

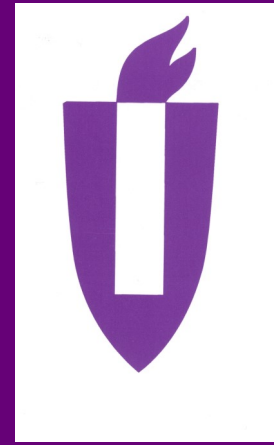
For the Fiscal Year Ending June 30, 2020

Popular Annual

Financial Report

Illinois Valley Community College

District 513



Illinois Valley Community College

MISSION – Illinois Valley Community College provides a high-quality, accessible, and affordable education that inspires individuals and our community to thrive.

VISION – Illinois Valley Community College is the preferred gateway to advance individual and community success.

CORE VALUES

Responsibility – We will follow through on our commitments, welcome constructive assessment and suggestions for improvement. We will meet performance expectations for personal and professional conduct.

Caring – We will nurture a culture of mutual appreciation; cultivate empathy and a compassionate response to others.

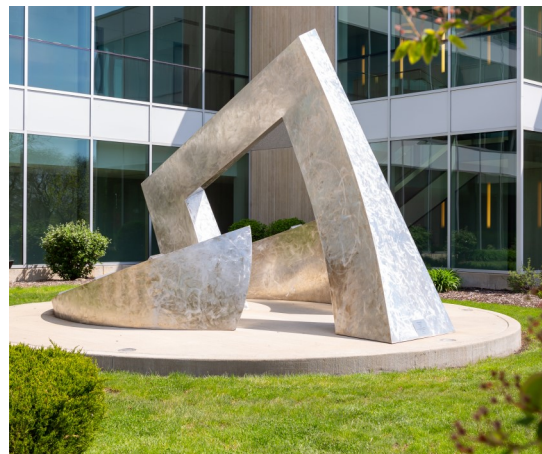
Honesty – We will speak and act truthfully, without hidden agendas – admitting when we make mistakes or do not know, avoiding silence when it may be misleading, identifying and working with each other to communicate and solve problems.

Fairness – We will treat students and colleagues equitably, without favoritism or prejudice, giving all the benefit of the doubt and providing opportunities for individual success.

Respect – We will consider the talents, feelings and contributions of everyone in our interactions and behaviors; practice active listening and collaborating in our daily work; base our relationships on the essential dignity of each individual; value diverse cultures, backgrounds, lifestyles and abilities; and understand that inclusion makes us stronger and able to perform at higher levels.

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**Office of the President
Jerome M. Corcoran, EdD**

I am pleased to present to you the tenth annual Popular Annual Financial Report (PAFR) of Illinois Valley Community College. This report addresses the College's financial condition for the fiscal year ended June 30, 2020. The PAFR is a summarized version of the College's Comprehensive Annual Financial Report (CAFR). Whereas the CAFR is voluminous and complex, the PAFR presents financial information in a clear and concise format. We believe that integrity and transparency in financial reporting are essential to maintaining trust with our stakeholders.

Our goals for fiscal year 2020 were:

1. Complete the third year of Program Review process for transfer programs.
2. Grow enrollments in agriculture, cybersecurity, medical assisting, EMS and industrial maintenance.
3. Launch Transfer Academy at the Ottawa Center.
4. Continue to build upon Foundation fundraising success.
5. Continue to maintain fiscal discipline and adequate reserves.
6. Roll out succession plan.

The on-going challenge is the continuing decline in enrollments. Area demographics play a major role in this decline with decreases in all age categories except those over 60 years of age. Lower unemployment is another contributing factor. IVCC continues to stay focused on its mission: to provide a high-quality, accessible, and affordable education that inspires individuals and our community to thrive.

I am very proud of our dedicated IVCC Business Office staff on the work they have put into preparing the college's tenth Popular Annual Financial Report and we hope that you will find it to be helpful in reviewing important financial information in an easy-to-read format.

Thank you for your trust in IVCC – where every employee is valued because we all play a role in helping students achieve their academic and career goals.

Respectfully,

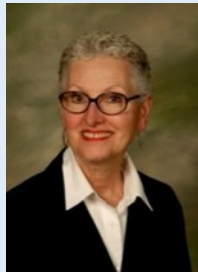
Dr. Jerome Corcoran
President



ILLINOIS VALLEY COMMUNITY COLLEGE
DISTRICT 513

Principal Officials
as of July 1, 2020

Members of the Board of Trustees
(with term expiration)



Ms. Jane E. Goetz, Chair
(2025)



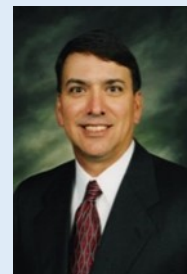
Mr. Everett J. Solon, Vice-Chair
(2021)



Ms. Angela Stevenson, Secretary
(2023)



Dr. Maureen Rebholz
(2021)



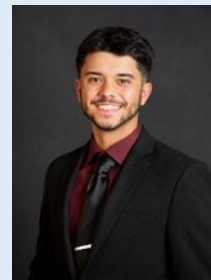
Mr. David O. Mallery
(2023)



