	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<u>\$ 1,228,447</u>	<u>\$ 17,429,160</u>

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

**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

For the year ended June 30, 2022, the College recognized OPEB expense of \$397,757 and revenue of \$397,757 for support provided by the state. At June 30, 2022, 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
	<u>                    </u>	<u>                    </u>
Difference between expected and actual experience	\$ 151,855	\$ 1,753,817
Changes in assumption	-	4,583,979
Changes in proportionate share and differences between college contributions and proportionate share of contributions	1,312,790	971,415
Contributions made after the measurement date	126,881	-
Net difference between projected and actual earnings on OPEB plan investments	-	691
	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<b>\$ 1,591,526</b>	<b>\$ 7,309,902</b>

2023

\$142,521 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, 2024. 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</u> <u>June 30,</u>	
2024	\$ (2,723,872)
2025	(2,723,872)
2026	(2,723,872)
2027	(2,723,872)
2028	(2,723,872)
Thereafter	<u>(2,723,874)</u>
<b>TOTAL</b>	<b><u>\$ (16,343,234)</u></b>

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

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2022

\$126,881 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, 2023. 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</u> <u>June 30,</u>	
2023	\$ (974,210)
2024	(974,210)
2025	(974,210)
2026	(974,210)
2027	(974,210)
Thereafter	<u>(974,207)</u>
<b>TOTAL</b>	<b><u><u>\$ (5,845,257)</u></u></b>

2023

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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	3.50% to 12.25%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25% for non-Medicare; 19.42% trending to 4.25% for MAPD
Asset valuation method	Fair value

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

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**9. RETIREE HEALTH PLAN (Continued)**

Plan Description (Continued)

2022

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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% trending to 4.25%
Asset valuation method	Fair value

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. For disabled annuitants, mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021.

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

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**9. RETIREE HEALTH PLAN (Continued)**

Rate Sensitivity

2023

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 3.69% 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 (2.69%) or 1 percentage point higher (4.69%) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
OPEB liability	\$ 10,082,323	\$ 9,210,308	\$ 8,464,611

2022

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 1.92% 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 (0.92%) or 1 percentage point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
OPEB liability	\$ 27,338,395	\$ 23,995,913	\$ 21,109,374

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

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**9. RETIREE HEALTH PLAN (Continued)**

Rate Sensitivity (Continued)

2023

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 1 percentage point higher or lower, than the current healthcare cost trend rates. The key claims trend rates are 9.18% in fiscal year 2023 decreasing to an ultimate trend rate of 4.25% in 2039 for CCHP and MC coverage, and 2.98% in 2023 increasing to an ultimate trend rate of 4.25% in 2039 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 8,230,821	\$ 9,210,308	\$ 10,407,157

2022

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 1 percentage point higher or lower, than the current healthcare cost trend rates. The key claims trend rates are 8% in fiscal year 2023 decreasing to an ultimate trend rate of 4.25% in 2038.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	\$ 19,772,251	\$ 23,995,913	\$ 29,652,646

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

**10. RISK MANAGEMENT**

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

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. 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 (\$500 thousand); identity protection and crime (\$1 million); boiler and machinery; property (\$500 million); general liability, law enforcement liability, campus security, employee benefits, student practices, auto liability and educator’s legal liability (\$13 million); employer’s liability portion of worker’s compensation (\$2 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 \$6,092,477 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, 2023 and 2022.

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

	2023	2022	2021
CLAIMS PAYABLE, JULY 1	\$ 1,257,424	\$ 1,041,886	\$ 1,090,997
Claims paid	(6,557,404)	(6,079,652)	(4,646,833)
Claims incurred	6,521,472	6,295,190	4,597,722
CLAIMS PAYABLE, JUNE 30	<u>\$ 1,221,492</u>	<u>\$ 1,257,424</u>	<u>\$ 1,041,886</u>

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

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

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**11. RELATED PARTY TRANSACTIONS**

The College provides office space, equipment and support services for the Foundation. The value of such in-kind benefits to the Foundation was \$66,354 and \$82,689 for the years ended June 30, 2023 and 2022, respectively.

As of June 30, 2023 and 2022, cash gifts received by the Foundation from college employees amounted to approximately \$22,088 and \$20,347, respectively.

**12. TAX ABATEMENTS**

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

The College has an agreement with an industrial equipment supplier to rebate 50% of its share of property taxes paid for costs associated with the acquisition and development of property, including the construction of a 120,000 square building which would employ approximately 70 people. The term of the agreement is five years commencing with 2014 real estate taxes payable in 2015. In the event that the company stops doing business in the County of Winnebago before the abatement period is over, the abatement of the College's real estate property taxes shall cease. As of June 30, 2023 and 2022, 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, 2023 and 2022, an immaterial amount of property taxes have been abated.

**13. LESSOR DISCLOSURES**

In accordance with GASB Statement No. 87, *Leases*, the College's lessor activity is as follows:

The Collee entered into a lease arrangement on January 1, 2017, to lease certain facility space. Payments of \$43,086 are due to the College in monthly installments, through 2037. The lease agreement is noncancelable and maintains an interest rate of 1.96%. During the fiscal year 2023 and 2022, the College collected \$517,028 and \$517,028, respectively, and recognized a \$390,058 and \$382,560 reduction in the related deferred inflow of resources, respectively. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$6,088,027 and \$6,478,085 as of June 30, 2023 and 2022, respectively.

**ROCK VALLEY COLLEGE**  
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NOTES TO FINANCIAL STATEMENTS (Continued)

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**14. OTHER ASSETS**

The College entered into an agreement on June 14, 2019 for an intangible broadband agreement. Payments of \$48,000 to \$85,241 are due to the College in monthly installments, through 2048. During the fiscal year 2023 and 2022, the College collected \$51,956 and \$50,938, respectively, and recognized a \$51,956 and \$50,938 reduction in the related receivable and unearned revenue, respectively. The remaining receivable and offsetting unearned revenue for this agreement is \$1,697,474 and \$1,749,431 as of June 30, 2023 and 2022, respectively.

**15. CHANGE IN ACCOUNTING PRINCIPLE**

During the fiscal year ended June 30, 2023, the College implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). With the implementation, the College is required to record the beginning net position associated with the intangible right-to-use assets and SBITA liability as of July 1, 2021.

The beginning net position of the has been restated as follows:

Business-Type Activities

BEGINNING NET POSITION, JULY 1, 2021	<u>\$ 96,071,799</u>
Recording initial balance of intangible right-to-use SBITA assets	724,584
Recording initial balance of SBITA liability	<u>(724,584)</u>
Total net restatement	<u>-</u>
BEGINNING NET POSITION, JULY 1, 2021	<u><u>\$ 96,071,799</u></u>
BEGINNING NET POSITION, JULY 1, 2022	<u>\$ 107,063,561</u>
Record amortization on intangible right-to-use SBITA assets	(963,224)
Recording principal reduction on SBITA liability	<u>987,931</u>
Total net restatement	<u>24,707</u>
BEGINNING NET POSITION, JULY 1, 2022	<u><u>\$ 107,088,268</u></u>

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

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**16. DISCRETELY PRESENTED COMPONENT UNIT**

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

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

a. Financial Statement Presentation

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

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.

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

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**16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)**

c. Cash and Cash Equivalents

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

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2023, the Foundation's accounts exceeded federally insured limits by about \$1,088,000. 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 \$7,689 as of June 30, 2023, 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)

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**16. 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**  
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**ROCKFORD, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**16. 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.

**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, 2023

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
(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%	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	190,553,136	177,539,560	185,218,189	
<b>Total (b) + (c)</b>	<b>\$ 158,547,115</b>	<b>\$ 169,225,691</b>	<b>\$ 181,581,941</b>	<b>\$ 171,385,920</b>	<b>\$ 167,881,763</b>	<b>\$ 178,150,601</b>	<b>\$ 190,553,136</b>	<b>\$ 177,539,560</b>	<b>\$ 185,218,189</b>	
Employer pensionable wages	\$ 26,361,054	\$ 25,971,920	\$ 25,208,005	\$ 23,697,510	\$ 21,759,152	\$ 22,362,938	\$ 23,091,550	\$ 23,674,707	\$ 23,156,075	
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%	825.21%	749.91%	799.87%	
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%	45.45%	43.65%	
<b>FISCAL YEAR ENDED JUNE 30,</b>										<b>2023</b>
<b>ROCK VALLEY COLLEGE</b>										
Federal, trust, grant and other contributions	\$ 117,163	\$ 128,604	\$ 136,517	\$ 148,754	\$ 154,001	\$ 162,789	\$ 145,847	\$ 258,413	\$ 152,932	\$ 197,329
Contribution in relation to required contribution	117,163	128,604	136,517	148,754	154,001	162,789	145,847	258,413	152,932	197,329
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>								
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	\$ 27,241,844	\$ 29,452,861
Contributions as a percentage of covered payroll	0.40%	0.44%	0.48%	0.56%	0.63%	0.64%	0.54%	0.94%	0.56%	0.67%

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, 2023

<b>MEASUREMENT DATE JUNE 30,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
College's proportion of the net OPEB liability	1.433162%	1.321498%	1.304179%	1.335003%	1.382625%	1.345434%
College's proportionate share of the net OPEB liability	\$ 26,135,678	\$ 24,913,559	\$ 24,629,955	\$ 24,333,939	\$ 23,995,913	\$ 9,210,308
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	23,995,913	9,210,308
<b>TOTAL</b>	<b>\$ 51,927,127</b>	<b>\$ 49,827,118</b>	<b>\$ 49,259,910</b>	<b>\$ 48,667,878</b>	<b>\$ 47,991,826</b>	<b>\$ 18,420,616</b>
College covered payroll	\$ 27,136,238	\$ 26,003,291	\$ 25,148,542	\$ 26,371,441	\$ 28,030,802	\$ 27,464,907
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	191.36%	191.62%	195.88%	184.55%	171.21%	67.07%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)	(6.38%)	(22.03%)
<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>
Statutorily required contribution	\$ 116,632	\$ 117,789	\$ 123,430	\$ 128,552	\$ 126,881	\$ 139,536
Contribution in relation to the statutorily required contribution	116,632	117,789	123,430	128,552	126,881	139,536
<b>CONTRIBUTION EXCESS (Deficiency)</b>	<b>\$ -</b>					
Employer covered payroll	\$ 24,586,782	\$ 25,306,904	\$ 26,779,263	\$ 27,629,829	\$ 27,241,844	\$ 29,452,861
Contributions as a percentage of covered payroll	0.47%	0.47%	0.46%	0.47%	0.47%	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, 2022.

