

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS
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INTRODUCTORY SECTION

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2019

<u>Board of Trustees</u>	<u>Position</u>	<u>Term Expires</u>
David Coopridner	Chair	2025
Bishop Wayne Dunning	Vice Chair	2023
Randy Prince	Secretary	2021
Tom Ritter	Trustee	2021
Vicki Carr	Trustee	2021
Bruce Campbell	Trustee	2023
Dale Colee	Trustee	2025
Michaila Long	Student Trustee	2020

<u>Officers of the College</u>	<u>Position</u>
Dr. Cristobal Valdez	President
Greg E. Florian	Vice President, Finance and Administration
Dr. Denise Crews	Vice President, Academic Services
Dr. Isaac Zuniga	Vice President, Student Success
Joe Feinstein	Chief Information Officer

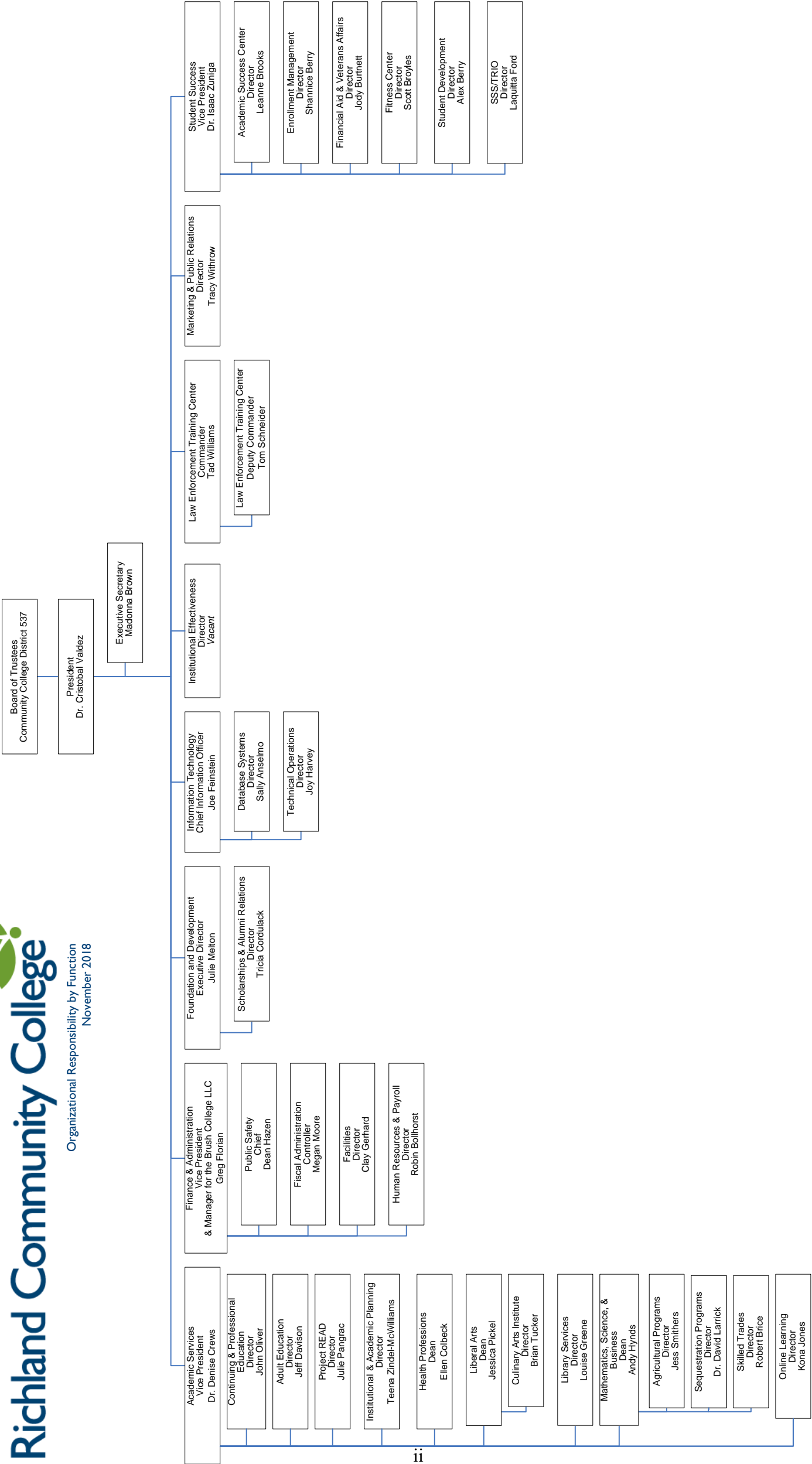
<u>Officials Issuing Report</u>	<u>Position</u>
Greg E. Florian	Vice President, Finance and Administration
Megan E. Moore	Controller

Department Issuing Report

Office of Finance and Administration



Organizational Responsibility by Function
November 2018



FINANCIAL SECTION

3201 W. White Oaks Dr., Suite 102
Springfield, IL 62704
217.793.3363

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Richland Community College
Community College District #537
Decatur, Illinois

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of Richland Community College, Community College District #537 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We did not audit the financial statements of the District's discretely presented component unit, Richland Community College Foundation (the Foundation) as of and for the year ended June 30, 2019.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Richland Community College Foundation, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Richland Community College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the District, and the District's discretely presented component unit, Richland Community College Foundation as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

The District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2019. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes to financial statements and the required supplementary information. This statement was effective for the District's fiscal year ended June 30, 2018, but was not implemented in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplementary information, statistical section, supplemental financial information, and uniform financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, supplemental financial information, and uniform financial statements as listed in the table of contents are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
December 12, 2019

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Introduction

This section of Richland Community College's (College) Audit Report presents a discussion and analysis of the College's financial activity during the fiscal years ending June 30, 2019, and June 30, 2018. This discussion should be read in conjunction with the College's audited financial statements and the footnotes. The College's management takes responsibility for the completeness and fairness of the information presented in this section.

The financial statements are presented as required by GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. This presentation provides a comprehensive, entity-wide perspective of the College consolidating all College activities into a single presentation.

The three financial statements included in this discussion are the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. While the accompanying audited financial statements present only information pertaining to the year ended June 30, 2019, this section presents a comparative analysis for the fiscal years ending June 30, 2019, and June 30, 2018.

The College implemented the Governmental Accounting Standards Board (GASB) Statement Number 75 in fiscal year 2019. This implementation required that a prior period adjustment of \$12.13 million be made to the beginning net position of 2019. This statement requires the College to record a liability for any Other Post Employment Benefits (OPEB). The OPEB liability is the College's proportionate share of the liability related to the Community College Health Insurance Security Fund (CCHISF), also known as the College Insurance Program (CIP). The College's net position at the end of fiscal year 2019 decreased to \$34.8 million as compared to fiscal year 2018's ending net position of \$46.9 million.

Financial Highlights

Statement of Net Position

The purpose of the Statement of Net Position is to present a snapshot of the financial condition of the College. This statement presents information on all of the College's assets, liabilities and deferred inflows and outflows of resources. Assets and liabilities are classified as current or noncurrent and net position represent the difference between assets and liabilities and deferred resources.

Net Position is broken down into three major categories, Unrestricted, Restricted, and Net Investment in Capital Assets. In the Net Investment in Capital Assets category, the College has a balance of \$35 million. This category accounts for all capitalized property, plant and equipment, and is net of related debt and accumulated depreciation. This represents 68% of total Net Position.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The College has a balance of \$11.4 million in the Restricted Net Assets category or 20% of total Net Position. This balance is expendable in conjunction with externally imposed rules and regulations and includes funds restricted for: 1) completion of Protection, Health, and Safety projects, 2) principal and interest payments on outstanding bonds, 3) Working Cash principal, 4) grant purposes 5) expenditures of the Audit Fund, and 6) expenditures of the Liability, Protection & Settlement Fund.

In the Unrestricted Net Assets category, the College has a negative balance of \$7 million or 12% of total Net Position. The decrease in unrestricted net position is due to the OPEB prior period adjustment. Chart 1 represents the College’s Net Position.