Mr. Jay McCracken
(2023)



Dr. Amy Boyles
(2025)



Mr. Tony Galindo
Student Trustee – 2021

Principal Administrative Officials

Dr. Jerome M. Corcoran – *President*

Dr. Deborah Anderson – *Vice President for Academic Affairs*

Ms. Bonnie Campbell – *Associate Vice President for Academic Affairs*

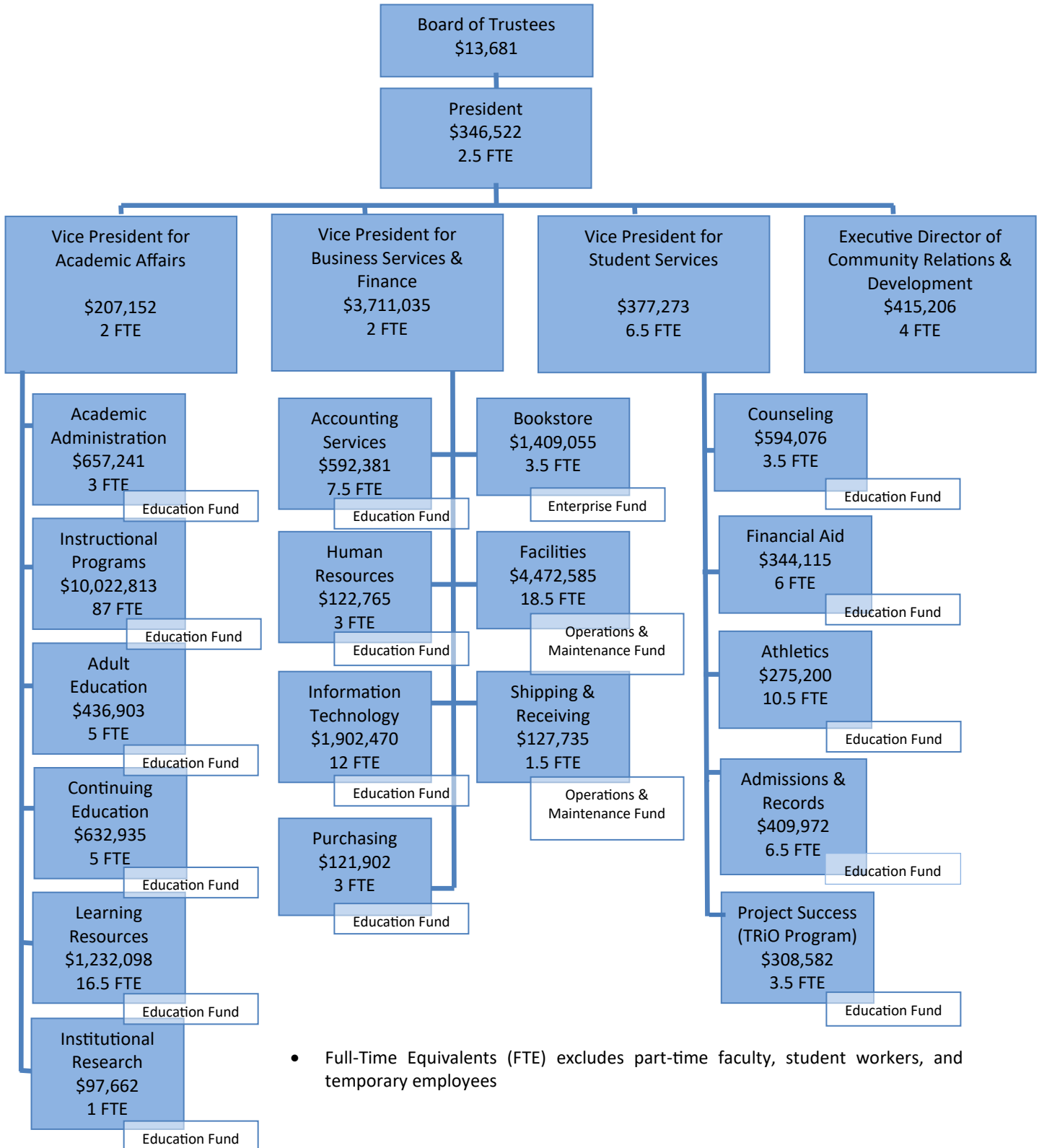
Mr. Mark Grzybowski – *Vice President for Student Services*

Ms. Cheryl E. Roelfsema – *Vice President for Business Services & Finance/Treasurer*

Mr. Fran Brolley – *Executive Director of Community Relations & Development*

Organizational Overview

The administrative direction of Illinois Valley Community College has been delegated by the Board of Trustees to the President and administrative staff. The following chart includes each department budget and number of employees for FY2020:



- Full-Time Equivalents (FTE) excludes part-time faculty, student workers, and temporary employees

History and Overview of Illinois Valley Community College

IVCC is a two-year institution of higher learning in Oglesby, Illinois - the only institution of higher education physically located within a 50-mile radius, thereby providing the only access to college for many area residents. The college serves a 2,000-square mile district encompassing all of Putnam County and parts of Bureau, LaSalle, DeKalb, Grundy, Lee, Livingston, and Marshall Counties. The college sits on a 425-acre campus that was constructed in 1972 and serves a student body of approximately 4,500 students. The college was accredited by The Higher Learning Commission of the North Central Association of Colleges and Schools in 1929.