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.
- 2021: The discount rate changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.
- 2022: The discount rate changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.

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, 2023

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**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, 2023

	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
<b>FUND BALANCE JULY 1, 2022</b>	\$ 36,680,003	\$ -	\$ 24,239,720	\$ 7,012,618	\$ 3,721,225	\$ 7,926,420	\$ 61,701	\$ 3,588,358	\$ 83,230,045
<b>REVENUES</b>									
Local tax revenue	19,528,327	4,011,318	746,735	11,701,620	-	-	57,633	998,092	37,043,725
All other local revenue	-	2,345	-	50,000	3,189	148,371	-	-	203,905
ICCB grants	9,686,656	776,459	-	-	-	2,803,863	-	-	13,266,978
All other state revenue	-	-	-	-	-	10,721,555	-	-	10,721,555
Federal revenue	-	-	-	-	-	16,232,772	-	-	16,232,772
Student tuition and fees	16,970,781	1,045,767	319,638	-	1,730,179	-	-	-	20,066,365
Capital contributions	-	-	-	-	-	-	-	-	-
All other revenue	5,062,680	1,288,669	400,539	87,328	2,177,110	210,752	-	55,214	9,282,292
<b>Total revenues</b>	<b>51,248,444</b>	<b>7,124,558</b>	<b>1,466,912</b>	<b>11,838,948</b>	<b>3,910,478</b>	<b>30,117,313</b>	<b>57,633</b>	<b>1,053,306</b>	<b>106,817,592</b>
<b>EXPENDITURES</b>									
Instruction	16,389,260	-	-	-	69,061	3,144,544	-	4,440	19,607,305
Academic support	3,146,454	-	-	-	5,443	230,203	-	-	3,382,100
Student services	4,156,626	-	-	-	309,441	1,067,285	-	-	5,533,352
Public service/continuing education	590,780	-	-	-	2,349,233	5,352,426	-	-	8,292,439
Organized research	-	-	-	-	-	-	-	-	-
Auxiliary services	134	-	-	-	1,446,319	72,842	-	-	1,519,295
Operations and maintenance	148,552	6,756,990	4,824,091	-	5,606	264,914	-	60,587	12,060,740
Institutional support	9,981,611	367,568	-	12,143,269	762,413	4,564,229	53,848	1,269,196	29,142,134
Scholarships, grants and waivers	7,541	-	-	-	139,875	11,601,309	-	-	11,748,725
<b>Total expenditures</b>	<b>34,420,958</b>	<b>7,124,558</b>	<b>4,824,091</b>	<b>12,143,269</b>	<b>5,087,391</b>	<b>26,297,752</b>	<b>53,848</b>	<b>1,334,223</b>	<b>91,286,090</b>
REVENUES OVER (UNDER) EXPENDITURES	16,827,486	-	(3,357,179)	(304,321)	(1,176,913)	3,819,561	3,785	(280,917)	15,531,502
NET TRANSFERS	(14,097,008)	-	12,097,008	-	1,000,000	1,000,000	-	-	-
<b>FUND BALANCES, JUNE 30, 2023</b>	<b>\$ 39,410,481</b>	<b>\$ -</b>	<b>\$ 32,979,549</b>	<b>\$ 6,708,297</b>	<b>\$ 3,544,312</b>	<b>\$ 12,745,981</b>	<b>\$ 65,486</b>	<b>\$ 3,307,441</b>	<b>\$ 98,761,547</b>

\*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, 2023

	<b>Balance, June 30, 2022</b>	<b>Additions</b>	<b>Transfers/ Deletions</b>	<b>Balance, June 30, 2023</b>
<b>CAPITAL ASSETS</b>				
Sites and improvements	\$ 16,517,807	\$ 1,263,639	\$ -	\$ 17,781,446
Buildings, additions and improvements	209,931,662	2,619,255	295,263	212,255,654
Equipment	32,797,630	2,103,780	2,164,622	32,736,788
Other capital assets	102,000	-	-	102,000
Accumulated depreciation	(152,568,656)	(7,824,912)	(2,164,622)	(158,228,946)
Intangible assets	5,785,950	109,045	-	5,894,995
Accumulated amortization	(1,308,543)	(1,314,411)	-	(2,622,954)
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 111,257,850</b>	<b>\$ (3,043,604)</b>	<b>\$ 295,263</b>	<b>\$ 107,918,983</b>
<b>LONG-TERM DEBT</b>				
Bonds payable	\$ 55,725,000	\$ -	\$ 10,670,000	\$ 45,055,000
Bond premiums net of accumulated amortization	2,307,476	-	561,341	1,746,135
Lease payable	1,190,432	-	246,995	943,437
SBITA payable	3,262,269	109,045	1,009,916	2,361,398
OPEB liability	23,995,913	-	14,785,605	9,210,308
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 86,481,090</b>	<b>\$ 109,045</b>	<b>\$ 27,273,857</b>	<b>\$ 59,316,278</b>

(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, 2023

	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Total Operating Funds</b>
<b>OPERATING REVENUES BY SOURCE</b>			
Local government			
Local taxes	\$ 15,632,425	\$ 2,712,684	\$ 18,345,109
CPPRT	3,895,902	1,298,634	5,194,536
Other	-	2,345	2,345
Total local government	19,528,327	4,013,663	23,541,990
State government			
ICCB base operating grants	4,399,932	776,459	5,176,391
ICCB equalization grants	4,919,920	-	4,919,920
ICCB career & technical education	358,989	-	358,989
Other (include other ICCB grants not above)	7,815	-	7,815
Total state government	9,686,656	776,459	10,463,115
Student tuition and fees			
Tuition	13,447,559	1,045,767	14,493,326
Fees	3,523,222	-	3,523,222
Total tuition and fees	16,970,781	1,045,767	18,016,548
Other sources			
Sales and service fees	26,343	-	26,343
Facilities revenue	-	120,666	120,666
Investment revenue	2,725,032	1,051	2,726,083
Other	2,311,305	1,166,952	3,478,257
Total other sources	5,062,680	1,288,669	6,351,349
Total revenue	51,248,444	7,124,558	58,373,002
Less non-operating items			
Tuition chargeback revenue	-	-	-
Instructional service contracts	-	-	-
<b>ADJUSTED REVENUE</b>	<b>\$ 51,248,444</b>	<b>\$ 7,124,558</b>	<b>\$ 58,373,002</b>

(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, 2023

	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Total Operating Funds</b>
<b>OPERATING EXPENDITURES</b>			
<b>BY PROGRAM</b>			
Instruction	\$ 16,389,260	\$ -	\$ 16,389,260
Academic support	3,146,454	-	3,146,454
Student services	4,156,626	-	4,156,626
Public service/continuing education	590,780	-	590,780
Auxiliary services	134	-	134
Operations and maintenance	148,552	6,756,990	6,905,542
Institutional support	9,981,611	367,568	10,349,179
Scholarships, grants and waivers	7,541	-	7,541
	<u>34,420,958</u>	<u>7,124,558</u>	<u>41,545,516</u>
Less non-operating items			
Expense transfers from non-operating funds	(14,097,008)	-	(14,097,008)
	<u>\$ 20,323,950</u>	<u>\$ 7,124,558</u>	<u>\$ 27,448,508</u>
<b>ADJUSTED EXPENDITURES</b>			
<b>BY OBJECT</b>			
Salaries	\$ 24,123,291	\$ 2,438,099	\$ 26,561,390
Employee benefits	4,387,803	376,167	4,763,970
Contractual services	2,391,227	1,778,057	4,169,284
General materials and supplies	1,778,325	530,651	2,308,976
Conference and meeting expenses	306,611	-	306,611
Fixed charges	485,456	189,777	675,233
Utilities	7,040	1,765,322	1,772,362
Capital outlay	37,844	44,985	82,829
Other	903,361	1,500	904,861
	<u>34,420,958</u>	<u>7,124,558</u>	<u>41,545,516</u>
Less non-operating items			
Expense transfers from non-operating funds	(14,097,008)	-	(14,097,008)
	<u>\$ 20,323,950</u>	<u>\$ 7,124,558</u>	<u>\$ 27,448,508</u>
<b>ADJUSTED EXPENDITURES</b>			

(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, 2023

**REVENUE BY SOURCE**

Total local government		\$ 148,371
State government		
ICCB - Adult Education	\$ 338,753	
ICCB - Workforce Equity	1,809,181	
ICCB PATH Grant	469,542	
ICCB Innovation	17,160	
ICCB Summer Bridge	71,592	
ICCB Innovated Bridge	9,634	
ICCB Lumina	17,562	
ICCB Mental Health Early Action	70,439	
Illinois Student Assistance Commission	1,542,681	
Other - (attach itemization)	9,178,874	
Total state government		13,525,418
Federal government		
Department of Education	14,984,981	
Department of Labor	575,179	
Department of Health and Human Services	394,141	
Other	278,471	
Total federal government		16,232,772
Other sources		
Tuition and fees	-	
Other	210,752	
Total other sources		210,752
<b>TOTAL RESTRICTED PURPOSES FUND REVENUES</b>		<b>\$ 30,117,313</b>

(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, 2023

**EXPENDITURES BY PROGRAM**

Instruction	\$ 3,144,544
Academic support	230,203
Student services	1,067,285
Public service/continuing education	5,352,426
Auxiliary services	72,842
Operations and maintenance	264,914
Institutional support	4,564,229
Scholarships, grants and waivers	<u>11,601,309</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES** \$ 26,297,752

**EXPENDITURES BY OBJECT**

Salaries	\$ 2,671,634
Employee benefits	4,497,804
Contractual services	389,212
General materials and supplies	776,300
Travel and conference/meeting expenses	215,298
Fixed charges	79,916
Utilities	23,297
Capital outlay	379,133
Other	17,265,158
Scholarships, grants and waivers*	<u>11,601,309</u>