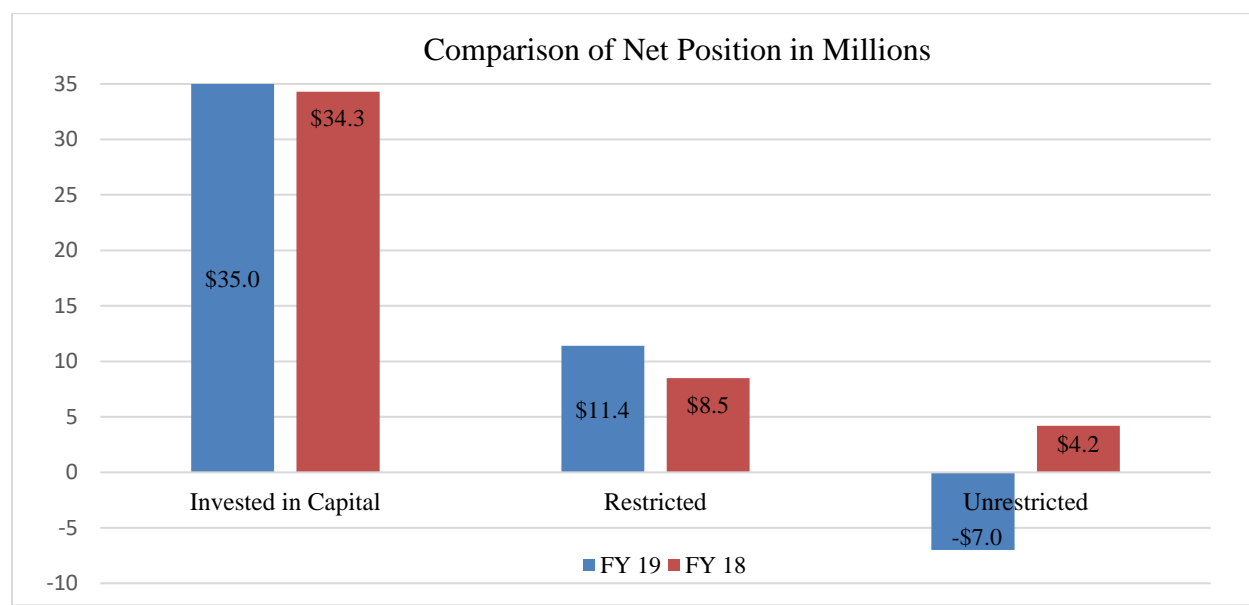


Chart 1

The College had a current ratio of 1.63 on June 30, 2019, compared to 1.60 on June 30, 2018. The current ratio is the total current assets and deferred outflows of resources divided by the total current liabilities and deferred inflows. This means that for every dollar of current liabilities, the College has \$1.63 in current assets. This ratio is one indicator of the College’s ability to pay its debts as they become due.

From fiscal year 2018 to fiscal year 2019 total assets increased by \$2,702,892. Current Assets increased by \$4,574,032. The current asset category with the most significant fluctuation was an increase in cash and investments from \$15.5 million in 2018 to \$18.4 million in 2019. Non Current Assets decreased by \$1,871,140. The College completed the biennial physical inventory, which resulted in a large amount of obsolete equipment being removed from the inventory ledger.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

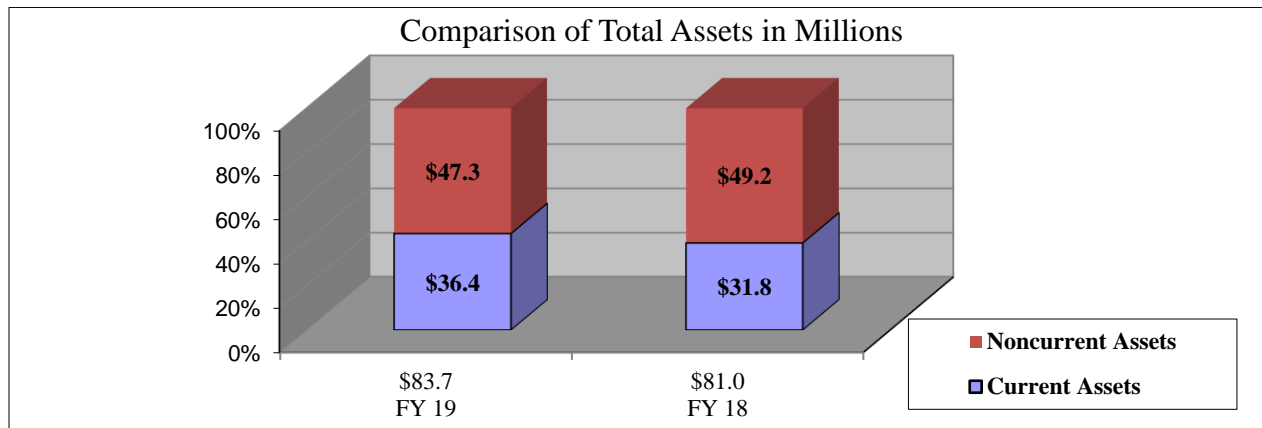


Chart 2

Total liabilities increased from fiscal year 2018 to 2019 by \$8,289,117. Non-current Liabilities increased by \$7,971,134 due to the addition of the OPED liability of \$10.2 million and bonds payable decreasing by \$2.2 million. Current Liabilities increased by \$317,983.

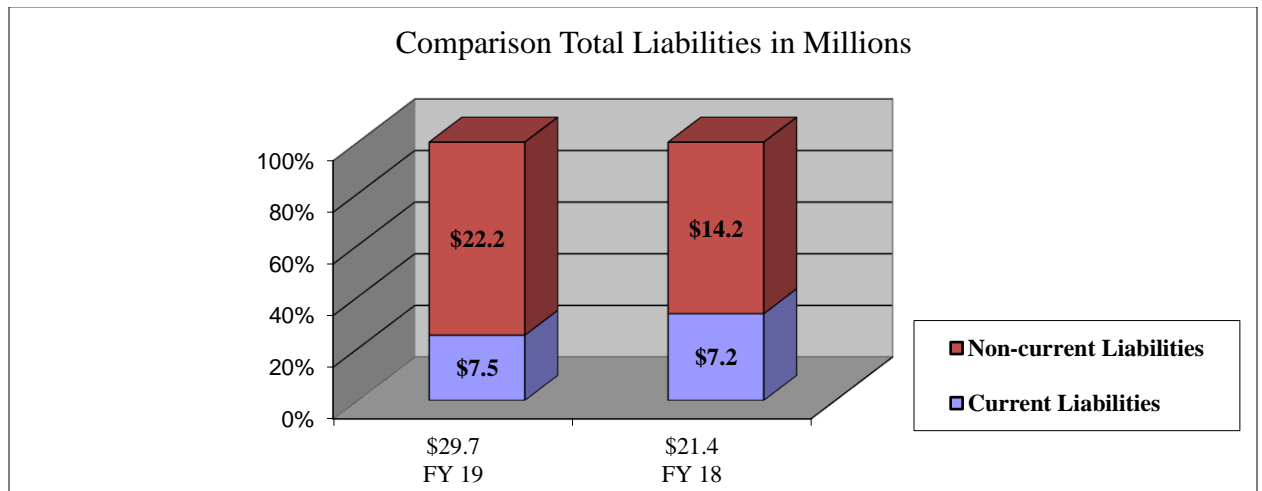


Chart 3

The College records OPED and property tax revenue levied for fiscal year 2020 as a deferred inflow of resources. Anticipated property tax revenue decreased by \$175,626 from fiscal year 2018 to 2019. Deferred inflows related to OPED are being reported for the first year at \$2,414,571.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