In 1965, the Junior College Act was enacted providing the foundation for the present system of public community colleges in Illinois. The local districts were coordinated and regulated by a new Illinois Junior College Board, which in turn reported to the Illinois Board of Higher Education. The act provided for local-state sharing of capital funding, acquisition of sites, and operational funding. On July 1, 1966, the college's name was officially changed to Illinois Valley Community College (IVCC). The relocation of the campus to the present site was made possible due to an \$8.25 million referendum approved by members of District No. 513 to finance the beginning of IVCC. The first courses were held in the new location, in temporary buildings, on September 9, 1968.



In addition to the main campus in Oglesby, the college opened a satellite IVCC Ottawa Center in 2010. The IVCC Ottawa Center is approximately 15 miles from the main campus and more accessible to the eastern portion of the IVCC district. The college also offers day and evening classes at extension sites throughout the district.

IVCC offers a variety of associate degrees and certificates. Associate in Applied Science degrees and program certificates prepare students for employment upon completion of the program. Associate Degrees in Arts, Sciences, Engineering Sciences, and General Studies are available for students wishing to transfer to a four-year institution.

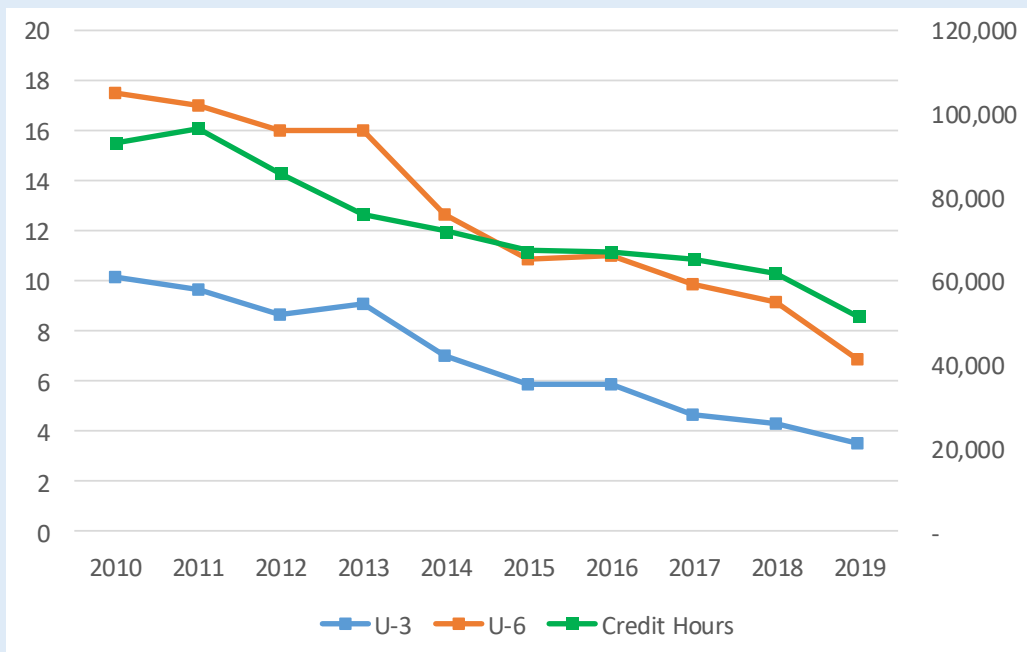
College courses are also accessible to students in a variety of formats, such as self-paced, online, independent study, telecourses, dual credit/dual enrollment, and blended – a combination of both in-person and online instruction.



Enrollments

IVCC had record enrollments in FY2010 and FY2011, reaching 96,728 credit hours in FY2011. Since that time, enrollments have declined more than 46 percent to 51,517 credit hours.

Historically, there is a correlation between credit hours and unemployment rates. There are six alternative measures of labor utilization published in the Bureau of Labor Statistics monthly reports. The official concept of unemployment as measured by U-3, in the U-1 to U-6 range of alternatives, includes all jobless persons who are available to take a job and have actively sought work in the past four weeks. U-6 is the most broadly defined measure and includes all jobless persons who want and are available to take a job, and had looked for a job sometime in the prior 12 months, plus persons employed part time, working less than 35 hours per week who want to work full time. In 2009, the Illinois statewide average unemployment rates were 10 percent for the U-3 rate and 12.7 percent for the U-6 rate. As of June 1, 2019 the statewide U-3 rate was 4.3 percent and the U-6 rate was 9.2 percent.



Accomplishments and Initiatives

Illinois Valley Community College is committed to cultivating a positive environment that supports innovation, teamwork, and successful outcomes. The past year has produced a number of successful projects and initiatives.

