



For the Fiscal Year Ending June 30, 2019

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.

Table of Contents

Letter from the President	2
Members of the Board of Trustees	3
Organizational Overview	4
History and Overview of College	5
Accomplishments and Initiatives	7
Financial Review: Assets, Liabilities, Net Position	9
Where Does the Money Come From?	11
What is the Money Used For?	13
Statistical Information	15
Government Finance Officers Association Awards	18
Glossary of Terms	19





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

I am pleased to present to you the ninth 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, 2019. 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 2019 were:

- Focus on enrollments in all programs with emphasis on high school relationships
- Launch new programs: a) Certified Medical Assistant, b) Cybersecurity and c) Agronomy
- Maintain fiscal discipline and adequate reserves
- Build upon recent success of new fund-raising initiatives
- Submit supplemental report to the Higher Learning Commission
- Update our 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 ninth 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

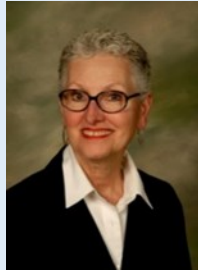


ILLINOIS VALLEY COMMUNITY COLLEGE
DISTRICT 513

Principal Officials

as of July 1, 2019

Members of the Board of Trustees
(with term expiration)



Ms. Jane E. Goetz, Chair
(2025)



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



Mr. David O. Mallery, Secretary
(2023)



Ms. Melissa M. Olivero
(2021)



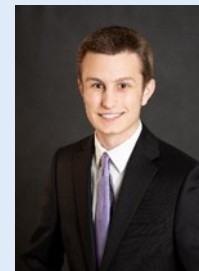
Ms. Angela Stevenson
(2023)



Mr. Jay McCracken
(2023)



Dr. Amy Boyles
(2025)



Mr. Matt Klein
Student Trustee – 2020

Principal Administrative Officials

Dr. Jerome M. Corcoran – *President*

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

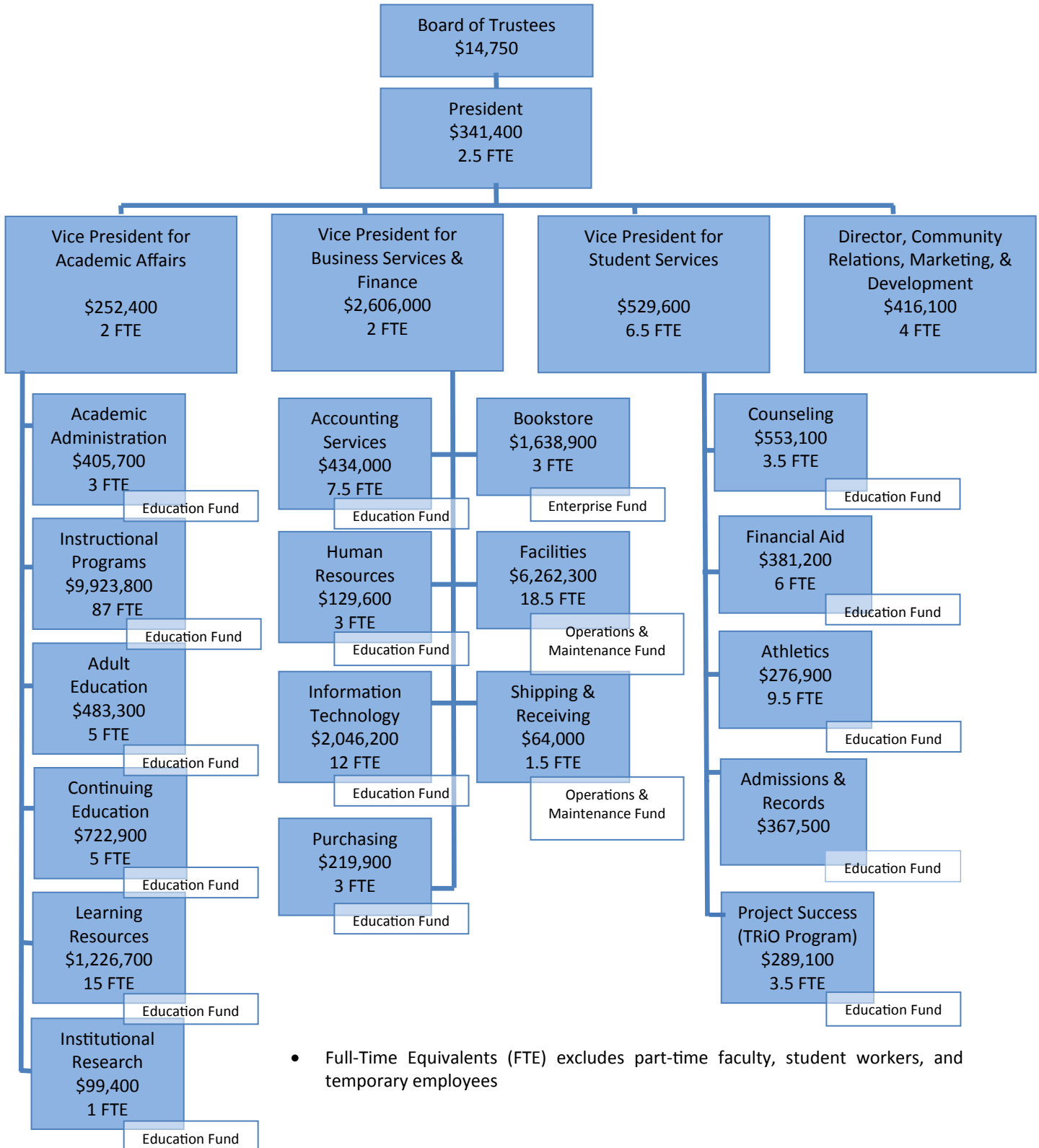
Ms. Bonnie Campbell – *Associate Vice President for Academic Affairs*