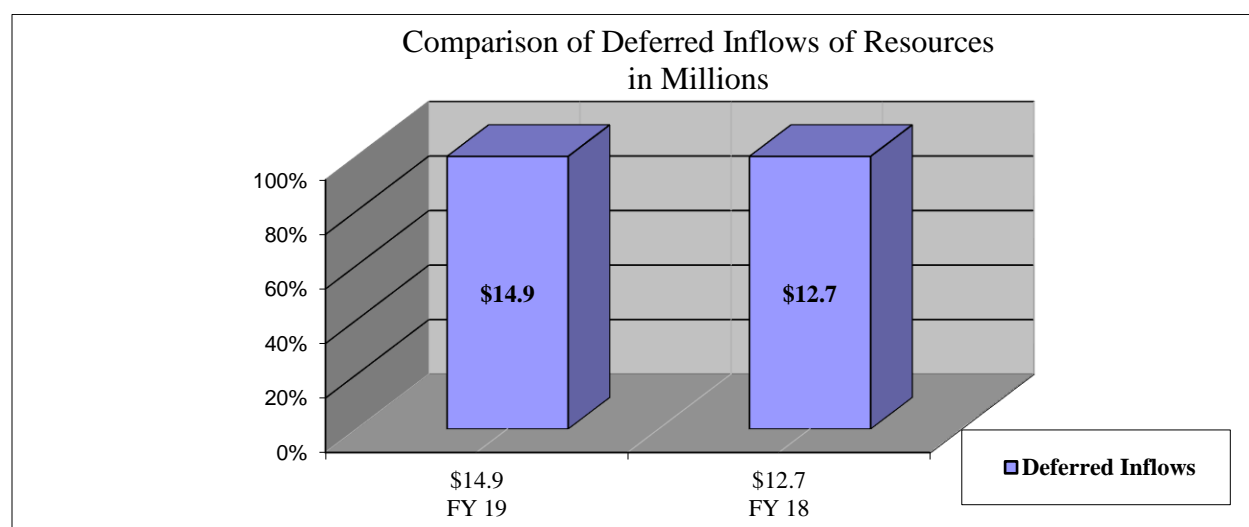


Chart 4

**Net Position
As of June 30**

	2019	2018	Increase (Decrease) 2019-2018	2017	Increase (Decrease) 2018-2017
Current Assets	36,360,189	31,786,157	4,574,032	28,248,088	3,538,069
Non-current Assets					
Capital Assets,					
Net of Depreciation	47,347,749	49,218,889	(1,871,140)	43,604,679	5,614,210
Total Assets	83,707,938	81,005,046	2,072,892	71,852,767	9,152,279
Deferred outflows of Resources	276,152	45,257	230,895	44,721	536
Total Assets and deferred outflows of Resources	83,984,090	81,050,303	2,933,787	71,897,488	9,152,815
Current Liabilities	7,498,985	7,181,002	317,983	8,099,991	(918,898)
Non-current Liabilities	22,179,831	14,208,697	7,971,134	16,793,588	(2,584,891)
Total Liabilities	29,678,816	21,389,699	8,289,117	24,893,579	(3,503,880)
Total Deferred Inflows of Resources	14,929,712	12,690,767	2,238,945	12,464,070	226,697
Net Position					
Invested in Capital Assets	35,037,343	34,277,938	759,405	28,235,363	6,042,575
Restricted	11,397,605	8,527,322	2,870,283	6,522,540	2,004,782
Unrestricted	(7,059,386)	4,164,577	(11,223,963)	(218,064)	4,382,641
Total Net Position	39,375,562	46,969,837	(7,594,275)	34,539,839	12,429,998
Total Liabilities , Deferred Inflows and Net Position	83,984,090	81,050,303	2,933,787	71,897,488	9,152,815

Table 1

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the fiscal year. Annual State appropriations and local property taxes, while budgeted for operations, are considered non-operating revenues according to GAAP. Table 2 compares fiscal years 2019, 2018, and 2017 operating results. In fiscal year 2019, operating expenses increased by \$2.18 million. The College increased instructional spending due to receiving a large grant expanding our workforce development training programs. Additionally, expansion of the Macon County Law Enforcement Training Center increased operating expenses in the Auxiliary Fund.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Revenues, Expenses, and Change in Net Position

Operating Results

As of June 30

	2019	2018	Increase (Decrease) 2019-2018	2017	Increase (Decrease) 2018-2017
Operating Revenue					
Tuition and Fees	2,229,142	2,336,635	(724,517)	2,398,415	(61,780)
Auxiliary	2,661,054	1,823,965	837,089	928,059	895,906
Other	1,143,967	725,322	418,645	607,327	117,995
Total Operating Revenue	6,034,163	4,885,922	531,217	3,933,801	952,121
Less Operating Expenses	32,702,647	30,522,455	1,563,168	32,004,063	(1,481,608)
Operating Income (Loss)	(26,668,484)	(25,636,533)	1,031,951	(28,070,262)	(2,433,729)
Non-Operating Revenues (Expenses)					
Property taxes	12,721,880	12,437,216	284,664	12,080,430	356,786
Personal Property replacement Tax	360,091	385,224	(25,133)	521,859	(136,635)
State Grants and Contracts	10,790,333	11,365,536	(575,203)	9,111,709	2,253,827
Nongovernmental grants & contracts (including gifts)	1,346,452	4,320,128	(2,973,676)	1,991,787	2,328,341
Federal Grants and Contracts	6,322,071	6,105,036	217,035	6,583,492	(478,456)
Investment Income	366,765	174,235	192,530	57,563	116,672
Loss on disposal of capital assets	(56,934)	0	(56,934)	0	0
Interest Expense	(646,818)	(748,077)	101,259	(806,544)	58,467
Total Non-Operating Revenue (Expenses)	31,203,840	34,039,298	(2,835,458)	29,540,296	4,499,002
Capital contributions	0	4,027,233	(4,027,233)	379,454	3,647,779
Change In Net Position	4,535,356	12,429,998	(7,894,642)	1,849,488	13,561,190
Net Assets, beginning of year	46,969,837	34,539,839	12,429,998	32,690,351	1,849,488
Prior Period Adjustment	(12,129,631)	0	(12,129,631)	0	0
Net Position, end of year	39,375,562	46,969,837	(7,594,275)	34,539,839	12,429,998
Total Revenues	37,238,003	38,925,220	(2,304,241)	33,474,097	5,451,123
Total Expenses	32,702,647	30,522,455	1,563,168	32,004,063	(1,481,608)

Table 2

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Revenues

The College’s revenues are reported as Operating and Non-Operating. Operating Revenues include student tuition and fees, auxiliary enterprise revenues, and miscellaneous other sources. Tuition and fees are stated in the amount collected. An allowance has been made for scholarships and waivers. The College had increased enrollment after seven years of declining enrollments. For fiscal year 2019, total credit hours were 45,313 compared to 44,521 in fiscal year 2018 and 50,033 in fiscal year 2017. This is a 1.8% increase in 2019 compared to an 11% decrease in 2018.

The major components of Non-operating Revenues include government grants, government contracts and local property tax revenues. These revenues are classified as non-operating because no direct exchange of goods or services is received by the government or local taxpayers. Non-operating Revenues decreased by \$2,835,458 from prior year. In fiscal year 2018, the College received a large contribution from the Richland Community College Foundation to renovate student-learning spaces and begin operation of a law enforcement training center.

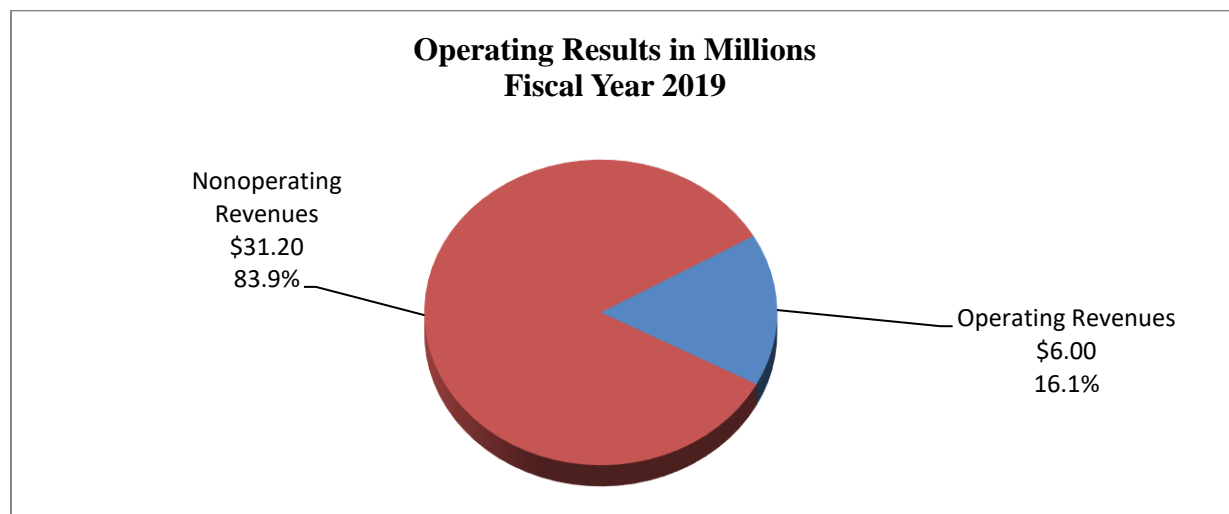


Chart 5

Charts 6 and 7 show all revenue from both operating and non-operating sources. Property taxes accounted for the College’s largest percentage of revenue at 41.3% in fiscal year 2019. The second highest source was federal grants, which includes student financial aid, at 20.5%. State funds accounted for 13.1% of the College’s revenue. Other Operating Revenues include investment income and contractual revenue.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