**TOTAL RESTRICTED PURPOSES FUND EXPENDITURES** \$ 26,297,752

\*Non-add line

**ITEMIZATION OF OTHER STATE GOVERNMENT REVENUE**

Illinois Welcome Center Grant	\$ 219,883
Illinois Student Assistance Commission MIA/POW Grant	27,208
Illinois Department of Transportation Careers Training	285,309
Illinois Cooperative Work Study	61,818
Illinois EPA IGEN Grant	5,000
Afghan Supplemental grant	58,663
NAI DACA	57,780
Citizenship	131,119
DCEO IL Film Office Grant	74,535
DCEO Airforce Workforce Grant	94,449
DCEO Small Business Grant	45,644
SURS proportionate share revenue	12,418,704
CIP proportionate share revenue	<u>(4,301,238)</u>

**TOTAL OTHER** \$ 9,178,874

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, 2023**

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<b>INSTRUCTION</b>	
Instructional programs	\$ 16,929,875
Other	2,677,430
	19,607,305
 <b>ACADEMIC SUPPORT</b>	
Library Center	746,028
Academic computing support	515,572
Academic administration and planning	1,327,948
Other	792,552
	3,382,100
 <b>STUDENT SERVICES SUPPORT</b>	
Admissions and records	1,022,697
Counseling and career services	1,257,046
Financial aid administration	655,797
Other	2,597,812
	5,533,352
 <b>PUBLIC SERVICE/CONTINUING EDUCATION</b>	
Community education	3,193,284
Customized training (instructional)	2,617,244
Community services	1,557,678
Other	924,233
	8,292,439
 <b>ORGANIZED RESEARCH</b>	
	-
 <b>AUXILIARY SERVICES</b>	
	1,519,295

(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, 2023**

**OPERATIONS AND MAINTENANCE OF PLANT**

Maintenance	\$	1,102,348
Custodial services		924,894
Grounds		349,998
Campus security		1,269,480
Transportation		186,474
Utilities		2,050,462
Administration		243,672
Other		<u>1,109,321</u>
 Total operations and maintenance of plant		 <u>7,236,649</u>

**INSTITUTIONAL SUPPORT**

Executive management		1,842,226
Fiscal operations		955,002
Community relations		1,546,008
Administrative support services		1,469,115
Board of Trustees		173,065
General institutional		3,642,991
Institutional research		646,370
Administrative data processing		<u>6,724,088</u>
 Total institutional support		 <u>16,998,865</u>

**SCHOLARSHIPS, STUDENT GRANTS AND WAIVERS** 11,748,725

**TOTAL CURRENT FUNDS EXPENDITURES** \$ 74,318,730

\* 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**

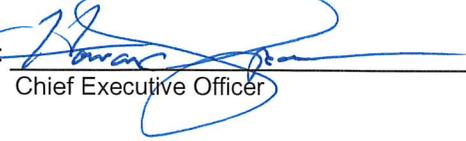
**CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2023**

ALL FISCAL YEAR 2023 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1	Education Fund	<u>\$ 34,383,114</u>
2	Operations and Maintenance Fund	<u>\$ 7,079,573</u>
3	Public Building Commission	
	Operation and Maintenance Fund	<u>\$ -</u>
4	Bond and Interest Fund	<u>\$ -</u>
5	Public Building Commission Rental Fund	<u>\$ -</u>
6	Restricted Purposes Fund	<u>\$ 22,685,917</u>
7	Audit Fund	<u>\$ 53,848</u>
8	Liability, Protection, and Settlement Fund	<u>\$ 1,334,223</u>
9	Auxiliary Enterprises Fund (subsidy only)	<u>\$ -</u>
		<u>\$ 65,536,675</u>
10	<b>TOTAL NONCAPITAL EXPENDITURES</b> (sum of lines 1-9)	
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$ 5,020,229</u>
12	<b>TOTAL COSTS INCLUDED (line 10 plus line 11)</b>	<u>\$ 70,556,904</u>
13	Total certified semester credit hours for FY 2023	<u>118,511</u>
14	<b>PER CAPITA COST (line 12 divided by line 13)</b>	<u>595.36</u>
15	All FY 2023 state and federal operating grants for noncapital expenditures. DO NOT INCLUDE ICCB GRANTS	<u>\$ 21,049,332</u>
16	FY 2023 state and federal grants per semester credit hour (line 15 divided by line 13)	<u>\$ 177.62</u>
17	District's average ICCB grant rate (excluding equalization grants) for FY 2024	<u>\$ 39.93</u>
18	District's student tuition and fee rate per semester credit hour for FY 2024	<u>\$ 137.48</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$ 240.33</u>

Approved:   
Chief Fiscal Officer

11/1/2023  
Date

Approved:   
Chief Executive Officer

11/1/2023  
Date

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

COMBINING BALANCE SHEET - BY SUBFUND

June 30, 2023

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 35,215,493	\$ -	\$ -	\$ 5,930,637	\$ -	\$ -	\$ 81,474
Investments	44,527,205	-	-	-	-	-	-
Receivables							
Due from component unit	778,642	-	-	-	-	8,340	-
Due from other funds	-	404,785	22,302,856	563,191	727,502	496,640	1,395,956
Property taxes, net of allowance for uncollectible balances of \$196,200 for 2023 and \$177,900 for 2022	7,387,277	1,291,708	684,617	5,249,877	-	-	-
Accounts, net of allowance for uncollectible balances of \$1,670,798 for 2023 and \$1,371,317 for 2022	8,902,859	51,957	-	-	74,449	4,314,598	6,374
Accrued interest	935,446	-	1,331	-	-	-	-
Lease receivable	-	6,088,027	-	-	-	-	-
Cash held by paying agent	-	-	-	692,438	-	-	-
Prepaid items	376,590	17,954	-	-	8,281	30,262	-
Restricted cash and cash equivalents	-	-	11,602,671	-	-	-	-
Restricted investments	-	-	218,356	-	-	-	-
<b>Total current assets</b>	<b>98,123,512</b>	<b>7,854,431</b>	<b>34,809,831</b>	<b>12,436,143</b>	<b>810,232</b>	<b>4,849,840</b>	<b>1,483,804</b>
<b>NONCURRENT ASSETS</b>							
Capital assets and intangible capital assets	-	-	-	-	-	-	-
Less accumulated depreciation and accumulated amortization	-	-	-	-	-	-	-
Other noncurrent assets	12,500	1,697,474	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>12,500</b>	<b>1,697,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>98,136,012</b>	<b>9,551,905</b>	<b>34,809,831</b>	<b>12,436,143</b>	<b>810,232</b>	<b>4,849,840</b>	<b>1,483,804</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Unamortized loss on refunding	-	-	-	-	-	-	-
Deferred pension/OPEB expense	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 98,136,012</b>	<b>\$ 9,551,905</b>	<b>\$ 34,809,831</b>	<b>\$ 12,436,143</b>	<b>\$ 810,232</b>	<b>\$ 4,849,840</b>	<b>\$ 1,483,804</b>

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
\$ -	\$ 3,390,842	\$ (215)	\$ -	\$ -	\$ 44,618,231	\$ -	\$ -	\$ -	\$ 44,618,231
-	-	-	-	-	44,527,205	-	-	-	44,527,205
-	-	-	-	-	786,982	-	-	-	786,982
68,165	-	3,781,824	10,500,000	991,952	41,232,871	-	-	(41,232,871)	-
29,295	915,082	-	-	-	15,557,856	-	-	-	15,557,856
-	-	-	-	-	13,350,237	-	-	-	13,350,237
-	-	-	-	-	936,777	-	-	-	936,777
-	-	-	-	-	6,088,027	-	-	-	6,088,027
-	-	-	-	-	692,438	-	-	-	692,438
-	-	-	-	-	433,087	-	-	-	433,087
-	-	-	-	-	11,602,671	-	-	-	11,602,671
-	-	-	-	-	218,356	-	-	-	218,356
97,460	4,305,924	3,781,609	10,500,000	991,952	180,044,738	-	-	(41,232,871)	138,811,867
-	-	-	-	-	-	268,770,883	-	-	268,770,883
-	-	-	-	-	-	(160,851,900)	-	-	(160,851,900)
-	-	-	-	-	1,709,974	-	-	-	1,709,974
-	-	-	-	-	1,709,974	107,918,983	-	-	109,628,957
97,460	4,305,924	3,781,609	10,500,000	991,952	181,754,712	107,918,983	-	(41,232,871)	248,440,824
-	-	-	-	-	-	-	1,130,276	-	1,130,276
-	-	-	1,228,447	-	1,228,447	-	197,329	-	1,425,776
-	-	-	1,228,447	-	1,228,447	-	1,327,605	-	2,556,052
\$ 97,460	\$ 4,305,924	\$ 3,781,609	\$ 11,728,447	\$ 991,952	\$ 182,983,159	\$ 107,918,983	\$ 1,327,605	\$ (41,232,871)	\$ 250,996,876

(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, 2023

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 482,750	\$ 112,247	\$ 947,147	\$ -	\$ 41,722	\$ 338,634	\$ 16,915
Accrued payroll	1,050,092	16,192	-	-	2,393	19,223	-
Compensated absences, current portion	105,828	20,068	-	-	18,244	-	-
Accrued interest	-	-	-	-	-	-	-
Due to other funds	41,232,871	-	-	-	-	-	-
Claims payable	-	-	-	-	-	-	-
Other accrued liabilities	11,510	-	-	-	-	-	423,186
Bonds payable, current portion	-	-	-	-	-	-	-
Lease payable, current portion	-	-	-	-	-	-	-
SBITA payable, current portion	-	-	-	-	-	-	-
Early termination payable, current portion	42,080	-	-	-	-	-	-
OPEB liability, current portion	-	-	-	-	-	-	-
Unearned revenue							
Tuition and fees	7,861,061	-	136,239	-	430,444	-	-
Bookstore and Starlight Theater	-	-	-	-	247,832	-	-
Grant revenue	-	-	-	-	-	2,930,280	-
Other	-	1,792,431	-	-	-	-	-
Total current liabilities	50,786,192	1,940,938	1,083,386	-	740,635	3,288,137	440,101
<b>NONCURRENT LIABILITIES</b>							
Compensated absences	599,690	113,718	-	-	103,385	-	-
Bonds payable	-	-	-	-	-	-	-
Lease payable	-	-	-	-	-	-	-
SBITA payable	-	-	-	-	-	-	-
Early termination payable	246,997	-	-	-	-	-	-
OPEB liability	-	-	-	-	-	-	-
Total noncurrent liabilities	846,687	113,718	-	-	103,385	-	-
Total liabilities	51,632,879	2,054,656	1,083,386	-	844,020	3,288,137	440,101
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes	8,059,604	1,409,222	746,896	5,727,846	-	-	-
Leases	-	6,088,027	-	-	-	-	-
Deferred OPEB expense	-	-	-	-	-	-	-
Total deferred inflows of resources	8,059,604	7,497,249	746,896	5,727,846	-	-	-
Total liabilities and deferred inflows of resources	59,692,483	9,551,905	1,830,282	5,727,846	844,020	3,288,137	440,101
<b>NET POSITION</b>							
Net investment in capital assets	-	-	-	-	-	-	-
Restricted for							
Liability protection and settlement	-	-	-	-	-	-	-
Debt service	-	-	-	6,708,297	-	-	-
Audit	-	-	-	-	-	-	-
Capital improvements	-	-	4,334,765	-	-	-	-
Pension contributions	-	-	-	-	-	-	-
Unrestricted (deficit)	38,443,529	-	28,644,784	-	(33,788)	1,561,703	1,043,703
Total net position (deficit)	38,443,529	-	32,979,549	6,708,297	(33,788)	1,561,703	1,043,703
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 98,136,012</b>	<b>\$ 9,551,905</b>	<b>\$ 34,809,831</b>	<b>\$ 12,436,143</b>	<b>\$ 810,232</b>	<b>\$ 4,849,840</b>	<b>\$ 1,483,804</b>