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

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

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 FY2019:



- 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 8,000 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.

Area Demographics

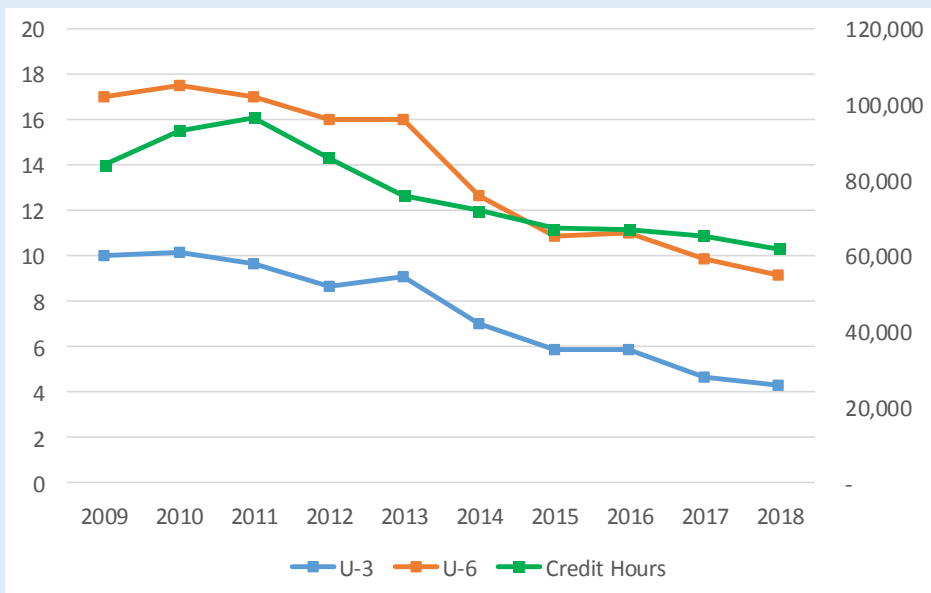
The district population is very static, decreasing by approximately two percent over the last ten years. It is projected by Economic Modeling Specialists, Inc. that over the next five years the population will continue to decrease by slightly more than one percent. The population is projected to remain 84 percent white, non-Hispanic, with individuals 65 years of age and older making up over 20 percent of the population.

The area's largest employers include a nuclear power generating facility, warehouse distribution centers, and healthcare.

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 51,646 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, 2018 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.