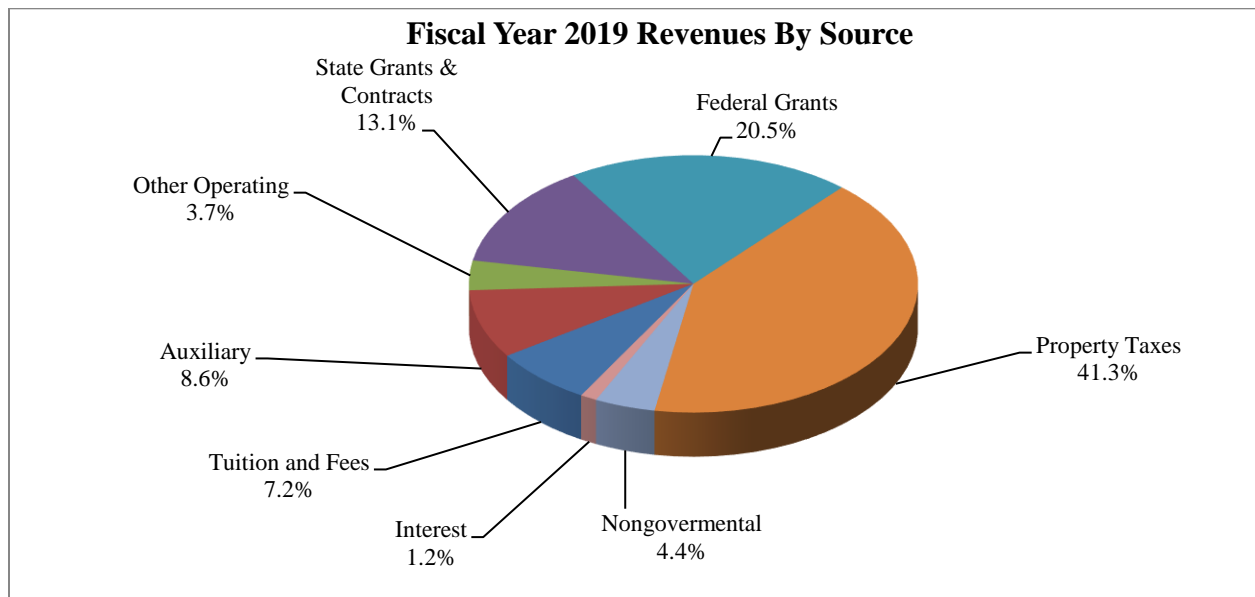


Chart 6

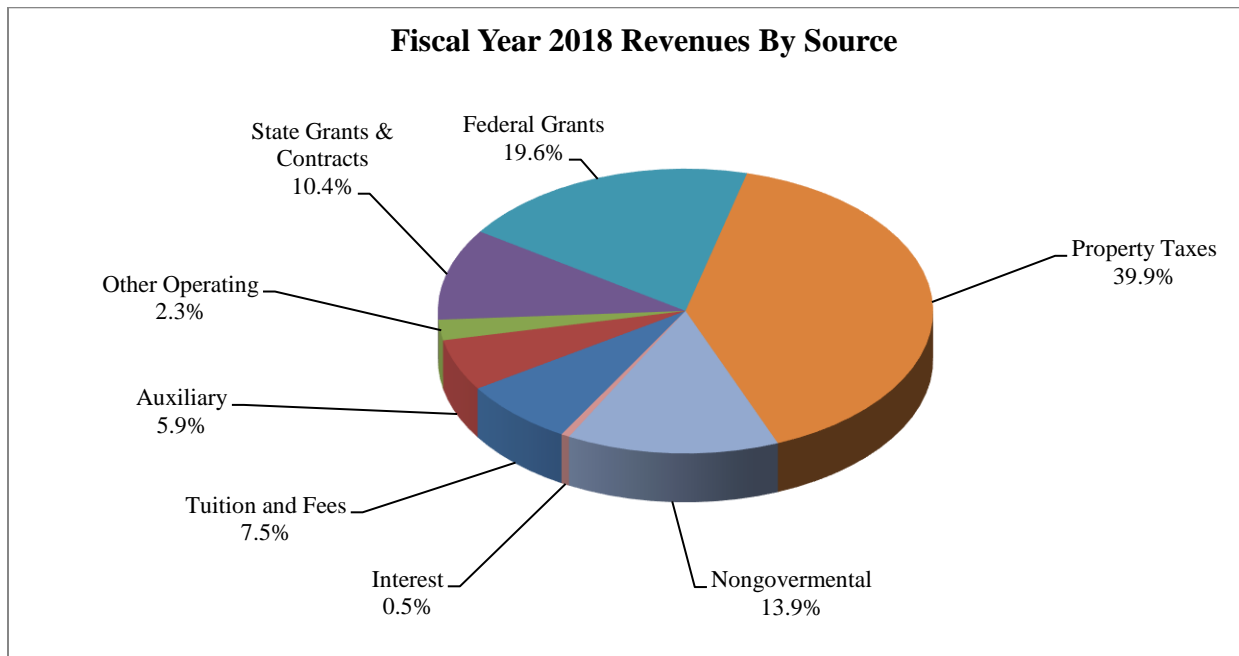


Chart 7

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Expenses

Most expenses of the College are classified as operating expenses. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Table 3 reflects the classifications of the College's operating expenses by object and function.

Expenses by Object and Function As of June 30 (In millions)					
By Object:	FY19	FY18	Increase (Decrease) 2019-2018	FY17	Increase (Decrease) 2018-2017
Salaries and Benefits	\$14.43	\$13.80	\$0.63	\$15.32	\$(1.52)
Contractual Services	2.63	1.83	0.80	1.75	0.08
Supplies and Materials	2.43	1.46	0.97	0.98	0.48
Travel/Conferences	.32	0.17	0.15	0.14	0.03
Utilities/Fixed Charges	2.64	2.05	0.59	2.17	(0.12)
Debt Service	3.37	3.32	0.05	2.45	0.87
Capital Equipment	1.81	2.96	(1.15)	4.38	(1.42)
Scholarships	2.47	2.53	(0.06)	2.31	0.22
Depreciation	2.60	2.40	0.20	2.50	(0.10)
Total Operating Expenditures	<u>\$32.70</u>	<u>\$30.52</u>	<u>\$2.18</u>	<u>\$32.00</u>	<u>\$(1.48)</u>
By Function:					
Instruction	\$12.70	\$12.13	\$0.57	\$12.57	\$(0.44)
Academic Support	1.10	0.99	0.11	1.18	(0.19)
Student Services	3.00	2.83	0.17	3.02	(0.19)
Public Service	1.24	0.79	0.45	1.07	(0.28)
O/M Plant	2.20	2.30	(0.10)	2.04	0.26
Institutional Support	5.59	5.26	0.33	6.76	(1.50)
Scholarships	2.47	2.53	(0.06)	2.31	0.22
Auxiliary Expense	1.80	1.29	0.51	0.55	0.74
Depreciation	2.60	2.40	0.20	2.50	(0.10)
Total Operating Expenditures	<u>\$32.70</u>	<u>\$30.52</u>	<u>\$2.18</u>	<u>\$32.00</u>	<u>\$(1.48)</u>

Table 3
MD&A - 9 -

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Chart 8 below shows operating expenses by functional area for fiscal year 2019 as a percentage of total expenses. Direct services to students accounted for 59% of the total expenses.