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
\$ -	\$ 176	\$ 9,571	\$ -	25,000	\$ 1,974,162	\$ -	\$ -	\$ -	\$ 1,974,162
-	-	16,149	-	-	1,104,049	-	-	-	1,104,049
-	-	-	-	-	144,140	-	-	-	144,140
-	-	-	-	-	-	-	747,839	-	747,839
-	-	-	-	-	41,232,871	-	-	(41,232,871)	-
-	-	1,221,492	-	-	1,221,492	-	-	-	1,221,492
-	-	-	-	-	434,696	-	-	-	434,696
-	-	-	-	-	-	-	11,121,553	-	11,121,553
-	-	-	-	-	-	-	173,354	-	173,354
-	-	-	-	-	-	-	918,903	-	918,903
-	-	-	-	-	42,080	-	-	-	42,080
-	-	-	140,703	-	140,703	-	-	-	140,703
-	-	-	-	-	8,427,744	-	-	-	8,427,744
-	-	-	-	-	247,832	-	-	-	247,832
-	-	-	-	-	2,930,280	-	-	-	2,930,280
-	-	-	-	-	1,792,431	-	-	-	1,792,431
-	176	1,247,212	140,703	25,000	59,692,480	-	12,961,649	(41,232,871)	31,421,258
-	-	-	-	-	816,793	-	-	-	816,793
-	-	-	-	-	-	-	35,679,582	-	35,679,582
-	-	-	-	-	-	-	770,083	-	770,083
-	-	-	-	-	-	-	1,442,495	-	1,442,495
-	-	-	-	-	246,997	-	-	-	246,997
-	-	-	9,069,605	-	9,069,605	-	-	-	9,069,605
-	-	-	9,069,605	-	10,133,395	-	37,892,160	-	48,025,555
-	176	1,247,212	9,210,308	25,000	69,825,875	-	50,853,809	(41,232,871)	79,446,813
31,974	998,307	-	-	-	16,973,849	-	-	-	16,973,849
-	-	-	-	-	6,088,027	-	-	-	6,088,027
-	-	-	17,429,160	-	17,429,160	-	-	-	17,429,160
31,974	998,307	-	17,429,160	-	40,491,036	-	-	-	40,491,036
31,974	998,483	1,247,212	26,639,468	25,000	110,316,911	-	50,853,809	(41,232,871)	119,937,849
-	-	-	-	-	-	107,918,983	(46,218,269)	-	61,700,714
-	3,307,441	-	-	-	3,307,441	-	-	-	3,307,441
-	-	-	-	-	6,708,297	-	-	-	6,708,297
65,486	-	-	-	-	65,486	-	-	-	65,486
-	-	-	-	-	4,334,765	-	(2,757,425)	-	1,577,340
-	-	-	-	-	-	-	197,329	-	197,329
-	-	2,534,397	(14,911,021)	966,952	58,250,259	-	(747,839)	-	57,502,420
65,486	3,307,441	2,534,397	(14,911,021)	966,952	72,666,248	107,918,983	(49,526,204)	-	131,059,027
\$ 97,460	\$ 4,305,924	\$ 3,781,609	\$ 11,728,447	\$ 991,952	\$ 182,983,159	\$ 107,918,983	\$ 1,327,605	\$ (41,232,871)	\$ 250,996,876

(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, 2023

	Education Subfund	Operations and Maintenance Subfund	Operations and Maintenance Subfund (Restricted)	Bond and Interest Subfund	Auxiliary Enterprises Subfund	Restricted Purposes Subfund	Student Activity Subfund
<b>OPERATING REVENUES</b>							
Student tuition and fees, net of scholarship allowances of \$5,228,182 for 2023 and \$6,178,415 for 2022	\$ 16,970,781	\$ 1,045,767	\$ 319,638	\$ -	\$ 1,696,238	\$ -	\$ 168,218
Sales and service fees	26,343	1,500	-	-	1,208,997	-	37,008
Auxiliary services revenue	-	-	-	-	13,034	-	-
Other operating revenues	373,751	1,287,618	-	-	421,116	208,619	362,677
Total operating revenues	17,370,875	2,334,885	319,638	-	3,339,385	208,619	567,903
<b>OPERATING EXPENSES</b>							
Instruction	21,904,336	-	-	-	51,778	1,328,871	-
Academic support	3,907,247	-	-	-	-	-	-
Student services	5,433,195	-	-	-	36,134	757,791	264,868
Public service	776,246	-	-	-	2,800,779	5,564,579	587
Operations and maintenance of plant	148,552	7,753,825	4,824,091	-	-	-	-
Institutional support	12,089,485	367,568	-	10,671,350	748,125	4,034,563	644
Auxiliary services	133	-	-	-	1,494,643	-	200,249
Depreciation and amortization	-	-	-	-	-	-	-
Other	(21,184)	-	-	-	-	11,599,176	139,875
Total operating expenses	44,238,010	8,121,393	4,824,091	10,671,350	5,131,459	23,284,980	606,223
OPERATING INCOME (LOSS)	(26,867,135)	(5,786,508)	(4,504,453)	(10,671,350)	(1,792,074)	(23,076,361)	(38,320)
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Local property taxes	15,632,425	2,712,684	746,735	11,701,620	-	-	-
Personal property replacement tax	3,895,902	1,298,634	-	-	-	-	-
State appropriations	9,898,231	996,835	-	-	717,238	806,063	211
State grants and contracts	9,686,656	776,459	-	-	-	5,122,643	-
Federal grants and contracts	1,549,042	-	-	-	-	16,518,082	-
Local grants and contracts	359,786	845	-	50,000	2,744	148,372	445
Investment income	2,725,032	1,051	400,539	87,328	-	-	-
Interest on capital assets - related debt	-	-	-	(1,471,919)	-	-	(985)
Non-operating revenues (expenses), net	43,747,074	5,786,508	1,147,274	10,367,029	719,982	22,595,160	(329)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	16,879,939	-	(3,357,179)	(304,321)	(1,072,092)	(481,201)	(38,649)
<b>TRANSFERS</b>							
Transfers in	-	-	12,097,008	-	1,000,000	-	-
Transfers (out)	(14,247,008)	-	-	-	-	-	-
Total transfers	(14,247,008)	-	12,097,008	-	1,000,000	-	-
<b>CAPITAL CONTRIBUTIONS</b>							
CHANGE IN NET POSITION	2,632,931	-	8,739,829	(304,321)	(72,092)	(481,201)	(38,649)
NET POSITION (DEFICIT), JULY 1	35,810,598	-	24,239,720	7,012,618	38,304	2,042,904	1,082,352
<b>NET POSITION (DEFICIT), JUNE 30</b>	<b>\$ 38,443,529</b>	<b>\$ -</b>	<b>\$ 32,979,549</b>	<b>\$ 6,708,297</b>	<b>\$ (33,788)</b>	<b>\$ 1,561,703</b>	<b>\$ 1,043,703</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,200,642	\$ -	\$ -	\$ (5,228,182)	\$ 14,972,460
-	-	-	-	-	1,273,848	-	-	-	1,273,848
-	-	-	-	-	13,034	-	-	-	13,034
-	55,214	-	-	-	2,708,995	-	-	(361,110)	2,347,885
-	55,214	-	-	-	24,196,519	-	-	(5,589,292)	18,607,227
-	4,440	23,855	(3,705,975)	-	19,607,305	-	-	(44,656)	19,562,649
-	-	5,443	(530,590)	-	3,382,100	-	-	-	3,382,100
-	-	8,971	(967,607)	-	5,533,352	-	-	(77,266)	5,456,086
-	-	7,311	(857,062)	-	8,292,440	-	(44,397)	(239,188)	8,008,855
-	60,587	4,621	(731,921)	-	12,059,755	(5,793,258)	-	-	6,266,497
53,848	1,269,196	13,644	(1,630,787)	52,453	27,670,089	-	(11,817,865)	-	15,852,224
-	-	2,327	(178,058)	-	1,519,294	-	-	-	1,519,294
-	-	-	-	-	-	9,139,323	-	-	9,139,323
-	-	-	-	-	11,717,867	-	-	(5,228,182)	6,489,685
53,848	1,334,223	66,172	(8,602,000)	52,453	89,782,202	3,346,065	(11,862,262)	(5,589,292)	75,676,713
(53,848)	(1,279,009)	(66,172)	8,602,000	(52,453)	(65,585,683)	(3,346,065)	11,862,262	-	(57,069,486)
57,613	998,092	-	-	-	31,849,169	-	-	-	31,849,169
-	-	-	-	-	5,194,536	-	-	-	5,194,536
-	-	126	(4,301,238)	-	8,117,466	-	-	-	8,117,466
-	-	(126)	-	-	15,585,632	-	-	-	15,585,632
-	-	-	-	-	18,067,124	-	-	-	18,067,124
-	-	-	-	-	562,192	-	-	-	562,192
20	-	-	-	-	3,213,970	-	-	-	3,213,970
-	-	-	-	-	(1,472,904)	-	(84,138)	-	(1,557,042)
57,633	998,092	-	(4,301,238)	-	81,117,185	-	(84,138)	-	81,033,047
3,785	(280,917)	(66,172)	4,300,762	(52,453)	15,531,502	(3,346,065)	11,778,124	-	23,963,561
-	-	-	1,000,000	150,000	14,247,008	-	-	(14,247,008)	-
-	-	-	-	-	(14,247,008)	-	-	14,247,008	-
-	-	-	1,000,000	150,000	-	-	-	-	-
-	-	-	-	-	-	7,198	-	-	7,198
3,785	(280,917)	(66,172)	5,300,762	97,547	15,531,502	(3,338,867)	11,778,124	-	23,970,759
61,701	3,588,358	2,600,569	(20,211,783)	869,405	57,134,746	111,257,850	(61,304,328)	-	107,088,268
\$ 65,486	\$ 3,307,441	\$ 2,534,397	\$ (14,911,021)	\$ 966,952	\$ 72,666,248	\$ 107,918,983	\$ (49,526,204)	\$ -	\$ 131,059,027