Focus On Enrollments in All Programs with Emphasis on High School Relationships

In FY2019 three new programs were the focus of advertising campaigns:

- Cybersecurity

- Certified Medical Assistant

- Agronomy

Other efforts to increase enrollments during FY2019 and continuing in FY2020 included:

- Targeting students interested in manufacturing and healthcare careers

- Targeting the 21-40 year old age group

- Promoting short-term certificate programs

- Focusing on Ottawa Center enrollments

- Hiring a full-time recruiter

Launching New Programs –Medical Assistant, Cybersecurity, and Agronomy

By working with advisory groups the need for new programs were identified:

Medical Assistant – a certificate program to train medical assistants to support the work of physicians and other health professionals, usually in a clinic setting. The program will teach a blend of varied skills including administrative, technical, communication, and interpersonal.

Cybersecurity – a certificate and transfer degree program to train cybersecurity specialists to meet immediate needs for skilled computer specialists in the community and beyond.

Agronomy – IVCC is offering an Associate of Applied Science degree in agronomy. Agronomy majors will gain expertise in crop and soil science, pest management, and precision agriculture technology.



Maintain Fiscal Discipline and Adequate Reserves

Board Policy 4.9 requires a minimum fund balance in the general (or operating) fund of 25 percent of normal annual operating expenditures. The fund balance as of June 30, 2019 is over 60 percent of annual operating expenditures. State funding was reduced during the budget impasse in FY2016 and FY2017 but is now at 90 percent of FY2015 levels.

Build Upon Recent Success of New Fund-Raising Initiatives

As of June 2019, the tuition assistance fund was at \$556,373. This initiative provides recent high school graduates and underemployed adults access to higher education which can lead to productive, rewarding careers and a significant increase in lifetime earnings.

Submit Supplemental Report to the Higher Learning Commission

Accreditation through the Higher Learning Commission was recently granted for another ten years, through 2026-2027. One requirement of this accreditation was a supplemental report which was submitted on October 4, 2018. Going forward, the Open Pathway has been selected as the accreditation pathway best suited to IVCC's current resources.

Succession Plan for Key Personnel

A report presented by the Human Resources Department in November 2019 included a good illustration of various classifications of employees of the College and their eligibility for retirement. Based on age and years of service, the following table shows, by classification, the number of employees eligible for retirement under the State Universities Retirement System (SURS) as of December 31, 2018:

Classification	Total # of Employees	Eligible for SURS Retirement	% of total	Actual Retirements	% of total
Administration	15	5	33.3%	1	6.67%
Faculty	75	26	34.7%	3	4.0%
Support Staff	86	26	30.2%	5	5.8%

The years of service suggest that IVCC is a great place to work, with low employee turnover. IVCC will continue to review the hiring processes and ensure that vacancies can be filled with first-class candidates for a smooth transition.

Financial Review

The following is an overview of the college's financial operations for the fiscal year ended June 30, 2019 (FY2019). Most of the information contained within this Popular Annual Financial Report (PAFR) is extracted from the financial information contained within the FY2019 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 reporting entity 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 FY2019 continues to remain strong with total assets of \$93.4 million, total liabilities of \$14.2 million, and total net position of \$71.7 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, 2019 (in millions)		
	2019	2018	2017
Current assets	\$31.3	\$29.0	\$29.6
Non-current assets			
Investments	2.2	3.5	.7
Capital assets, net of depreciation	59.9	60.2	61.0
Total assets	93.4	92.7	91.3
Deferred outflows of resources	.4	.3	0.0
Total assets and deferred outflows of resources	93.8	93.0	91.3
Current liabilities	2.1	2.2	2.0
Non-current liabilities	12.1	12.2	.2
Total liabilities	14.2	14.4	2.2
Deferred inflows of resources	7.9	6.9	5.7
Net position			
Net investment in capital assets	59.9	60.1	61.0
Restricted-expendable	11.3	11.8	12.1
Unrestricted	.5	(0.2)	10.3
Total net position	\$71.7	\$71.7	\$83.4

Assets

Total assets increased by \$735,206, or 0.8 percent, from the previous year. Cash decreased by \$601,730 offset by an increase in short-term investments of \$1,937,800, offset by a decrease of \$1,328,000 in noncurrent investments.