The FY2021 budget was developed with input from the College's Budget Council. Specific requests from budget officers were evaluated and prioritized based upon the strategic goals and objectives as well as the following five initiatives set forth by the Board of Trustees:

1. Increase enrollments with a continued emphasis on high school partnerships while expanding College and Career Start opportunities.
2. Maintain fiscal discipline with adequate reserves.
3. Review all programs in order to reduce, add or realign.
4. Replace general educational goals with instructional learning outcomes during transition to Guided Pathways model.
5. Continue succession plan.



Increase enrollments with a continued emphasis on high school partnerships while expanding College and Career Start opportunities

With the IVCC College and Career Start program, interested high school students are able to enroll in courses at the dual credit/dual enrollment reduced tuition rate while completing coursework and accessing student support services on an IVCC campus. By leveraging resources and making minor adjustments to course offerings, IVCC is able to offer an Illinois Articulation Initiative pathway of courses at the Ottawa Center and is developing a STEM pathway on the Main Campus. College and Career Start allows high school students to be released each afternoon to attend two courses at the Ottawa Center or on the Main Campus. This program positions students for seamless transfer to a university or to begin a technical career.



Maintain fiscal discipline with adequate reserves

Board Policy 4.9 requires a minimum fund balance in the general (or operating) funds of 25 percent of normal operating expenditures. The fund balance as of June 30, 2020 was 69 percent. With the continued decline in enrollments, the fund balance acts as a contingency if targeted enrollment numbers are not met. The budget is based on receiving \$2,083,400 in State appropriations for the operating fund. The budget also includes a contingency of \$600,000 in the event enrollments fall short of the targeted 51,000 credit hours, or State funding is reduced.



Review all programs in order to reduce, add or realign

In 2019, IVCC engaged RSM to help develop a strategy to periodically review course offerings to better serve the District's residents. The process involves looking at 3-5 years of historical data to determine which courses are under-filled or over-filled. It also considers what type of courses are offered – general or specialized, and works to gain an understanding of facilities and equipment to determine if enrollment caps are necessary and what times courses should be offered. Considerations include: What are the student requirements? Should accelerated terms be considered? Should late starts be considered? How often should courses meet each week? Should weekend classes be offered?

Replace general educational goals with instructional learning outcomes during transition to Guided Pathways model

The Guided Pathways model places an emphasis on student success through clearly mapping academic pathways, assisting students with program entrance, supporting student academic success, and ensuring that learning happens. The four pillars of Guided Pathways include:

- Pillar #1: Clarify pathways to end goals
Guide students with program maps
- Pillar #2: Help students choose and enter pathways
Redesign traditional remediation
- Pillar #3: Help students stay on path
Provide flexible class options
- Pillar #4: Ensure students are learning
Support career development

Continue succession plan

In November 2019, the Human Resources Department identified 42 percent of employees, both full- and part-time, as being over 55 years of age. There were 70 full-time employees (40%) over 55 years of age. According to the State Universities Retirement System (SURS), there were 119 full- and part-time employees eligible to retire. This does not mean they will necessarily retire in the next year. In December 2018, there were 57 employees eligible for SURS retirement, but only seven retired during the past year. Employees that have met the age and years of service requirements for SURS have been identified on an organizational chart which is used as a tool to identify employees for succession planning. As employees retire, our departments and processes are reviewed for opportunities to restructure and gain efficiencies in our operations. Professional development opportunities are identified to train employees.

Financial Review

The following is an overview of the college's financial operations for the fiscal year ended June 30, 2020 (FY2020). Most of the information contained within this Popular Annual Financial Report (PAFR) is extracted from the financial information contained within the FY2020 Comprehensive Annual Financial Report (CAFR). The CAFR is a more detailed and complete financial presentation prepared in conformance with generally accepted accounting principles (GAAP) and is audited by the college's independent auditors, receiving an unmodified opinion. An unmodified opinion is given when an auditor can state that the financial statements are accurately and fairly presented. The financial information for the college's Foundation, a component unit, is not included within this PAFR. Other than the omission of the component unit and the omission of notes to the financial statement, the financial data in this PAFR conforms with GAAP. The statistical, economic, and demographic data is taken from various sources and is unaudited.

Financial Highlights

Statement of Net Position

The college's financial position in FY2020 continues to remain strong with total assets of \$94.9 million, total liabilities of \$15.0 million, and total net position of \$71.9 million. The following condensed information from the college's Statement of Net Position includes all assets and liabilities of the college:

	Net Position		
	as of June 30, 2020 (in millions)		
	2020	2019	2018
Current assets	\$31.0	\$31.3	\$29.0
Non-current assets			
Investments	4.1	2.2	3.5
Capital assets, net of depreciation	59.8	59.9	60.2
Total assets	94.9	93.4	92.7
Deferred outflows of resources	.5	.4	.3
Total assets and deferred outflows of resources	95.4	93.8	93.0
Current liabilities	2.6	2.1	2.2
Non-current liabilities	12.4	12.1	12.2
Total liabilities	15.0	14.2	14.4
Deferred inflows of resources	8.5	7.9	6.9
Net position			
Net investment in capital assets	59.8	59.9	60.1
Restricted-expendable	10.7	11.3	11.8
Unrestricted	1.4	.5	(0.2)
Total net position	\$71.9	\$71.7	\$71.7

Assets

Total assets increased by \$1,416,954, or 1.5 percent, from the previous year. Cash increased by \$1,319,511, offset by a decrease of \$1,835,000 in investments. As interest rates declined, investments were converted to cash. Accounts receivable increased by \$980,459, caused partly by the COVID-19 pandemic prompting the college to delay the due date for student tuition payments.