(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, 2023

CSFA Number	Program Name	State	Federal	Other	Total
420-45-2336	Film and TV Workforce Training Program	\$ 74,534	\$ -	\$ -	\$ 74,534
444-80-1456	New American Initiative Grant	188,899	-	-	188,899
444-80-1493	Welcoming Center	219,883	-	-	219,883
601-00-0748	Illinois Cooperative Work Study Program	61,818	-	-	61,818
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	260,561	-	260,561
684-00-2727	Governor's Emergency Education Relief - Fund II (GEER II) - Federal	-	141,945	-	141,945
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	338,753	204,707	-	543,460
684-01-1670	Innovative Bridge and Transition Grant - State	81,226	-	-	81,226
684-01-2213	Workforce Equity Initiative	1,805,750	-	-	1,805,750
684-01-2879	Integrated English Language & Civics Education (IELCE)	-	192,243	-	192,243
684-05-2840	Adult College Bridge Grant	-	218,723	-	218,723
684-05-2866	Early Childhood Education Consortium for Equity Grant	-	227,343	-	227,343
	Other grant programs and activities	-	14,860,576	2,907,019	17,767,595
	All other costs not allocated	-	-	55,449,775	55,449,775
	<b>TOTAL</b>	<b>\$ 2,770,863</b>	<b>\$ 16,106,098</b>	<b>\$ 58,356,794</b>	<b>\$ 77,233,755</b>

(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 annual comprehensive 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.	73-76
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	77-85
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.	86-898
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.	90-92
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.	93-95

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 28,428,099	\$ 27,428,699	\$ 27,068,669	\$ 24,204,424
Restricted for				
Liability protection and settlement	4,640,908	5,286,213	6,523,342	7,200,345
Debt service	4,359,895	5,649,540	3,772,203	5,701,784
Audit	56,810	49,296	60,921	52,558
Capital improvements	6,996,667	6,559,383	7,086,670	5,215,883
Pension contributions	-	128,604	136,517	148,754
Unrestricted	11,302,648	10,901,866	8,864,553	19,912,383
<b>TOTAL NET POSITION</b>	<b>\$ 55,785,027</b>	<b>\$ 56,003,601</b>	<b>\$ 53,512,875</b>	<b>\$ 62,436,131</b>

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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 28,831,891	\$ 32,734,119	\$ 35,848,876	\$ 46,307,312	\$ 53,072,597	\$ 61,700,714
6,633,381	6,548,818	5,990,774	4,775,289	3,588,358	3,307,441
6,095,796	5,123,084	6,198,154	6,241,317	7,012,618	6,708,297
50,588	53,926	68,457	48,789	61,701	65,486
12,016,793	15,746,194	14,925,487	7,245,809	1,577,339	1,577,340
154,001	162,789	145,847	258,413	152,932	197,329
1,588,017	4,695,087	17,684,334	31,194,870	41,622,723	57,502,420
<b>\$ 55,370,467</b>	<b>\$ 65,064,017</b>	<b>\$ 80,861,929</b>	<b>\$ 96,071,799</b>	<b>\$ 107,088,268</b>	<b>\$ 131,059,027</b>

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

**FINANCIAL TRENDS  
CHANGES IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>OPERATING REVENUES</b>				
Student tuition and fees	\$ 10,707,083	\$ 11,431,028	\$ 11,473,592	\$ 11,567,622
Sales and service fees	1,881,362	1,773,740	1,616,076	1,351,139
Auxiliary services revenue	196,016	197,090	154,466	150,000
Other operating revenue	1,502,544	1,204,507	1,277,602	1,594,941
Total operating revenues	14,287,005	14,606,365	14,521,736	14,663,702
<b>OPERATING EXPENSES</b>				
Instruction	25,745,161	26,684,436	27,353,071	29,377,540
Academic support	5,380,874	4,932,388	4,340,423	3,921,766
Student services	4,304,958	4,664,554	4,666,341	4,958,001
Public services	8,694,864	7,948,617	6,714,877	6,094,869
Operation and maintenance of plant	7,188,253	6,970,521	6,676,425	6,641,324
Institutional support	9,598,371	11,564,008	9,931,486	10,780,276
Auxiliary services	1,064,903	1,261,451	1,165,977	1,202,136
Amortization expense	-	-	-	-
Depreciation expense	5,905,656	6,829,218	5,894,384	6,044,978
Scholarships, grants and waivers	8,583,125	6,826,126	5,768,162	5,316,407
Total operating expenses	76,466,165	77,681,319	72,511,146	74,337,297
OPERATING INCOME (LOSS)	(62,179,160)	(63,074,954)	(57,989,410)	(59,673,595)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Local property taxes	26,027,784	25,607,033	25,687,393	26,396,425
Personal property replacement tax	1,567,218	1,640,382	1,317,944	1,677,508
State appropriations	10,248,508	12,112,973	14,338,782	18,070,200
State grant and contracts	8,411,766	8,945,474	2,545,508	10,443,022
Federal grants and contracts	18,111,981	15,832,896	14,137,869	14,247,846
Local grants and contracts	580,115	707,249	1,043,822	669,730
Investment income	38,150	178,969	436,462	337,073
Gain (loss) on disposal of capital assets	(158,123)	14,406	5,832	(39,323)
Interest on capital asset-related debt	(2,912,147)	(2,479,796)	(4,020,819)	(3,554,030)
Non-operating revenues (expenses), net	61,915,252	62,559,586	55,492,793	68,248,451
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(263,908)	(515,368)	(2,496,617)	8,574,856
<b>CAPITAL CONTRIBUTIONS</b>	23,784	733,942	5,891	348,400
Total capital contributions	23,784	733,942	5,891	348,400
CHANGE IN NET POSITION	(240,124)	218,574	(2,490,726)	8,923,256
NET POSITION, JULY 1	56,025,151	55,785,027	56,003,601	53,512,875
Prior period adjustment	-	-	-	-
NET POSITION, JULY 1, AS RESTATED	56,025,151	55,785,027	56,003,601	53,512,875
<b>NET POSITION, JUNE 30</b>	<b>\$ 55,785,027</b>	<b>\$ 56,003,601</b>	<b>\$ 53,512,875</b>	<b>\$ 62,436,131</b>

Data Source

Rock Valley College Financial Reports

2018	2019	2020	2021	2022	2023
\$ 11,809,687	\$ 13,398,730	\$ 13,742,723	\$ 13,085,670	\$ 13,068,084	\$ 14,972,460
1,340,382	1,363,857	1,337,438	650,879	1,070,703	1,273,848
93,429	78,779	47,923	31,709	23,267	13,034
2,327,694	2,035,360	2,617,970	2,019,263	2,470,734	2,347,885
15,571,192	16,876,726	17,746,054	15,787,521	16,632,788	18,607,227
27,339,390	26,813,539	27,340,001	27,304,131	23,358,364	19,562,649
3,888,218	3,971,394	4,320,724	4,448,587	4,028,560	3,382,100
5,127,247	5,366,887	6,160,865	6,703,858	6,229,259	5,456,086
7,674,370	7,800,384	7,876,539	8,743,867	7,252,297	8,008,855
6,900,162	7,358,531	6,455,407	7,358,514	7,585,003	6,266,497
10,339,254	10,363,673	12,245,713	15,957,856	17,136,856	15,852,224
1,746,315	1,290,133	1,492,392	1,428,168	1,812,617	1,519,294
-	-	-	-	-	-
7,301,785	8,201,780	7,773,590	7,790,580	9,036,085	9,139,323
3,572,284	4,144,123	5,846,261	4,164,587	8,055,414	6,489,685
73,889,025	75,310,444	79,511,492	83,900,148	84,494,455	75,676,713
(58,317,833)	(58,433,718)	(61,765,438)	(68,112,627)	(67,861,667)	(57,069,486)
27,583,297	28,476,829	28,652,944	28,939,700	29,480,254	31,849,169
1,481,085	1,518,538	1,662,245	2,108,387	4,595,736	5,194,536
18,518,578	17,549,408	19,724,519	21,035,698	14,389,445	8,117,466
9,397,395	9,953,983	11,613,685	12,230,878	12,789,483	15,585,632
13,111,039	12,291,308	14,555,240	19,915,733	18,142,914	18,067,124
729,388	1,019,625	861,856	966,755	446,764	562,192
505,745	1,353,431	1,111,398	106,253	(1,130)	3,213,970
-	-	-	-	-	-
(3,321,273)	(2,935,854)	(2,606,720)	(2,248,212)	(1,227,646)	(1,557,042)
68,005,254	69,227,268	75,575,167	83,055,192	78,615,820	81,033,047
9,687,421	10,793,550	13,809,729	14,942,565	10,754,153	23,963,561
9,342,214	-	-	267,305	262,316	7,198
9,342,214	-	-	267,305	262,316	7,198
19,029,635	10,793,550	13,809,729	15,209,870	11,016,469	23,970,759
62,436,131	55,370,467	66,164,017	80,861,929	96,071,799	107,088,268
(26,095,299)	-	888,183	-	-	-
36,340,832	55,370,467	67,052,200	80,861,929	96,071,799	107,088,268
\$ 55,370,467	\$ 66,164,017	\$ 80,861,929	\$ 96,071,799	\$ 107,088,268	\$ 131,059,027