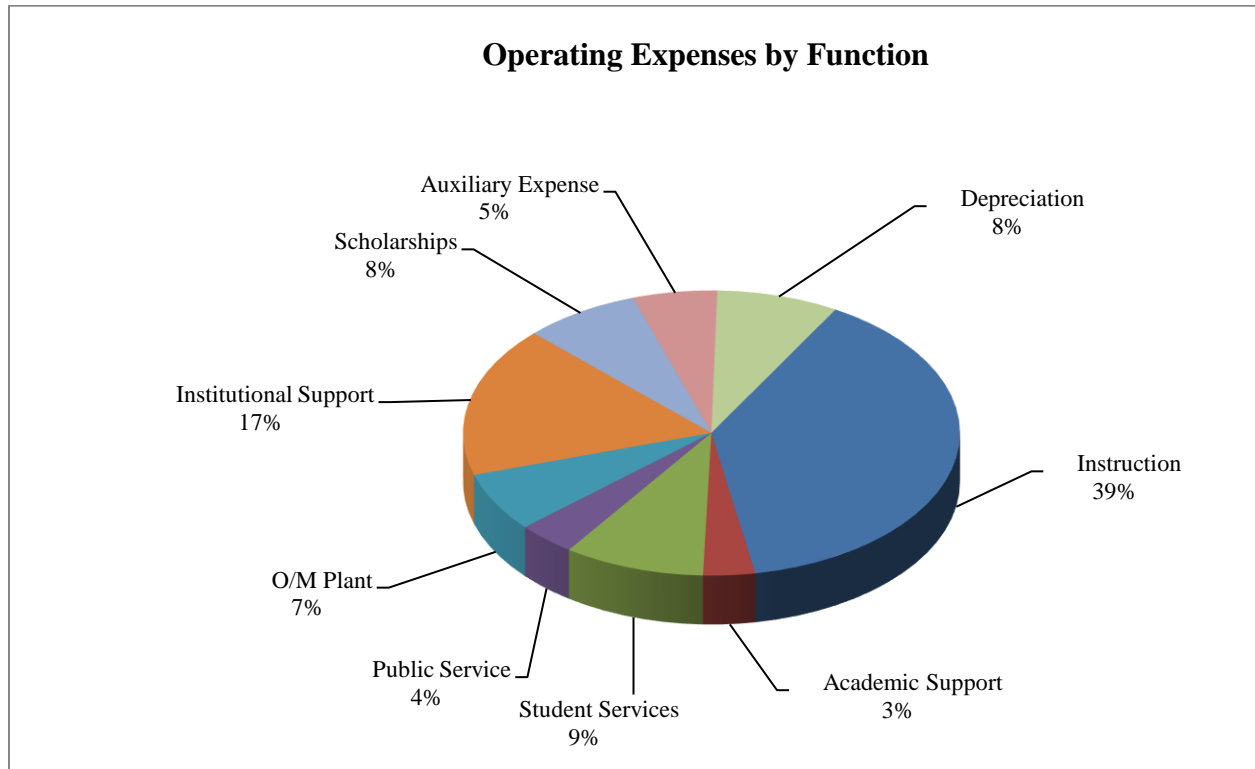


Chart 8

Chart 9 below shows operating expenses by Object for fiscal year 2019 as a percentage of total expenses.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

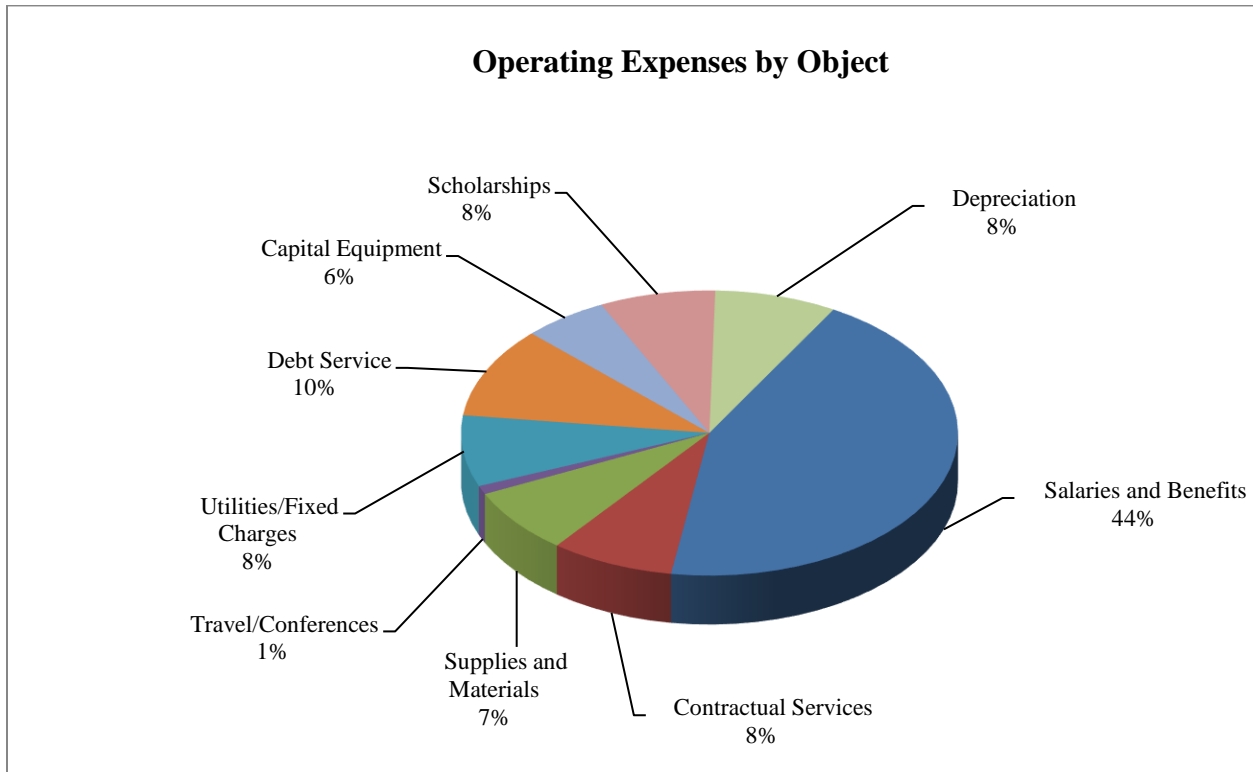


Chart 9

Statement of Cash Flows

The Statement of Cash Flows classifies sources and uses of cash into the following activities: Operating, Non-capital Financing, Capital and Related Financing, and Investing. This statement helps users assess the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

The Statement of Cash Flows emphasizes the College's dependence on governmental grants and local property taxes, which are both classified as non-capital financing activities. Only tuition and fees, auxiliary, and miscellaneous revenues are included in operating activities, whereas the majority of all operating expenditures are included in operating activities.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Cash Flow Summary
(In Millions)

	FY 19	FY 18
Cash provided (used) by:		
Operating activities	(\$16.36)	(\$17.03)
Non-capital financing activities	23.11	24.04
Capital and related financing activities	(4.27)	(7.21)
Investing activities	.66	0.17
Net increase/(decrease) in cash	3.14	(.034)
Cash, beginning of the year	\$13.59	\$13.63
Cash, end of the year	\$16.73	\$13.59

Table 4

Capital Assets

The College capitalizes assets costing \$5,000 or more with an estimated useful life in excess of five years. Equipment purchases less than \$5,000 are recorded and maintained for inventory control purposes. As of June 30, 2019, the College's investment in capital assets totaled \$82.1 million. Chart 9 shows the College's capital assets by type. Additional information regarding the College's capital assets can be found in Note 5 to the financial statements.

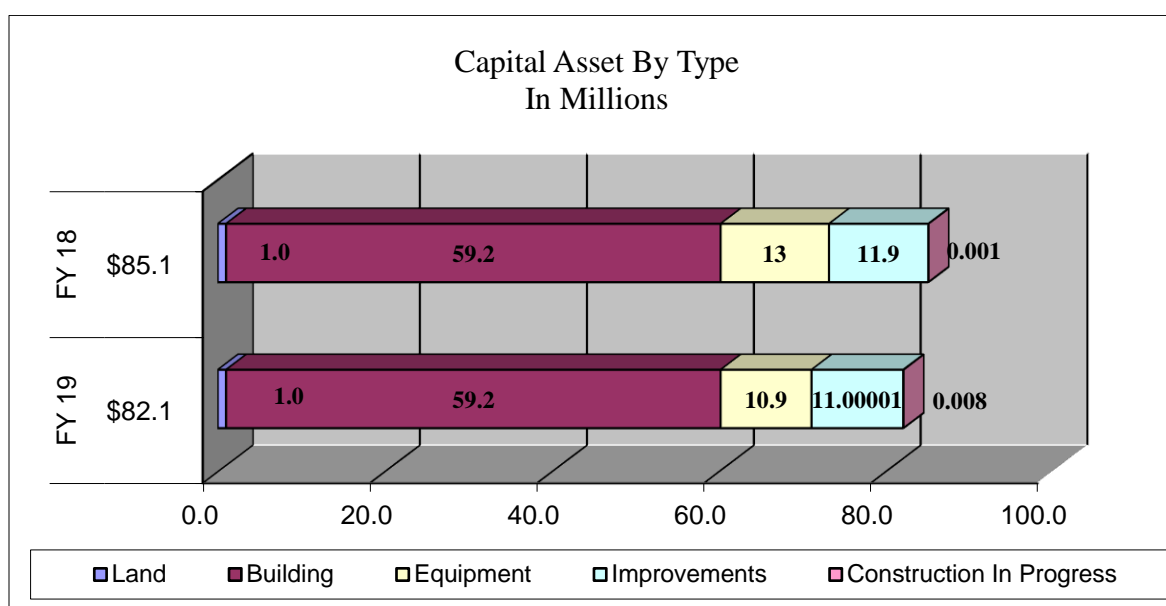


Chart 10

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Debt Activity

The College is statutorily subject to a debt limit of 2.875% of the District's Equalized Assessed Valuation of \$2,372,623,653. Using the statutory debt limit formula, the College's debt limit is \$68,212,930. The College has outstanding debt of \$13,938,171.

As of June 30, 2019, the total of the outstanding bond principal and interest payments for the College is \$20,682,762. Table 5 shows the current debt service requirement on outstanding bond issues.