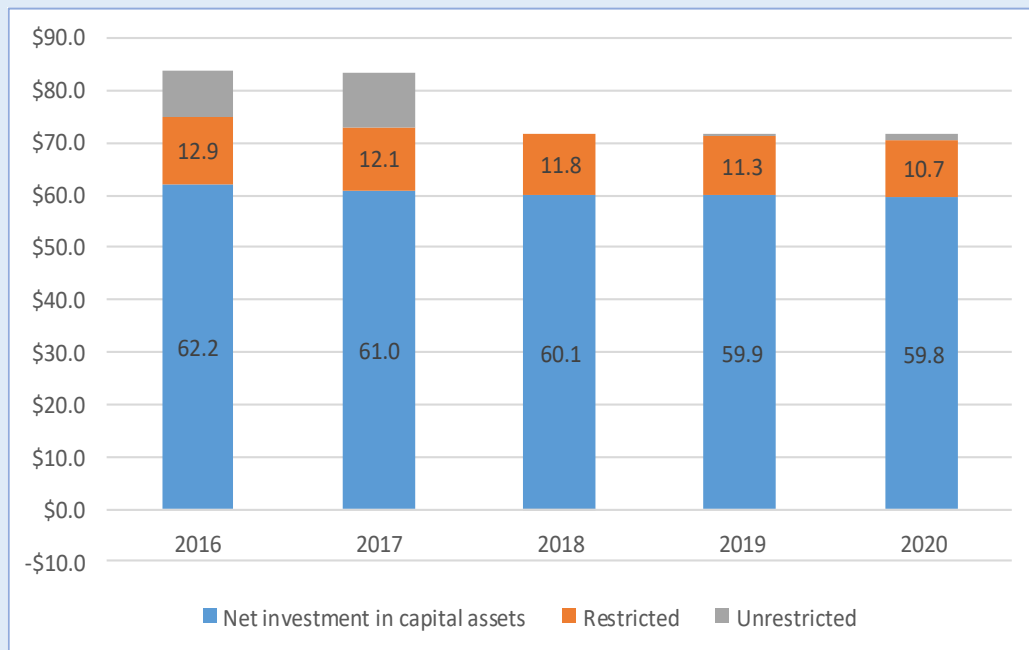
Liabilities

Total liabilities increased by \$864,587, or 6.1 percent. OPEB liability increased by \$263,697 to \$12,132,780. Accounts payable increased by \$355,504 and other accrued expenses increased by \$206,370.

Net Position

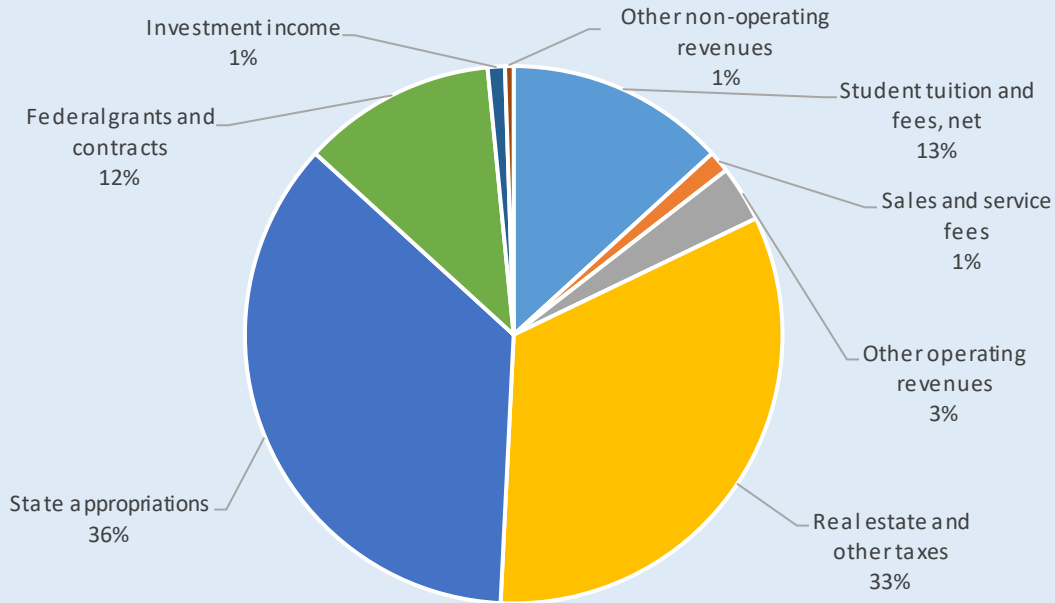
The largest component of net position, \$59.8 million, reflects the college’s investment in capital assets (land, buildings, furniture, and equipment). The college uses these capital assets to provide services to residents of the college’s district; consequently, these assets are not available for future spending.