**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

	2013	2014	2015	2016
<b>TOTAL EQUALIZED ASSESSED VALUATIONS</b>	\$ 5,555,719,801	\$ 5,339,259,046	\$ 5,313,920,076	\$ 5,483,921,459
<b>EAV PERCENTAGE INCREASE (DECREASE)</b>	(6.36)	(3.90)	(0.47)	3.20
<b>TAX RATES (PER \$100 ASSESSED VALUATION)</b>				
Educational Fund	0.2300	0.2274	0.2300	0.2300
Operations and Maintenance Fund	0.0400	0.0396	0.0400	0.0400
Debt Service Fund				
2000 Bond	0.0068	0.0127	-	-
2002 A&B Bond	-	0.0745	0.0563	-
2005 Refinancing Bond	-	0.0070	-	-
2006 Refinancing Bond	0.0067	-	-	-
2008 Bond	0.0134	-	-	-
2009 Bond	0.0135	0.0141	0.0137	-
2010 A&B Bond	0.0755	0.0322	0.0351	0.0338
2014 Refinancing Bond	0.0231	0.0044	0.0045	0.0089
2015C Bond	-	-	0.0114	0.0111
2015D Bond	-	-	0.0209	0.0203
2015E Bond	-	-	0.0041	0.0040
2017A Bond	-	-	-	0.1437
2017C Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	0.0326	0.0434	0.0421	-
Workers' Compensation	0.0043	0.0056	0.0110	-
Unemployment Insurance	0.0039	0.0051	0.0014	-
Athletics	0.0012	0.0015	0.0011	-
Property/Casualty	0.0023	0.0030	0.0056	-
FICA	0.0093	0.0106	0.0111	-
Audit Fund	0.0004	0.0012	0.0010	0.0009
Protection, Health and Safety Fund	-	-	-	-
Adjustment for Overextended Tax	-	-	-	-
Prior Year Adjustment	-	-	-	-
<b>TOTAL TAX RATE</b>	0.4630	0.4823	0.4893	0.4927

2017	2018	2019	2020	2021	2022
\$ 5,617,226,123	\$ 5,786,184,094	\$ 6,087,389,555	\$ 6,373,157,081	\$ 6,683,597,509	\$ 7,160,941,744
2.43	3.01	5.21	4.69	4.87	7.14
0.2300	0.2300	0.2296	0.2300	0.2300	0.2276
0.0400	0.0400	0.0400	0.0400	0.0400	0.0396
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.0096	0.0309	0.0291	0.0163	-	-
0.0214	0.0769	0.0713	-	-	-
0.0108	0.0105	0.0100	0.0095	0.0092	0.0020
0.0198	0.0192	0.0183	0.0174	0.0168	-
0.0039	0.0038	0.0036	0.0036	0.0705	0.0377
0.1201	0.0548	0.0520	0.0497	-	-
0.0309	0.0142	0.0155	0.0944	0.0872	0.0305
-	-	-	-	-	0.0904
0.0179	0.0173	-	-	-	0.0001
-	-	-	-	-	-
-	-	-	-	-	0.0220
-	-	-	-	-	-
-	-	-	-	-	-
0.0009	0.0009	0.0009	0.0008	0.0008	0.0009
-	-	-	-	-	0.0210
-	0.0002	-	-	0.0019	0.0061
-	-	-	-	-	(0.0017)
0.5053	0.4987	0.4703	0.4617	0.4564	0.4762

**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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>TAX EXTENSION</b>				
Educational Fund	\$ 12,778,156	\$ 12,140,794	\$ 12,222,016	\$ 12,613,019
Operations and Maintenance Fund	2,234,841	2,113,392	2,134,494	2,198,281
Debt Service Fund				
2000 Bond	378,043	678,782	-	-
2002 A&B Bond	-	3,981,851	2,994,933	-
2005 Refinancing Bond	-	374,130	-	-
2006 Refinancing Bond	372,484	-	-	-
2008 Bond	744,968	-	-	-
2009 Bond	750,527	753,609	728,785	-
2010 A&B Bond	4,197,395	1,721,013	1,867,178	1,855,481
2014 Refinancing Bond	1,284,236	235,166	239,382	488,573
2015C Bond	-	-	606,434	609,344
2015D Bond	-	-	1,111,796	1,114,386
2015E Bond	-	-	218,103	219,584
2017A Bond	-	-	-	7,888,537
2017C Bond	-	-	-	-
2022A Bond	-	-	-	-
2022B Bond	-	-	-	-
Liability, Protection and Settlement Fund				
Tort Liability	1,821,261	2,314,439	2,236,973	-
Workers' Compensation	236,283	300,274	587,491	-
Unemployment Insurance	214,116	272,100	75,059	-
Athletics	64,001	81,336	56,044	-
Property/Casualty	125,503	159,530	295,233	-
FICA	515,434	565,702	588,262	-
Audit Fund	21,867	62,767	51,821	48,984
Protection, Health and Safety Fund	-	-	-	-
Adjustment for Overextended Tax	-	-	-	-
<b>TOTAL LOCAL GOVERNMENT SUPPORT</b>	<b>\$ 25,739,115</b>	<b>\$ 25,754,883</b>	<b>\$ 26,014,004</b>	<b>\$ 27,036,189</b>
<b>PERCENTAGE INCREASE (DECREASE)</b>	<b>(3.16)</b>	<b>0.06</b>	<b>1.01</b>	<b>3.93</b>

	2017	2018	2019	2020	2021	2022
\$	12,908,077	\$ 13,308,223	\$ 13,978,085	\$ 14,658,261	\$ 14,994,830	\$ 16,259,585
	2,252,067	2,318,427	2,433,727	2,552,169	2,607,807	2,828,656
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	539,779	1,789,877	1,773,823	1,039,907	-	-
	1,203,258	4,454,419	4,346,171	-	-	-
	607,252	608,211	609,561	606,081	598,549	143,092
	1,113,295	1,112,157	1,115,497	1,110,085	1,093,002	-
	219,285	220,114	219,442	229,673	4,586,705	2,697,288
	6,752,863	3,174,280	3,169,718	3,170,759	-	-
	1,737,414	822,533	944,820	6,022,528	5,673,201	2,182,156
	-	-	-	-	-	6,467,768
	-	-	-	-	-	7,155
	1,003,441	1,000,724	-	-	-	2,003,809
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	50,415	51,403	52,890	50,777	51,201	64,193
	-	-	-	-	-	1,499,197
	-	1,588	-	-	70,429	-
\$	28,387,146	\$ 28,861,956	\$ 28,643,734	\$ 29,440,240	\$ 29,675,724	\$ 34,152,899
	5.00	1.67	(0.76)	2.78	0.8	15.09

**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	Mineral	Railroad Property	Total Taxable Assessed Value	Tax Rates per \$100 Assessed Valuation	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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
2021	395,475,658	4,447,305,087	937,849,855	878,773,708	-	24,193,201	6,683,597,509	0.4517	33.33%	20,052,797,807
2022	424,045,616	4,822,076,093	995,987,635	893,074,775	832,193	24,925,432	7,160,941,744	0.4768	33.33%	21,484,973,729

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

<b>Tax Levy Year</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>COLLEGE DIRECT RATES</b>										
Educational	0.2300	0.2274	0.2300	0.2300	0.2300	0.2300	0.2296	0.2300	0.2300	0.2276
Operations and Maintenance	0.0400	0.0396	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0396
Audit Fund	0.0004	0.0012	0.0010	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0009
Liability and Protection	0.0443	0.0586	0.0612	0.0000	0.0179	0.0173	0.0000	0.0000	0.0000	0.0220
Bond and Interest	0.1390	0.1449	0.1460	0.2218	0.2165	0.2103	0.1998	0.1909	0.1837	0.1607
Social Security	0.0093	0.0106	0.0111	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0061
Protection, Health and Safety	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0210
Adjustment for Overextended tax	0.0000	0.0000	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	0.0002	0.0000	0.0000	0.0019	(0.0017)
<b>Total college direct rate</b>	<b>0.4630</b>	<b>0.4823</b>	<b>0.4893</b>	<b>0.4927</b>	<b>0.5053</b>	<b>0.4987</b>	<b>0.4703</b>	<b>0.4617</b>	<b>0.4564</b>	<b>0.4762</b>
<b>OVERLAPPING RATES</b>										
Winnebago County	1.0329	1.0845	1.0984	1.0826	1.0587	1.0173	0.9661	0.9436	0.9032	0.8373
Forest Preserve District	0.1165	0.1199	0.1203	0.1207	0.1182	0.1147	0.1132	0.1073	0.1041	0.0993
Rockford Township	0.1288	0.1394	0.1452	0.1455	0.1446	0.1385	0.1298	0.1233	0.1173	0.1072
Greater Rockford Airport Authority	0.1043	0.1063	0.1073	0.1103	0.1102	0.1073	0.1011	0.0987	0.0955	2.4575
City of Rockford	3.0811	3.2931	3.3595	3.3207	3.2517	3.1194	2.9185	2.7943	2.6361	0.9401
Rockford Park District	1.0577	1.1286	1.1629	1.1544	1.1371	1.0963	1.0334	1.0042	0.9739	0.1593
Four Rivers Sanitary Authority, Formerly Rock River Water Reclamation Authority	0.1856	0.2008	0.2075	0.2082	0.2040	0.1964	0.1848	0.1795	0.1731	0.3760
Rockford City Library	0.4724	0.5042	0.5196	0.5190	0.5091	0.4890	0.4564	0.4343	0.4103	0.0926
Rockford Public Schools	7.2301	7.7810	7.9379	7.8031	7.6496	7.3508	6.8929	6.5857	6.2646	6.7247
<b>Total overlapping rates</b>	<b>13.4094</b>	<b>14.3578</b>	<b>14.6586</b>	<b>14.4645</b>	<b>14.1832</b>	<b>13.6297</b>	<b>12.7962</b>	<b>12.2709</b>	<b>11.6781</b>	<b>11.7940</b>
<b>TOTAL RATES</b>	<b>13.8724</b>	<b>14.8401</b>	<b>15.1479</b>	<b>14.9572</b>	<b>14.6885</b>	<b>14.1284</b>	<b>13.2665</b>	<b>12.7326</b>	<b>12.1345</b>	<b>12.2702</b>