Annual Requirements for Long-term Bond Debt

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	2,185,000	539,113	2,724,113
2021	725,000	466,448	1,191,448
2022	760,000	427,872	1,187,872
2023	765,000	387,160	1,152,160
Thereafter	<u>9,345,000</u>	<u>1,694,642</u>	<u>11,039,642</u>
	<u>13,780,000</u>	<u>3,515,234</u>	<u>17,295,234</u>

Table 5

For detailed information regarding the College's long-term debt activity, see Note 6 in the Notes to the Financial Statements.

Future Operational Outlook

Richland Community College is in its 47th year and continues to provide the educational, training and community service opportunities that result in positive educational and economic benefits for its residents, businesses, and industries. The College has three primary sources of revenues to sustain current operations in the operating funds: tuition and fees, state operating grants, and property taxes.

Student enrollment drives two of the Colleges main revenue sources, tuition and State funding. Changes in enrollments have a significant effect on annual revenues and are monitored closely. While many factors affect student enrollment, significant enrollment shifts result from economic factors, student financial aid factors, and barriers specific to individual students. Richland and the Illinois Community College System as a whole has experienced diminishing enrollments over the past six years. Richland's enrollments have increased slightly in fiscal year 2019 and the beginning of 2020.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

In addition to the tuition and fee revenues generated by enrollments, the College also receives the Base Operating Grant from the State based on the credit hour generation. Historically, State revenues provide approximately 15% of the operational funding for the College. Since 2017, due to ongoing uncertainty of State funding, the College has adopted budgets without any State funding to support College operations. The College also continues to evaluate all programs within the institution to assure Richland Community College is supporting its core operations and the success of its students in the most fiscally responsible manner. This has allowed the College to increase General Fund Balances to healthy amounts.

The local economy is also beginning to see improvement. The unemployment rate has greatly decreased to the lowest levels in over 20 years. The District's Equalized Assessed Value (EAV), which generates the College's property tax revenue, has seen relatively no growth for the last five years, but is anticipated to show a slight growth in the next fiscal year.

The Board of Trustees approved a 2% tuition rate increase for fiscal year 2019. At this time the Board of Trustees has given no indication of their position on a tuition increase for fiscal year 2020.

Requests for Information

This Discussion and Analysis is designed to provide a general overview of Richland Community College's finances for all those with an interest in such matters. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Richland Community College, Office of Finance and Administration, One College Park, Decatur, Illinois 62521.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2019

CURRENT ASSETS

Cash and cash equivalents	\$ 16,572,833
Restricted cash	157,765
Investments	1,651,207
Receivables:	
Property taxes	12,405,118
Student tuition and fees, net of allowance of \$2,489,484	2,589,281
Other receivables, net	2,013,780
Accrued interest receivable	3,268
Due from Foundation	73,020
Inventories	26,577
Prepaid expenses	<u>867,340</u>
 Total current assets	 <u>36,360,189</u>

NONCURRENT ASSETS

Capital assets not being depreciated	1,147,420
Other depreciable assets, net	<u>46,200,329</u>
 Total noncurrent assets	 <u>47,347,749</u>
 Total assets	 <u>83,707,938</u>

DEFERRED OUTFLOWS OF RESOURCES

OPEB items	202,814
SURS pension contributions	<u>73,338</u>
 Total assets and deferred outflows of resources	 <u>83,984,090</u>

(Continued)

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

June 30, 2019

CURRENT LIABILITIES

Accounts payable	\$ 405,160
Accrued expenses	741,330
Unearned revenue	3,647,574
Current portion of compensated absences	321,109
Current portion of capital leases payable	71,549
Current portion of OPEB liability	127,263
Current portion of bonds payable	<u>2,185,000</u>

Total current liabilities	<u>7,498,985</u>
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NONCURRENT LIABILITIES

Compensated absences	295,145
OPEB liability	10,203,064
Capital leases payable	86,622
Bonds payable	<u>11,595,000</u>

Total noncurrent liabilities	<u>22,179,831</u>
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Total liabilities	<u>29,678,816</u>
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DEFERRED INFLOWS OF RESOURCES

OPEB items	2,414,571
Deferred property taxes	<u>12,515,141</u>

Total deferred inflows of resources	<u>14,929,712</u>
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NET POSITION

Net investment in capital assets	35,037,343
Restricted for	
Audit	64,334
Liability, protection and settlement	1,578,120
Grant purposes	80,997
Capital projects	1,898,691
Working cash	7,699,893
Debt service	75,570
Unrestricted	<u>(7,059,386)</u>

TOTAL NET POSITION	<u><u>\$ 39,375,562</u></u>
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See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

For the Year Ended June 30, 2019

OPERATING REVENUES

Student tuition and fees, net of scholarship allowances of \$4,612,351	\$ 2,229,142
Auxiliary enterprises revenue	2,661,054
Other operating revenue	<u>1,143,967</u>
Total operating revenues	<u>6,034,163</u>

OPERATING EXPENSES

Instruction	12,705,215
Academic support	1,099,845
Public services	1,243,085
Student services	3,000,765
Auxiliary enterprises	1,801,124
Operation and maintenance	2,203,893
Institutional support	5,589,020
Scholarships, student grants and waivers	2,465,705
Depreciation	<u>2,593,995</u>
Total operating expenses	<u>32,702,647</u>

OPERATING INCOME (LOSS)	<u>(26,668,484)</u>
--------------------------------	---------------------

NONOPERATING REVENUES (EXPENSES)

State grants and contracts	10,790,333
Property taxes	12,721,880
Personal property replacement tax	360,091
Nongovernmental grants and contracts	1,346,452
Federal grants and contracts	6,322,071
Interest and fiscal charges	(646,818)
Loss on disposal of capital assets	(56,934)
Investment income, net	<u>366,765</u>
Total nonoperating revenues (expenses)	<u>31,203,840</u>

CHANGE IN NET POSITION	4,535,356
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NET POSITION BEGINNING OF YEAR	46,969,837
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PRIOR PERIOD ADJUSTMENT	<u>(12,129,631)</u>
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NET POSITION BEGINNING OF YEAR, RESTATED	<u>34,840,206</u>
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NET POSITION END OF YEAR	<u><u>\$ 39,375,562</u></u>
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See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 2,486,695
Payments to employees for salaries and benefits	(13,001,255)
Payments to suppliers and providers for goods and services	(9,859,239)
Auxiliary enterprise charges	2,581,712
Other receipts	<u>1,429,580</u>
Net cash flows from operating activities	<u>(16,362,507)</u>

CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES

Local property taxes	12,705,719
State grants and contracts	2,931,266
Nongovernmental grants and contracts	1,310,911
Federal grants and contracts	5,801,702
Personal property replacement taxes	<u>360,091</u>
Net cash flows from noncapital financing activities	<u>23,109,689</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(779,789)
Principal payments on bonds payable/capital leases	(2,883,397)
Interest payments on bonds payable/capital leases	<u>(611,511)</u>
Net cash flows from capital and related financing activities	<u>(4,274,697)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from the sale and maturities of investments	302,712
Interest on investments	365,956
Purchase of investments	<u>(2,772)</u>
Net cash flows from investing activities	<u>665,896</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,138,381
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,592,217</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 16,730,598</u></u>
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CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 16,572,833
Restricted cash	<u>157,765</u>

TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 16,730,598</u></u>
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(Continued)

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended June 30, 2019

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH FROM OPERATING ACTIVITIES**

Operating income (loss)	\$ (26,668,484)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Depreciation	2,593,995
SURS on-behalf payments	6,702,565
CIP on-behalf payments	412,453
(Increase) Decrease in Assets:	
Accounts Receivable	(266,868)
Inventory	(4,011)
Prepaid Expense	(323,409)
OPEB deferred outflows of resources	(154,963)
SURS deferred outflows of resources	(28,081)
Increase (Decrease) in Liabilities:	-
Accounts Payable	23,464
Accrued Expenses	(33,353)
Deferred Revenue	730,692
Compensated absences	86,077
OPEB liability	(757,493)
OPEB deferred inflows of resources	<u>1,324,909</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (16,362,507)</u></u>
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NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Purchase of capital assets on account	\$ -
SURS contribution expensed by state	<u>\$ 6,735,477</u>
CIP contribution expensed by state	<u>\$ 412,453</u>

See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE FOUNDATION
DECATUR, ILLINOIS**

STATEMENT OF FINANCIAL POSITION

June 30, 2019

ASSETS

Cash	\$ 332,005
Investments	16,762,528
Promises to give receivable, net of discount	70,120
Other receivables	200
Interest receivable	47,336
Prepaid Expense	16,989
Land	<u>572,008</u>