Restricted assets represent resources that are subject to restrictions on how they may be spent. Restricted assets totaled \$10.7 million and are committed for capital projects, debt service, and specific instructional programs. The unrestricted portion of net position is \$1.3 million.



Where Does the Money Come From?

Sources of Funds for Fiscal Year 2020 Total Operating and Non-Operating Revenue \$38.6 million



Sources of Funds (in millions)

	2020	2019	2018
Net tuition and fees	\$5.1	\$5.4	\$6.1
Auxiliary enterprises	1.3	1.5	1.6
Sales and services	.5	.2	.0
State grants & contracts	13.9	12.5	11.2
Federal grants and contracts	4.5	4.5	4.7
Property taxes	12.7	12.3	12.0
Interest income	.4	.5	.3
Other non-operating	.2	.6	1.1
Total	\$38.6	\$37.5	\$37.0

Total revenue for FY2020 increased by \$1,105,791, or 2.9 percent from FY2019.

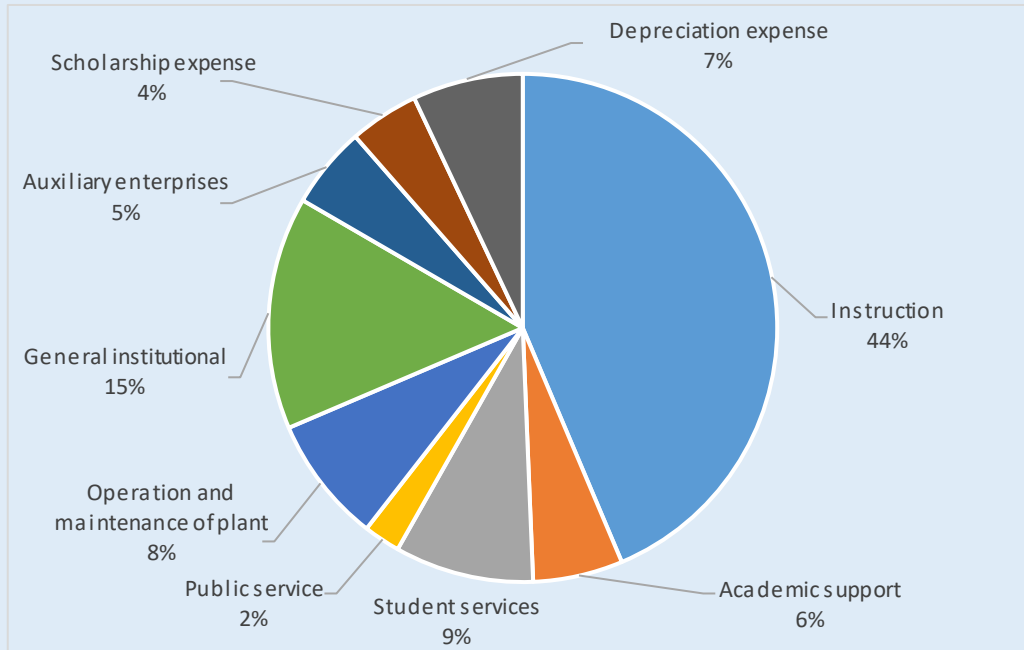


- The State's contributions for SURS (State University Retirement System) and CIP (College Insurance Plan) increased by \$1,086,314 to \$9,937,294.
- Property tax revenues increased by \$460,355, or 3.8 percent, the result of an increase in equalized assessed valuation.
- Net tuition and fees decreased by \$358,394, or 6.6 percent. Tuition and fee rates remained the same for the third year and credit hour class enrollment remained the same as fiscal 2019 but non-credit class enrollment declined.
- Auxiliary revenues decreased by \$142,856, or 9.7 percent. The major source of auxiliary revenue is the bookstore. Lower enrollments and the trend toward rental books and e-books has changed the dynamics of the bookstore.
- Gifts and contributions decreased by \$405,033. In FY2019, the college received a \$141,169 bequest from the Walter Durley and Hazel Marie Boyle estate for Cultural Centre improvement and \$50,000 from Seattle Sutton for the nursing program. Gifts in FY2020 included \$168,300 for electronic lab portable PLC's, \$15,776 in gifts for the agriculture program and \$32,000 from local hospitals in support of the nursing program.



What is the Money Used For?

Uses of Funds for Fiscal Year 2020 Total Operating and Non-Operating Expenses \$38.5 million



Use of Funds (in millions)

	2020	2019	2018
Instruction	\$16.8	\$16.3	\$15.9
Academic support	2.2	2.0	1.4
Student services	3.4	3.2	2.7
Public service	.9	1.0	.9
Auxiliary	2.0	2.0	2.5
Operations & maintenance	3.1	3.3	3.1
Institutional support	5.7	5.5	6.2
Scholarships & grants	1.7	1.6	1.6
Depreciation	2.7	2.6	2.6
Total	\$38.5	\$37.5	\$36.9

Total operating expenses for FY2020 increased by \$1,054,309, or 2.8 percent, from FY2019.