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

2022					2013				
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	\$ 488,146,690	7.66	1	Commonwealth Edison	Public Electric Utility	\$ 500,862,295	8.44	1
FCA US LLC (Chrysler)	Automotive	19,752,307	0.31	2	New Cargo Acquisition LLC (Chrysler)	Automotive	19,264,126	0.32	2
Lowe's Home Centers	Distribution Center	14,619,426	0.23	3	Lowe's Home Center	Distribution Center	13,759,595	0.23	3
Woodward Inc.	Manufacturing	12,282,322	0.19	4	CBL/Cherry Vale LLC	Real Estate Holdings	12,901,090	0.22	4
CBL Cherryvale	Real Estate Holdings	10,654,811	0.17	5	Beloit Memorial Hospital	Hospital	10,865,940	0.18	5
Greater Rockford Airport	Airport	9,530,401	0.15	6	Greater Rockford Airport	Airport	11,221,057	0.19	6
Forest Plaza LLC	Retail	9,089,342	0.14	7	Menards	Retail	7,997,700	0.13	7
Swedish American Hospital	Hospital	7,872,662	0.12	8	Forest Plaza LLC	Real Estate Holdings	6,536,961	0.11	8
NM PCIL P	Pharmaceutical company	7,608,109	0.12	9	Jeffrey Petry	Real Estate Holdings	4,848,970	0.08	9
Wesley Willows	Retirement community	7,605,791	0.12	10	Two Star Property Co.	Real Estate Holdings	4,641,091	0.08	10
<b>TOTAL PERCENTAGE OF DISTRICT EAV</b>			<u>9.21%</u>		<b>TOTAL PERCENTAGE OF DISTRICT EAV</b>			<u>9.99%</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
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	54.00%	13,471,372	29,376,849	99.73%
2021	29,675,724	14,748,909	49.70%	13,540,333	28,289,242	95.33%
2022	34,152,900	16,973,550	49.70%	-	16,973,550	49.70%

\*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			
2014	5,658	14,245	\$ 97.00	\$ 265.00	\$ 484.00	\$ 169,745	\$ 10,707,083	\$ 18,101,468
2015	5,262	13,292	101.00	264.00	492.00	157,865	11,431,028	18,014,491
2016	5,159	12,467	101.00	275.00	512.00	154,779	11,473,592	17,457,282
2017	5,031	11,799	110.00	287.00	519.00	150,915	11,567,622	18,224,423
2018	4,466	10,607	125.00	297.00	510.00	133,974	11,809,687	19,091,553
2019	4,319	10,102	125.00	280.00	507.00	129,566	13,398,730	19,171,650
2020	4,522	10,295	130.00	309.00	561.00	135,646	13,742,723	21,051,415
2021	4,090	8,744	132.00	310.00	566.00	116,443	13,085,670	19,727,647
2022	4,078	9,460	132.00	297.00	585.00	106,083	13,068,084	19,246,499
2023	3,685	8,031	137.00	344.00	713.00	118,511	14,972,460	20,200,642

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

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Capital Appreciation Bonds</b>	<b>Total Outstanding Debt</b>	<b>District 511 Estimated Actual Taxable Property Value</b>	<b>Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value</b>	<b>Population*</b>	<b>Total Outstanding Debt Per Capita</b>
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
2022	58,032,476	-	58,032,476	6,683,597,509	0.87%	336,278	173
2023	46,801,135	-	46,801,135	7,160,941,744	0.65%	335,342	140

\*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

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Net General Bonded Debt</b>	<b>District 511 Estimated Actual Taxable Property Value</b>	<b>Percentage of Net General Bonded Debt to Estimated Actual Taxable Property Value</b>	<b>Population*</b>	<b>Net General Bonded Debt Per Capita</b>
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	6,198,155	59,837,752	6,373,157,081	0.94	336,116	178
2022	58,032,476	6,241,317	51,791,159	6,683,597,509	0.78	336,278	154
2023	46,801,135	6,708,297	40,092,838	7,160,941,744	0.56	335,342	120

\*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, 2023

District	Bonded Debt (1)	Percent (2)	Amount Applicable To District
Rock Valley College	\$ 46,801,135	100.00%	\$ 46,801,135
<b>SCHOOLS</b>			
Belvidere School District 100	59,974,119 (1)	100.00%	59,974,119
Byron Community Unit School District 226	10,485,451 (1)	100.00%	10,485,451
Durand School District 322	252,302 (1)	100.00%	252,302
Harlem School District 122	6,630,000 (1)	100.00%	6,630,000
Hiawatha School District 426	4,160,000 (1)	0.00%	
Hononegah High School District 207	19,038,047 (1)	100.00%	19,038,047
Kinnikinnick School District 131	3,055,400 (1)	100.00%	3,055,400
Meridian Community Unit School District 223	10,135,917 (1)	100.00%	10,135,917
North Boone School District 200	11,360,756 (1)	100.00%	11,360,756
Pecatonica Community Unit School District 321	1,192,300 (1)	100.00%	1,192,300
Prairie Hill School District 133	5,927,047 (1)	100.00%	5,927,047
Rockford School District 205	124,870,000 (1)	100.00%	124,870,000
Shirland School District 134	2,855,083 (1)	100.00%	2,855,083
South Beloit School District 320	5,655,000 (1)	100.00%	5,655,000
Winnebago School District 323	13,167,234 (1)	100.00%	13,167,234
<b>LOCAL GOVERNMENTS</b>			
Boone County	1,965,000 (4)	99.03%	1,945,940
City of Rockford	82,670,000 (2)	100.00%	82,670,000
<b>PARK DISTRICTS</b>			
Belvidere Park District	5,294,000 (2)	100.00%	5,294,000
Oregon Park District	1,484,000 (2)	93.03%	1,380,565
Rockford Park District	46,756,860 (1)	100.00%	46,756,860
<b>OTHER</b>			
Byron Forest Preserve District	3,220,000 (2)	98.04%	3,156,888
Winnebago County Forest Preserve District	2,242,000 (3)	99.98%	2,241,552
Northwest Fire Protection District	27,020,000 (1)	100.00%	27,020,000
Subtotal	449,410,516		445,064,461
<b>TOTAL</b>	<u>\$ 496,211,651</u>		<u>\$ 491,865,596</u>

Sources: Winnebago County Clerk Office

Audited financial reports for governmental units in Boone and Ogle Counties

(1) As of 06/30/2022

(2) As of 12/31/2022

(3) As of 10/31/2022

(4) As of 11/30/2022

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

**DEBT CAPACITY  
LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Year

<b>Fiscal Year</b>	<b>Total Taxable Assessed Value</b>	<b>+RC[-4]*RC[-2] Statutory Rate</b>	<b>Debt Limit (Assessed Value x Debt Limit Rate)</b>	<b>Total Outstanding Debt</b>	<b>Legal Debt Margin</b>	<b>Net Debt Applicable to Debt Limit as a Percentage of Debt Limit</b>
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%
2022	6,683,597,509	2.875%	192,153,428	55,725,000	136,428,428	29.00%
2023	7,160,941,744	2.875%	205,877,075	45,055,000	160,822,075	21.88%

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			
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	16,029,583	47,982	9.5%	9.6%	5.8%	5.9%	6.2%	6.8%	7.2%
2022	336,278	17,197,161	51,140	6.8%	6.7%	4.5%	4.8%	4.6%	3.6%	4.8%
2023	335,342	Not Available	Not Available	6.2%	6.8%	4.9%	5.1%	4.9%	3.6%	4.5%

Data Sources

\* U.S. Census Bureau, "Annual Estimates of the Resident Population: April 1, 2020 to July 1, 2022 population estimate for July 1, 2022.

\*\* U.S. Department of Commerce, "Economic Profile of Rockford, IL (MSA), November 16, 2022. <https://apps.bea.gov/regional/bearfacts/>

\*\*\* Illinois Department of Employment Security, Unemployment Rate by County, June 2023 - Not Seasonally Adjusted

\*\*\*\* Illinois Department of Employment Security, June 2023 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

<b>Categories</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Baccalaureate	112,549.5	108,221.5	103,322.0	101,126.5	89,615.0	86,183.0	89,060.0	83,379.0	77,444.5	77,441.5
Business Occupational	5,980.0	5,321.5	4,970.5	4,583.0	3,519.0	3,782.5	3,284.0	5,285.0	5,377.0	5,122.5
Technical Occupational	17,024.5	15,875.0	16,137.0	17,736.5	15,143.0	13,904.5	14,389.5	10,467.5	13,910.5	17,648.5
Health Occupational	9,467.5	7,727.0	7,917.0	7,252.0	7,209.5	6,895.5	6,831.0	6,103.0	7,125.0	7,730.0
Remedial Development	14,100.0	12,281.0	11,073.0	11,148.0	9,698.0	9,549.0	8,823.0	3,749.0	1,915.0	1,380.0
Adult Basic and Secondary Ed	10,623.5	8,438.5	11,359.5	9,068.5	8,789.0	9,252.0	13,258.5	7,459.0	311.0	9,188.5
<b>TOTAL CREDIT HOURS</b>	<b>169,745.0</b>	<b>157,864.5</b>	<b>154,779.0</b>	<b>150,914.5</b>	<b>133,973.5</b>	<b>129,566.5</b>	<b>135,646.0</b>	<b>116,442.5</b>	<b>106,083.0</b>	<b>118,511.0</b>
<b>PERCENTAGE</b>										
<b>INCREASE (DECREASE)</b>	(2.2%)	(7.0%)	(2.0%)	(2.5%)	(11.2%)	(3.3%)	4.7%	(14.3%)	(8.7%)	11.7%

Data Source

District records (Apportionment Claim Reports)

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

**DEMOGRAPHIC AND ECONOMIC INFORMATION  
PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

<b>2023</b>				<b>2014</b>			
<b>Employer</b>	<b>Rank</b>	<b>Employees</b>	<b>% of District Population</b>	<b>Employer</b>	<b>Rank</b>	<b>Employees</b>	<b>% of District Population</b>
Mercy Health	1	3,800	1.13%	Chrysler	1	4,500	1.30%
Rockford Public Schools	2	3,713	1.11%	Rockford Public Schools	2	3,730	1.08%
UW Health	3	2,600	0.78%	Rockford Health Systems	3	3,000	0.87%
OSF Healthcare	4	2,000	0.60%	System	4	2,988	0.86%
Collins Aerospace	5	2,000	0.60%	UTC Aerospace Systems	5	2,296	0.66%
Woodward	6	2,000	0.60%	OSF Healthcare	6	1,800	0.52%
UPS	7	2,000	0.60%	Rockford Park District	7	1,739	0.50%
PCI Pharma Services	8	1,885	0.56%	Winnebago County	8	1,731	0.50%
Amazon	9	1,535	0.46%	Walmart	9	1,611	0.47%
AndersonBrecon	10	1,200	0.36%	Woodward	10	1,600	0.46%
<b>TOTAL PERCENTAGE OF DISTRICT POPULATION</b>			<b>6.80%</b>	<b>TOTAL PERCENTAGE OF DISTRICT POPULATION</b>			<b>7.22%</b>