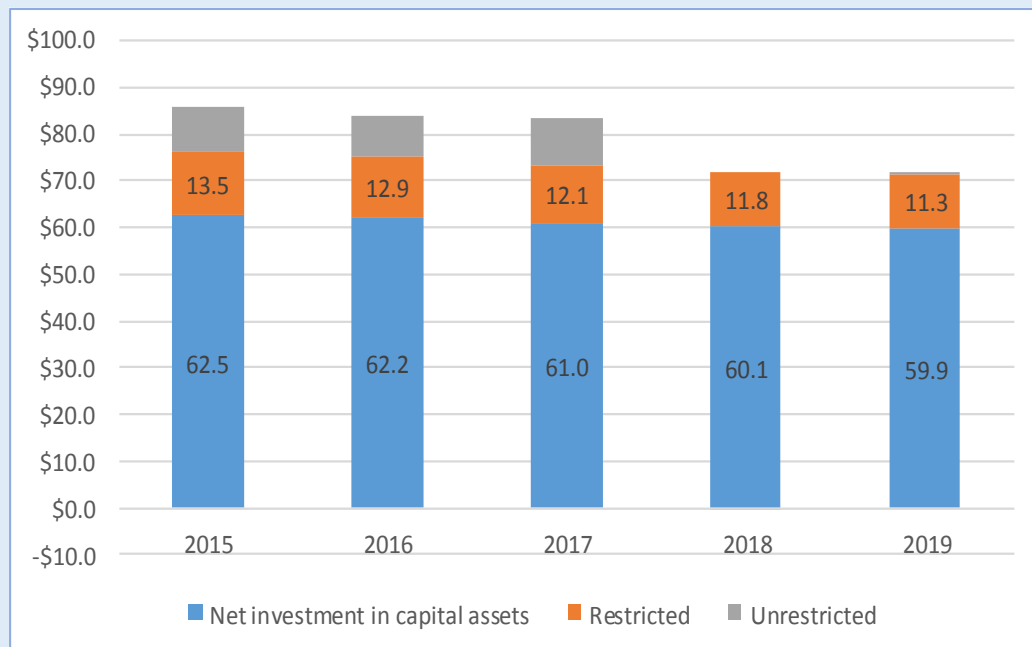
Liabilities

Current liabilities decreased by \$130,708 or 5.9 percent, due to an increase in unearned revenue at year-end and a decrease in accrued expenses. Non-current liabilities not related to the OPEB liability decreased by \$21,464. The OPEB liability was \$11.9 million. Total liabilities decreased by \$207,809. The College has no outstanding bond issues.

Net Position

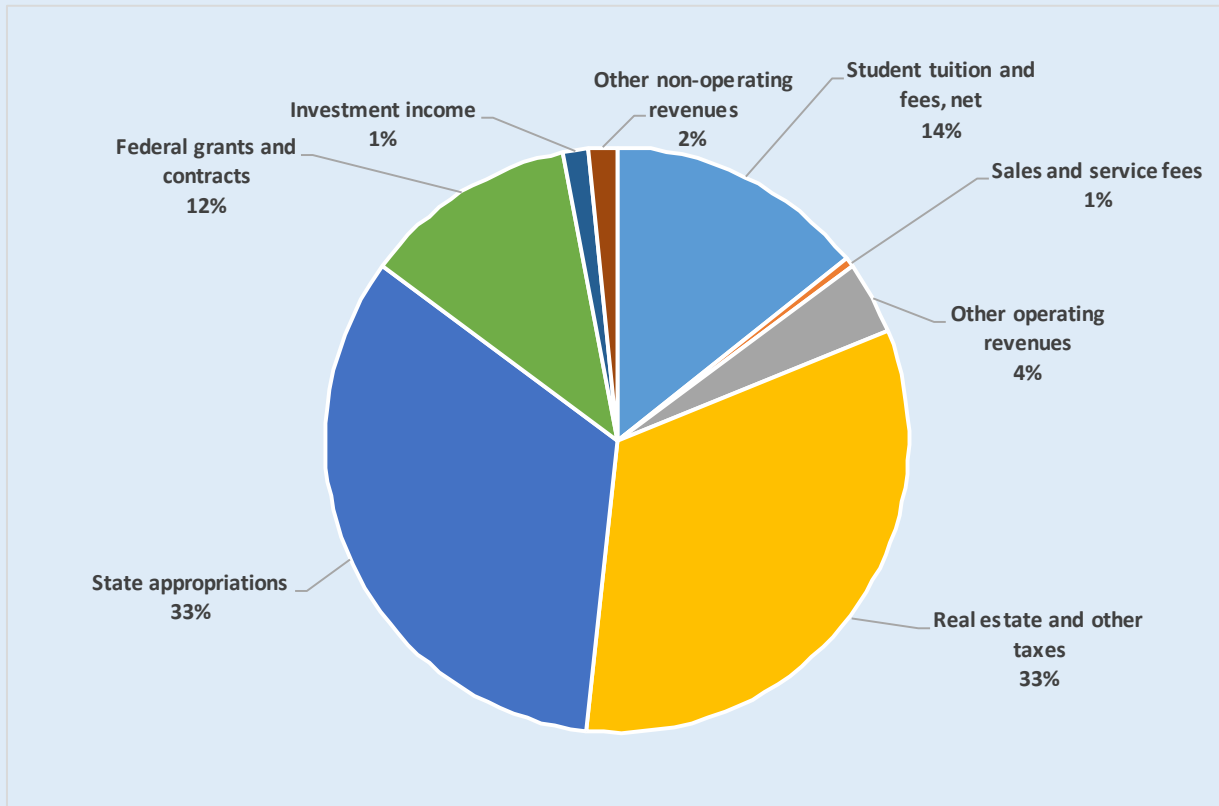
The largest component of net position, \$59.9 million, reflects the college's investment in capital assets (land, buildings, furniture, and equipment). The college uses these capital assets to provide services to residents of the college's district; consequently, these assets are not available for future spending.