An accounting change for on-behalf payments from the State of Illinois and an increase of \$1,569,902 resulted in the following changes in functional expense categories.

- Instructional expenses increased by \$512,723, or 3.1 percent.
- Academic support expenses increased by \$248,556, or 12.8 percent.
- Student services expenses were increased by \$259,319, or 8.2 percent.
- Institutional support expenses increased by \$269,581, or 5.0 percent.

Public service expenses decreased by \$165,948, or 16.0 percent. As enrollments and expenses declined.

Operations and maintenance expenses decreased by \$219,896, or 6.6 percent, with a decline in all line items except salaries.

Auxiliary expenses remained the same as FY2019.

Scholarships and grants increased by \$95,530, or 6.0 percent. Credit hours remained level, but there was a greater need for financial assistance.

Depreciation expenses increased by \$54,773, or 21.1 percent.



Statistical Information

Tuition and Fees

Academic Year Beginning in Fall	Tuition and Fees Per Credit Hour	Increase (Decrease) Percent	Illinois Community College Average	Percent of State Average
2011	83.52	10.3%	103.89	80.4%
2012	91.77	9.9%	107.89	85.1%
2013	101.00	10.1%	112.65	89.7%
2014	111.00	9.9%	118.77	93.5%
2015	119.00	7.2%	125.49	94.8%
2016	124.00	4.2%	133.42	92.9%
2017	130.00	4.8%	140.80	92.3%
2018	133.00	2.3%	144.36	92.1%
2019	133.00	0.0%	145.96	91.1%
2020	133.00	0.0%	147.01	90.5%

Student Enrollment Statistics

By Category

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Baccalaureate	58,028	53,353	46,729	45,818	43,349	43,435	42,635	41,319	33,502	33,575
Business Occupational	5,452	5,334	4,790	4,640	4,216	4,110	4,031	3,112	2,205	2,708
Technical Occupational	14,597	10,645	9,263	8,099	7,598	8,117	8,215	7,842	7,333	7,182
Health Occupational	8,674	7,885	7,288	6,912	6,422	6,497	5,938	5,567	5,416	5,641
Remedial Developmental	7,496	6,152	5,352	5,028	4,011	3,558	3,548	2,982	1,873	1,466
Adult Basic / Secondary Education	2,481	2,615	2,634	1,557	1,653	1,339	955	1,236	1,317	945
Total Credit Hours	96,728	85,984	76,056	72,054	67,249	67,056	65,322	62,058	51,646	51,517

Enrollments peaked in FY2011 during the Great Recession, followed by sharp declines in FY2012 through FY2019. According to the Illinois Community College Board, statewide enrollments are at their lowest level since FY1986. The low enrollments affect tuition revenues and State funding. The majority of State funding is based on a reimbursement for credit hours with a two-year lag, i.e., FY2020 funding is based on FY2018 credit hours.



**Student Enrollment and Demographic Statistics - 10th day
Fiscal Year 2011 through 2020**

Fall of Fiscal Year	Fall Enrollment				Gender		Attendance		Age
	Head Count	% Change	FTE	% Change	Male	Female	Full-time	Part-time	Avg. Age
2011	4,507	(0.49%)	2,890	1.65%	43%	57%	47%	53%	26
2012	4,355	(3.37%)	2,698	(6.64%)	40%	60%	43%	57%	25
2013	3,944	(9.44%)	2,419	(10.34%)	41%	59%	42%	58%	25
2014	3,705	(6.06%)	2,268	(6.24%)	41%	59%	40%	60%	24
2015	3,525	(4.85%)	2,169	(4.37%)	42%	58%	42%	58%	24
2016	3,310	(6.10%)	1,991	(8.21%)	42%	58%	39%	61%	24
2017	3,206	(3.14%)	1,981	(0.50%)	42%	58%	41%	59%	23
2018	3,241	1.09%	1,906	(3.79%)	43%	57%	39%	61%	23
2019	2,958	(8.73%)	1,718	(9.86%)	42%	58%	37%	63%	23
2020	2,841	(3.96%)	1,689	(1.69%)	42%	58%	39%	61%	24
Average:	3,559	(4.51%)	2,173	(5.00%)					



Employee Statistics

Approved Full-Time Employee Headcount					
	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Budgeted
Administrators	15	15	15	15	15
Professional/Technical	31	32	33	32	32
Faculty	79	75	72	80	80
Academic Support	4	3	3	3	3
Support Staff	35	35	37	34	34
Custodial/Maintenance	16	16	15	16	16
Total	180	176	175	180	180

Approved Part-Time Employee Headcount					
	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Budgeted
Professional/Technical	16	8	10	8	8
Faculty	157	173	168	142	142
Support Staff	44	45	47	60	60
Custodial/Maintenance	1	1	1	1	1
Total	218	227	226	211	211

Total Employee Headcount (Full-Time and Part-Time)					
	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Budgeted
Grand Total	398	403	401	391	391

Enrollments also impact employee headcount, particularly in part-time employees. Part-time employees allow for flexibility in scheduling based on student headcount. As positions become vacant for a variety of reasons, our processes are reviewed, looking for more efficient ways to serve our students. In some instances, the positions are not filled thus reducing the headcount.