Data Source

Source: Rockford Area Economic Development Council, "2022 Quick Reference Guide: Major Employers in Our Region"

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

OPERATING INFORMATION  
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>FACULTY</b>										
Full-time	159	157	158	159	134	126	127	123	116	120
Part-time	303	336	300	278	268	269	285	300	214	198
<b>FULL-TIME ADMINISTRATORS</b>	35	33	36	30	33	31	35	36	35	45
<b>CLASSIFIED STAFF</b>										
Full-time	239	237	236	200	190	195	201	215	213	221
Part-time	69	83	64	51	44	34	46	40	33	29
<b>TOTAL FULL-TIME EMPLOYEES</b>	433	427	430	389	357	352	363	374	364	386
<b>TOTAL EMPLOYEES</b>	805	846	794	718	669	655	694	714	611	613

Data Source

ICCB Centralized Data System--Faculty, Staff, and Salary (C1) Data and Supplementary Faculty, Staff, and Salary Information

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

OPERATING INFORMATION  
OPERATING INDICATORS

Last Ten Fiscal Years

Categories	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Baccalaureate	112,549.5	108,221.5	103,322.0	101,126.5	89,615.0	86,183.0	89,060.0	83,208.0	77,444.5	77,441.5
Business Occupational	5,980.0	5,321.5	4,970.5	4,583.0	3,519.0	3,794.5	3,284.0	5,277.0	5,377.0	5,122.5
Technical Occupational	17,024.5	15,875.0	16,137.0	17,736.5	15,143.0	13,892.5	14,389.5	10,446.5	13,910.5	17,648.5
Health Occupational	9,467.5	7,727.0	7,917.0	7,252.0	7,209.5	6,895.5	6,831.0	6,103.0	7,125.0	7,730.0
Remedial Development	14,100.0	12,281.0	11,073.0	11,148.0	9,698.0	9,549.0	8,823.0	3,749.0	1,915.0	1,380.0
Adult Basic and Secondary Ed	10,623.5	8,438.5	11,359.5	9,068.5	8,789.0	9,252.0	13,258.5	7,459.0	311.0	9,188.5
<b>TOTAL CREDIT HOURS</b>	<b>169,745.0</b>	<b>157,864.5</b>	<b>154,779.0</b>	<b>150,914.5</b>	<b>133,973.5</b>	<b>129,566.5</b>	<b>135,646.0</b>	<b>116,242.5</b>	<b>106,083.0</b>	<b>118,511.0</b>
Student headcount	14,245	13,292	12,467	11,799	10,607	10,102	10,295	8,744	9,460	8,031
Student FTE	5,658	5,262	5,159	5,030	4,466	4,319	4,678	4,090	4,078	3,685
Tuition Rate per Hour	\$ 87	\$ 91	\$ 91	\$ 100	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115	\$ 120
Tuition and Fee Revenue	\$ 18,101,468	\$ 18,014,491	\$ 17,457,282	\$ 18,224,423	\$ 19,091,553	\$ 19,171,650	\$ 21,051,415	\$ 19,727,647	\$ 19,246,499	\$ 20,200,642
Degrees and Certificates awarded*										
A.A.; A.S.	785	783	887	811	772	744	731	714	809	654
A.E.S.	9	7	19	21	20	21	27	28	32	26
A.G.S	-	1	1	4	1	1	-	-	1	-
A.A.S.	276	237	209	217	201	187	142	211	209	139
Certificates	607	565	937	1,198	653	626	515	466	340	642

\*Source: ICCB S3 Apportionment Reports

Data Source

ICCB Centralized Data System--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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Square feet - classrooms	72,729	73,661	72,012	70,599	90,958	118,292	118,292	118,292	118,292	123,641
Square feet - labs	134,247	133,884	146,503	144,306	187,884	194,681	194,146	194,146	194,146	232,330
Square feet - libraries	33,308	33,308	32,731	32,731	47,251	49,981	49,981	49,981	49,981	50,177
Square feet - offices	98,789	99,313	98,204	92,163	106,522	113,654	113,505	113,505	113,505	117,124
Total assignable square feet	551,991	553,085	562,404	551,668	605,461	648,565	649,435	649,435	649,435	713,904
Number of classrooms	97	98	97	88	125	152	152	152	145	149
Number of laboratories	156	156	158	118	230	237	235	235	241	254
Number of libraries	37	37	35	39	80	89	89	89	89	90
Number of offices	485	498	574	419	589	569	567	567	645	653
Number of buildings	40	40	38	37	38	38	38	38	38	39
Acres	235	235	235	235	235	235	235	235	235	242

Data Source

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

**SPECIAL REPORTS SECTION**

**ICCB STATE GRANT PROGRAMS**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinions**

We have audited the accompanying balance sheet 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, 2023, 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.

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, 2023, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the guidelines of the Illinois Community College Board (ICCB) *Fiscal Management Manual*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

The accompanying balance sheet and statement of revenues, expenditures and changes in program balances 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.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the balance sheet the College's State Adult Education and Family Literacy Grant Programs as of June 30, 2023, and the related statement of revenues, expenditures and changes in program balances 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 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 3, 2023

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

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

June 30, 2023

	<u>State Basic</u>	<u>Performance</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
None	\$ -	\$ -	\$ -
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND PROGRAM BALANCE</b>			
<b>LIABILITIES</b>			
None	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>PROGRAM BALANCE</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total program balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND PROGRAM BALANCE</b>	<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, 2023

	State Basic	Performance	Total (Memorandum Only)
<b>REVENUES</b>			
Grant revenue	\$ 205,978	\$ 132,775	\$ 338,753
<b>EXPENDITURES</b>			
Direct instruction			
Salaries	153,504	92,404	245,908
Benefits	24,364	36,320	60,684
Travel	2,794	-	2,794
Supplies	18,472	3,451	21,923
Contractual services	4,507	-	4,507
Total direct instruction	203,641	132,175	335,816
Program support			
Occupancy	1,246	-	1,246
Training and education	450	-	450
Miscellaneous	641	600	1,241
Total program support	2,337	600	2,937
Total expenditures	205,978	132,775	338,753
EXCESS REVENUES OVER (UNDER) EXPENDITURES	-	-	-
PROGRAM BALANCE, JULY 1, 2022	-	-	-
<b>PROGRAM BALANCE, JUNE 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2023

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	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
<b>STATE BASIC</b>		
Instruction (45% minimum required)	\$ 203,641	98.87%
General administration (15% maximum allowed)	2,337	1.13%

(See independent auditor's report.)

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

NOTES TO FINANCIAL STATEMENTS - GRANT PROGRAMS

June 30, 2023

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**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 transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Restricted Grant program. These transactions have all been accounted for in the Restricted Purpose Funds of the governmental subgroup.

b. Basis for Accounting

The statements have been prepared on the accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2023. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

c. Capital Assets

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

**3. PAYMENTS OF PRIOR YEAR'S ENCUMBRANCES**

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as restricted fund balance during the current fiscal year.

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

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

We have examined management of Rock Valley College - Illinois Community College District Number 511's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Total Semester Credit Hours of Rock Valley College during the period July 1, 2022 through June 30, 2023. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirements based on our examination.

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

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

*Sikich LLP*

Naperville, Illinois  
November 3, 2023

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

SCHEDULE OF ENROLLMENT DATA AND OTHER BASES  
UPON WHICH CLAIMS ARE FILED

For the Year Ended June 30, 2023

CATEGORIES	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
Baccalaureate	-	9,462.0	32.50	35,516.0	37.50	32,463.5	70.00	77,441.5
Business occupational	-	147.5	-	2,213.5	-	2,761.5	-	5,122.5
Technical occupational	-	1,746.5	-	7,519.0	-	8,383.0	-	17,648.5
Health occupational	-	975.0	-	2,849.0	-	3,906.0	-	7,730.0
Remedial developmental	-	109.0	-	577.0	-	694.0	-	1,380.0
Adult basic education/adult secondary education	-	244.0	-	4,799.0	-	4,145.5	-	9,188.5
<b>TOTAL CREDIT HOURS VERIFIED</b>	-	12,684.0	32.5	53,473.5	37.5	52,353.5	70.0	118,511.0

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	113,725.0	-	113,725.0
Reimbursable credit hours (restricted)	65.0		65.0
Reimbursable credit hours (unrestricted)	11,950.0		965.0
Reimbursable credit hours (restricted)	-		-

A student's legal residence is used to determine the student's residency for both tuition calculation and submission of reports for state funding purposes. According to ICCB guidelines, a student must reside within the district for at least 30 days prior to the start of the semester in order to meet in district residency requirements.

The College uses the U.S. Postal Service to verify a student's permanent residence. If there is a question about a student's residency, the student must submit a combination of three types of documentation:

- 1) Valid Illinois driver's license or motor vehicle registration
- 2) Voter's registration card
- 3) Real estate tax bill showing liability to the College
- 4) Apartment lease
- 5) Contract of sale for a new home
- 6) Utility bill
- 7) Rent receipt

Each case is treated individually and documentation tailored to the student's specific situation.

**DISTRICT'S 2022 EQUALIZED ASSESSED VALUATION** \$ 7,160,941,744

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

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2023

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	<b>Total Unrestricted Credit Hours</b>	<b>Total Unrestricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>	<b>Total Restricted Credit Hours</b>	<b>Total Restricted Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Baccalaureate	77,441.5	77,441.5	-	70.0	70.0	-
Business occupational	5,122.5	5,122.5	-	-	-	-
Technical occupational	17,648.5	17,648.5	-	-	-	-
Health occupational	7,730.0	7,730.0	-	-	-	-
Remedial developmental	1,380.0	1,380.0	-	-	-	-
Adult basic education/adult secondary education	9,188.5	9,188.5	-	-	-	-
<b>TOTAL</b>	<b>118,511.0</b>	<b>118,511.0</b>	<b>-</b>	<b>70.0</b>	<b>70.0</b>	<b>-</b>

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