Restricted assets represent resources that are subject to restrictions on how they may be spent. Restricted assets totaled \$11.3 million and are committed for capital projects, debt service, and specific instructional programs. The unrestricted portion of net position is \$3.5 million. Starting with FY2018, GASB 75 requires the College to report their proportionate share of the long-term liability of the College Insurance Plan, a State of Illinois plan to provide health insurance to retirees. IVCC's share of the liability is \$11.9 million.



Where Does the Money Come From?

Sources of Funds for Fiscal Year 2019 Total Operating and Non-Operating Revenue \$37.5 million



Sources of Funds (in millions)

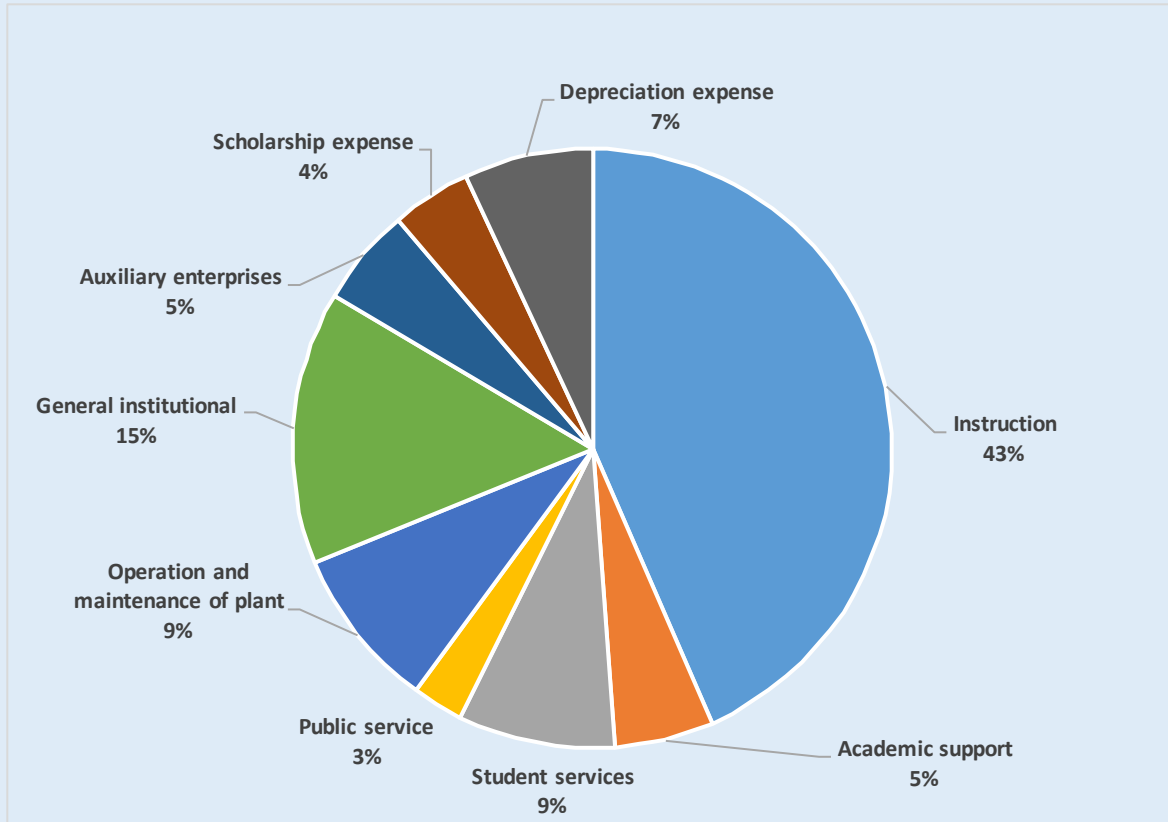
	2019	2018	2017
Net tuition and fees	\$5.4	\$6.1	\$5.8
Auxiliary enterprises	1.5	1.6	1.8
Sales and services	.2	.0	.1
State grants & contracts	12.5	11.2	12.2
Federal grants and contracts	4.5	4.7	4.9
Property taxes	12.3	12.0	11.8
Interest income	.5	.3	.1
Other non-operating	.6	1.1	.5
Total	\$37.5	\$37.0	\$37.2