	FY2012	FY2014	FY2016	FY2018	FY2020
Students per F/T Faculty	53	45	41	43	37
Students per F/T Staff	34	35	33	32	28
Fall student headcount	4,355	3,705	3,310	3,241	2,841
% Tenured Faculty	88%	88%	88%	85%	81%

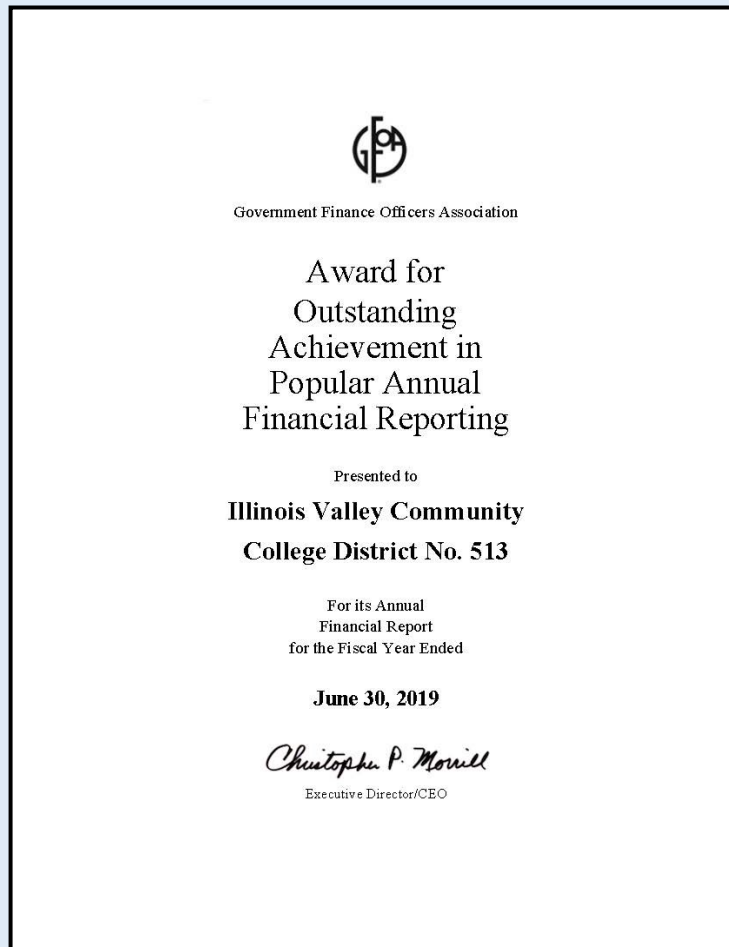
The College has a tradition of affordability without compromising the quality of education for IVCC students and their families.

Government Finance Officers Association Awards for Financial Reporting

The GFOA presented an **Award for Outstanding Achievement in Popular Annual Financial Reporting** to Illinois Valley Community College for its Popular Annual Financial Report for the fiscal year ending June 30, 2019. This was the ninth year that the college received this prestigious award. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In addition, the GFOA awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Illinois Valley Community College for its **Comprehensive Annual Financial Report** for the fiscal year ended June 30, 2019. The college has received this prestigious award every year since 1994. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

The CAFR and PAFR are both available on the college's website: www.ivcc.edu/businessservices



GLOSSARY OF TERMS

CURRENT ASSETS

Cash or anything that can be readily converted into cash.

CURRENT LIABILITIES

Debts which are payable within a relatively short period of time, usually no longer than a year.

DEFERRED INFLOWS

Expenses which are not chargeable to the fiscal year in which they are made, but are carried over on the asset side of the balance sheet pending amortization or some other disposition.

DEFERRED OUTFLOW

Monies or entitlements which have been recognized as revenues but have not been received and are therefore not available for use; also considered a liability.

FULL-TIME EQUIVALENT (FTE)

For students, the FTE indicator is the total credit hours (both certificate and degree) generated at the college for the year divided by 30 credit hours. For faculty, the FTE is 30 instructional hour equivalents per year. For classified staff, the FTE is 40 hours of work per week.

NET POSITION

Total assets minus total liabilities.

NET INVESTMENT IN CAPITAL ASSETS

Capital assets, net of accumulated depreciation, reduced by outstanding debt related to the acquisition, construction, or improvement of those assets.

NON-CURRENT ASSETS

Assets which are not easily convertible to cash or not expected to become cash within the next year.

NON-CURRENT LIABILITIES

Obligations that are not required to be satisfied within 12 months of the balance sheet date; also called long-term liability.