- The State’s contributions for SURS (State University Retirement System) and CIP (College Insurance Plan) increased by \$1,147,051 to \$8,860,980.
- Property tax revenues increased by \$246,761, or 2.1 percent, the result of an increase in equalized assessed valuation.
- Investment Revenue increased by \$198,490 due to higher interest rates.
- Net tuition and fees decreased by \$593,498, or 9.8 percent, due to a 16.7 percent decrease in credit hours.
- Auxiliary revenues decreased by \$165,333, or 10.1 percent. Bookstore revenues decreased by \$186,644, or 11.5 percent. Lower enrollments and the trend toward rental books and e-books has changed the dynamics of the bookstore.
- Federal grants and contracts decreased by \$148,714, or 3.2 percent. PELL grants decreased by \$205,746 due to lower enrollments.
- Gifts and contributions decreased by \$435,061. In FY2018, the college received a \$597,440 bequest from the Walter Durley and Hazel Marie Boyle estate.



What is the Money Used For?

Uses of Funds for Fiscal Year 2019 Total Operating and Non-Operating Expenses \$37.5 million



Use of Funds (in millions)

	2019	2018	2017
Instruction	\$16.3	\$15.9	\$16.4
Academic support	2.0	1.4	1.5
Student services	3.2	2.7	2.7
Public service	1.0	.9	.9
Auxiliary	2.0	2.5	2.3
Operations & maintenance	3.3	3.1	3.9
Institutional support	5.5	6.2	5.4
Scholarships & grants	1.6	1.6	1.7
Depreciation	2.6	2.6	2.6
Total	\$37.5	\$36.9	\$37.4

Total operating expenses for FY2019 increased by \$567,134, or 1.5 percent, from FY2018.

An accounting change for on-behalf payments from the State of Illinois and an increase of \$1,147,051 resulted in the following changes in functional expense categories.

- Instructional costs increased by \$449,636, or 2.8 percent.
- Academic support costs increased by \$578,032, or 42.2 percent.
- Student services costs were increased by \$429,914, or 15.7 percent.
- Public service costs increased by \$172,823, or 20.0 percent.
- Operations and maintenance expenses increased by \$254,019, or 8.2 percent.
- In prior years, OPEB was expensed to Institutional support, thus a decrease of \$782,633, or 16.1 percent.
- Auxiliary expenses decreased by \$448,484, or 18.1 percent. The decline was in bookstore expenses, due to fewer students and the trend toward e-books.
- Scholarships and grants decreased by \$28,513, or 1.7 percent. Federal Pell grants declined as the number of students and credit hours declined.



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
2010	75.75	8.6%	98.26	77.1%
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%

Student Enrollment Statistics*

By Category

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Baccalaureate	56,450	58,028	53,353	46,729	45,818	43,349	43,435	42,635	41,319	33,502
Business Occupational	5,478	5,452	5,334	4,790	4,640	4,216	4,110	4,031	3,112	2,205
Technical Occupational	15,025	14,597	10,645	9,263	8,099	7,598	8,117	8,215	7,842	7,333
Health Occupational	7,050	8,674	7,885	7,288	6,912	6,422	6,497	5,937	5,567	5,416
Remedial Developmental	7,001	7,496	6,152	5,352	5,028	4,011	3,558	3,547	2,982	1,873
Adult Basic / Secondary Education	2,247	2,481	2,615	2,634	1,557	1,653	1,339	954	1,236	1,317
Total Credit Hours	93,251	96,728	85,984	76,056	72,054	67,249	67,056	65,319	62,058	51,646

* Does not include credit hours from Sheridan Correctional Center

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. Statewide, enrollments have declined for the last eight consecutive years. 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., FY2019 funding is based on FY2017 credit hours.

Student Enrollment and Demographic Statistics - 10th day
Fiscal Year 2009 through 2018

Fall of Fiscal Year	Fall Enrollment				Gender		Attendance		Age
	Head Count	% Change	FTE	% Change	Male	Female	Full-time	Part-time	Avg. Age
2010	4,529	7.04%	2,843	12.33%	42%	58%	46%	54%	25
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%	25
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%	23
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
Average:	3,728	(3.29%)	2,351	(3.60%)					



Employee Statistics

Approved Full-Time Employee Headcount					
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Administrators	17	15	15	15	15
Professional/Technical	32	31	32	33	34
Faculty	81	79	75	72	77
Academic Support	3	4	3	3	3
Support Staff	35	35	35	37	38
Custodial/Maintenance	16	16	16	15	16
Total	184	180	176	175	183

Approved Part-Time Employee Headcount					
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Professional/Technical	18	16	8	10	10
Faculty	157	157	173	168	170
Support Staff	57	44	45	47	47
Custodial/Maintenance	1	1	1	1	1
Total	233	218	227	226	228

Total Employee Headcount (Full-Time and Part-Time)					
	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budgeted
Grand Total	417	398	403	401	411

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.

	FY2010	FY2012	FY2014	FY2016	FY2018
Students per F/T Faculty	51	53	45	41	43
Students per F/T Staff	32	34	35	33	32
Fall student headcount	4,529	4,355	3,705	3,310	3,241
% Tenured Faculty	90%	88%	88%	88%	85%

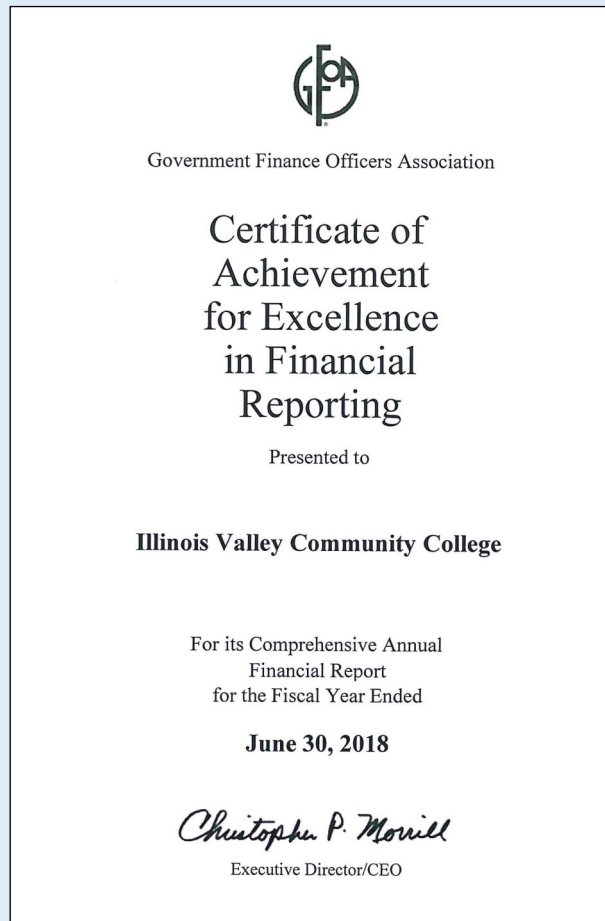
The College has a tradition of affordability without compromising the quality of education for IVCC students and their families.

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, 2018. This was the eighth 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, 2018. 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.