Total assets	<u>\$ 17,801,186</u>
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LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable to Richland Community College	\$ 73,020
Accrued Expenses	<u>2,995</u>

Total Liabilities	<u>76,015</u>
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Net Assets:

Without donor restriction	1,199,652
With donor restriction	<u>16,525,519</u>

Total net assets	<u>17,725,171</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 17,801,186</u></u>
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See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE FOUNDATION
DECATUR, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Gifts	\$ 158,630	\$ 814,751	\$ 973,381
In-kind contributions	67,505	-	67,505
Investment income (net of investment expenses of \$83,496)	24,554	948,212	972,766
Farm income	24,819	-	24,819
Net assets released from restrictions	1,173,126	(1,173,126)	-
Total support and revenue	<u>1,448,634</u>	<u>589,837</u>	<u>2,038,471</u>
EXPENSES			
Program services:			
Scholarships	808,804	-	808,804
Gifts to Richland Community College	564,783	-	564,783
Student and faculty support	35,815	-	35,815
Supporting services - management and general:			
Contractual and consulting	87,196	-	87,196
Professional fees	9,400	-	9,400
Insurance	3,645	-	3,645
Materials	18,510	-	18,510
Meeting expense	8,779	-	8,779
Donor recognition	1,690	-	1,690
Other expenses	11,879	-	11,879
Total expenses	<u>1,550,501</u>	<u>-</u>	<u>1,550,501</u>
Change in net assets	(101,867)	589,837	487,970
NET ASSETS - BEGINNING OF YEAR	<u>1,301,519</u>	<u>15,935,682</u>	<u>17,237,201</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,199,652</u></u>	<u><u>\$ 16,525,519</u></u>	<u><u>\$ 17,725,171</u></u>

See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Richland Community College District #537 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the District presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board (ICCB). The following is a summary of the more significant policies of the District.

A. Reporting Entity

The District is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The District is fiscally independent and is considered a primary government pursuant to GASB Statement No. 61.

Blended component units, although legally separate entities, are in substance part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements.

The District is the sole member of Brush College, LLC which is governed by the same board of trustees. Brush College, LLC was created on August 10, 2004 for the purpose of supporting and servicing the educational goals of the District. Brush College, LLC is reported as a blended component unit of the District. Brush College, LLC does not issue a separate component unit report.

Discretely presented component units, on the other hand, are reported separately in the financial statements to emphasize they are legally separate from the District.

The Richland Community College Foundation (Foundation) is a legally separate, non-profit organization organized and operated exclusively for education and charitable purposes designed to promote the welfare of the District. Because the resources of the Foundation are to be used substantially for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. Separate financial statements of the Foundation are available by calling the Foundation at 217-875-7200.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District'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 District receives value without directly giving equal value in return include property taxes; federal, state, and local grants; state appropriations, and other contributions. On the 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 timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis when qualifying expenditures are incurred.

The District reports unearned revenue and deferred property taxes on its statement of net position. Unearned revenues arise when potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred property taxes results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met, or when the District has met all eligibility requirements, the liability for unearned revenue is removed from the statement of net position and revenue is recognized. Tuition and fee revenues received and related to courses primarily held after June 30, 2019 are unearned.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

D. Investments

Investments consist of certificates of deposit carried at cost which approximates market.

E. Inventories

Central stores inventory is recorded at cost. Cost is determined under the first-in, first-out method. Inventory costs are recorded as expenses when consumed.

F. Prepaid Expenses

Prepaid expenses represent payments for goods or services that benefit future periods.

G. Capital Assets

Capital assets include property, equipment and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the District 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 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 its life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	15
Furniture and equipment	5
Software	3

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Restricted Assets

Restricted cash are primarily unspent bond proceeds that can only be used for capital purposes.

I. Net Position

The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of accumulated depreciation and outstanding debt incurred to acquire, construct, or improve those assets.

Restricted Net Position: Restricted net position include resources that the District 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 District's policy to use restricted resources first, and then unrestricted resources when they are needed. None of the District's restricted net position are restricted as a result of the District's enabling legislation.

Unrestricted Net Position: Unrestricted net position represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.

J. Classification of Revenues and Expenses

Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and Federal appropriations and (4) gifts and contributions. Operating expenses include all direct expenses incurred for education purposes. Nonoperating expenses are expenses incidental to operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Summer School Revenues and Expenses

Summer session revenues and expenses are reported in the fiscal year in which the program is predominantly conducted. Revenue received for summer school prior to June 30, 2019 is classified as unearned revenue. Summer session expenses incurred prior to June 30, 2019 are reported as prepaid items.

L. Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and the Direct Loan program. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

M. Allowance for Doubtful Accounts

Management has reviewed the collectability of its receivables and has established an allowance for doubtful accounts for receivables from the childcare program and for student tuition.

N. Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the student's behalf.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Pensions (Continued)

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employee entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

P. On Behalf Revenue and Expense

The District 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 year ended June 30, 2019, the District has reported its proportionate share of the collective pension expense and revenue for the State's contribution. In addition, the District 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 year ended June 30, 2019, the District has reported its proportionate share of the collective OPEB expense and revenue for the State's contribution in addition to reporting the District's proportionate share of the OPEB liability and related expense.

Q. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Compensated Absences

Personal and sick leave is granted at an annual combined rate of fourteen (14) days for all full-time non-academic personnel. The same rate applies to academic personnel who have signed a nine-month contract. Academic personnel, who have signed a twelve-month contract, receive an annual rate of seventeen (17) days of personal and sick leave combined. All unused personal leave time is added to sick leave time on July 1 of each year. Although employees may accumulate an unlimited amount of sick leave time, this time is not reimbursed upon termination. The District has no commitment to pay the accumulated sick leave time, and therefore, no liability has been recorded.

Vacation leave for full-time exempt employees is granted at an annual rate of twenty (20) days with a maximum sixty (60) day accumulation. Full-time non-exempt employees, receive an annual vacation leave rate of ten (10) days with one additional day for each year of service up to a maximum of twenty (20) days annually. After ten (10) years of service, these employees can accumulate a maximum of sixty (60) days. Those with less than ten (10) years of service can accumulate a maximum of forty (40) days. Upon termination of service from the District, the full balance of unused vacation leave earned is payable to the employee. Academic year personnel receive no vacation leave. Therefore, a liability for the unused vacation time for the non-academic employees only has been recorded.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 position 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

2. DEPOSITS AND INVESTMENTS

It is the policy of the District to follow the Public Funds Investment Act. Illinois Compiled Statutes (ILCS) authorize the District 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 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, the Illinois Funds, and the Illinois School District Liquid Asset Fund (ISDLAF). Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer.

The Illinois Public Treasurer's Investment Pool, known as the Illinois Funds, operates a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than market value. The investment in the Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for the Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Illinois School District Liquid Asset Fund Plus (ISDLAF) is a not-for-profit investment trust fund formed pursuant to the Illinois Municipal Code and is managed by a Board of Trustees 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 District's position in the pool is the same as the value of the pool shares. The credit rating provide by Standard & Poor's of the Illinois School District Liquid Asset Fund Plus – Liquid and Mass Class was AAAM at June 30, 2019.

In addition, the District's Board of Trustees has adopted an investment policy which provides further restrictions on the investment of district funds. It is the policy of the District 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 District 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 objectives of the policy, in order of priority are: safety of principal, liquidity, return on investment and maintaining public trust.

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District requires that all deposits in excess of FDIC insurable limits must be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Collateral shall be held at a third-party safekeeping institution.

B. Investments

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policy is that obligations cannot have a maturity longer than 180 days. The District limits its exposure to interest rate risk by primarily investing in Illinois Funds or ISDLAF, which are external investment pools. The use of derivatives is expressly prohibited by the policy.

Included in investments on the basic financial statements are certificates of deposit (time deposits) with maturities greater than 90 days of \$1,651,207.

Credit Risk – The District's policy does not specifically address credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity. However, the District limits its exposure to credit risk by investing primarily in Illinois Funds and ISDLAF. At June 30, 2019, \$4,330,410 of Illinois Funds and \$1,000,443 of ISDLAF are included in cash and cash equivalents on the basic financial statements.

Custodial credit risk – The risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. The District requires that all time deposits in excess of FDIC insurable limits must be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Illinois Funds and ISDLAF are not subject to custodial credit risk.

Concentration of Credit Risk - The District requires diversification to eliminate the risk of loss resulting in over concentration in a specific maturity issuer or class of securities. The District requires 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 (bank, savings & loan, Illinois Funds, ISDLAF, intermediary). In addition, not more than 33% of the total investment balance may be invested in commercial paper at any time, investment in any one corporation cannot exceed 10% of the corporation's outstanding obligation and total investment in any one corporation may not be more than \$20 million.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements – The District 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.

3. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District's district. Taxes must be levied by the last Tuesday in December for the following levy year. The levy becomes an enforceable lien against the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors in the district who, in turn, remit to the District its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the District normally made within 30 days of collection.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The 2018 tax levy is intended to finance the 2020 fiscal year and, accordingly, is reported as deferred property taxes. The following are the tax rates levied per \$100 of assessed valuation.

	Levy Year	
	2018	2017
Education	0.2706	0.2749
Operations and Maintenance	0.0393	0.0400
Bond and Interest	0.1160	0.1482
Audit	0.0028	0.0028
Social Security & Medicare	0.0061	0.0063
Liability, Protection and Settlement	0.0754	0.0823

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, were as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land and site improvements	\$ 1,059,441	\$ -	\$ -	\$ 1,059,441
Construction in process	<u>10,743</u>	<u>87,979</u>	<u>(10,743)</u>	<u>87,979</u>
Total capital assets not being depreciated	<u>1,070,184</u>	<u>87,979</u>	<u>(10,743)</u>	<u>1,147,420</u>
Capital assets being depreciated:				
Furniture and equipment	12,979,172	460,183	(2,538,800)	10,900,555
Buildings	59,178,883	19,208	-	59,198,091
Building Improvements	<u>11,913,986</u>	<u>223,162</u>	<u>(155,000)</u>	<u>11,982,148</u>
Total capital assets being depreciated	<u>84,072,041</u>	<u>702,553</u>	<u>(2,693,800)</u>	<u>82,080,794</u>
Less accumulated depreciation:				
Furniture and equipment	(9,207,960)	(779,982)	2,502,543	(7,485,399)
Buildings	(19,216,742)	(1,489,713)	-	(20,706,455)
Building improvements	<u>(7,498,634)</u>	<u>(324,300)</u>	<u>134,323</u>	<u>(7,688,611)</u>
Total accumulated depreciation	<u>(35,923,336)</u>	<u>(2,593,995)</u>	<u>2,636,866</u>	<u>(35,880,465)</u>
Net capital assets being depreciated	<u>48,148,705</u>	<u>(1,891,442)</u>	<u>(56,934)</u>	<u>46,200,329</u>
Net capital asset	<u>\$ 49,218,889</u>	<u>\$ (1,803,463)</u>	<u>\$ (67,677)</u>	<u>\$ 47,347,749</u>

5. RESTRICTED ASSETS

The District held \$157,765 in unspent bond proceeds from the 2010A Series bond issuance at June 30, 2019, which was reported as a restricted asset on the Statement of Net Position.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
General obligation bonds:				
Series 2010	\$ 225,000	\$ -	\$ (225,000)	\$ -
Series 2010A	980,000	-	(980,000)	-
Series 2011	2,985,000	-	(675,000)	2,310,000
Series 2012	10,000,000	-	-	10,000,000
Series 2016	1,475,000	-	(825,000)	650,000
Series 2017A	820,000	-	-	820,000
Compensated absences	530,177	109,732	(23,655)	616,254
Capital lease obligations	336,568	-	(178,397)	158,171
Total	<u>\$ 17,351,745</u>	<u>\$ 109,732</u>	<u>\$(2,907,052)</u>	<u>\$ 14,554,425</u>
				<u>Current Portion</u>
Series 2011				\$ 715,000
Series 2012				-
Series 2016				650,000
Series 2017A				820,000
Compensated absences				321,109
Capital lease obligations				<u>71,549</u>
				<u>\$ 2,577,658</u>

General Obligation Bonds

The District issued \$3,000,000 General Obligation Community College Bonds, Series 2010, dated April 1, 2010, due on December 1, 2018, with annual interest rates ranging from 3.75% - 4.95%. The bonds were issued to increase the Working Cash Fund of the District.

The District issued \$3,390,000 General Obligation Community College Bonds, Series 2010A, dated November 1, 2010, due on December 1, 2018, with annual interest rates ranging from 2.50% - 3.25%. The bonds were issued to finance the improvements identified in the District's Energy Management System Master Plan, which will improve the District's system efficiency and reduce costs.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

The District issued \$6,100,000 General Obligation Community College Bonds, Series 2011, dated November 1, 2011, due on November 1, 2022, with annual interest rates ranging from 3.90% - 5.75%. The bonds were issued to finance construction of the Workforce Development Center.

The District issued \$10,000,000 General Obligation Community College Bonds, Series 2012, dated January 1, 2012, due on November 1, 2031, with annual interest rates ranging from 3.20% - 5.50%. The bonds were issued to finance construction of the Workforce Development Center.

The District issued \$3,000,000 General Obligation Community College Bonds, Series 2016, dated February 23, 2016, due on December 1, 2019, with annual interest rates ranging from 2.00% - 5.00%. The bonds were issued to increase the Working Cash Fund of the District.

The District issued \$820,000 Taxable General Obligation Community College Bonds, Series 2017A, dated November 8, 2017, due on December 1, 2019, with an interest rate of 5.30%. The bonds were issued to pay outstanding and unpaid claims against the District.

At June 30, 2019, the annual requirements to retire the District's General Obligation Bonds were as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 539,112	\$ 2,185,000	\$ 2,724,112
2021	466,448	725,000	1,191,448
2022	427,872	760,000	1,187,872
2023	387,160	765,000	1,152,160
2024	334,668	820,000	1,154,668
2025 – 2029	1,145,946	4,970,000	6,115,946
2030 – 2034	<u>214,028</u>	<u>3,555,000</u>	<u>3,769,028</u>
Total	<u>\$ 3,515,234</u>	<u>\$ 13,780,000</u>	<u>\$ 17,295,234</u>

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

The District entered into a capital lease agreement for the purchase of equipment totaling \$263,035, and accumulated depreciation totaling \$99,690 as of June 30, 2019. The capital lease agreement is payable in six semi-annual payments of \$46,828 including interest of 2.3%.

The District entered into a capital lease agreement for the purchase of equipment totaling \$60,500, and accumulated depreciation totaling \$25,712 as of June 30, 2019. The capital lease agreement is payable in monthly payments of \$1,008 including interest of 3.20%.

The District entered into a capital lease agreement for the purchase of equipment totaling \$76,605, and accumulated depreciation totaling \$32,557 as of June 30, 2019. The capital lease agreement is payable in monthly payments of \$2,475 including interest of 3.00%.

The District entered into a capital lease agreement for the purchase of equipment totaling \$135,000, and accumulated depreciation totaling \$6,327 as of June 30, 2019. The capital lease agreement is payable in monthly payments of \$2,458 including interest of 3.66%.

The District entered into a capital lease agreement for the purchase of equipment totaling \$39,919, and accumulated depreciation totaling \$8,982 as of June 30, 2019. The capital lease agreement is payable in quarterly payments of \$3,515 including interest of 3.43%.

At June 30, 2019, the future minimum lease obligations and the net present value of these minimum lease payments were as follows:

Fiscal year

2020	\$ 71,549
2021	52,142
2022	40,588
2023	<u>2,458</u>
	166,737
Less: amount representing interest	<u>8,566</u>
Present value of minimum lease payments	<u>\$ 158,171</u>

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

8. LEASES

Lessor

The District leases commercial space to the University of Illinois – Macon County Extension. The lease term ends on June 30, 2024. The lease requires quarterly payments of \$38,625. The District reported the cost of the asset being leased of \$3,515,907 and accumulated depreciation of \$867,990 at June 30, 2019.

At June 30, 2019, future minimum lease payments are as follows:

Fiscal year

2020	\$	154,500
2021		154,500
2022		154,500
2023		154,500
2024		<u>154,500</u>
	\$	<u>772,500</u>

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LEASES (Continued)

Lessor (Continued)

The District leases commercial space to the United States Department of Agriculture. The lease term ends on December 31, 2020. The lease requires monthly payments of \$4,265. The District reported the cost of the asset being leased of \$3,287,976 and accumulated depreciation of \$578,821 at June 30, 2019.

At June 30, 2019, future minimum lease payments are as follows:

Fiscal year

2020	\$ 25,588
Total	<u>\$ 25,588</u>

The District leases space to Decatur Public School District #61. The lease term ends on May 31, 2020. The lease requires monthly payments of \$3,698.86.

At June 30, 2019, future minimum lease payments are as follows:

Fiscal year

2020	\$ 44,386
Total	<u>\$ 44,386</u>

Lessee

The District has various operating lease agreements for equipment and facilities. Rentals under these agreements were \$145,860 for the year ended June 30, 2019.

Significant lease commitments are as follows:

The District entered into a non-cancellable lease for facility space in Clinton, Illinois for the period October 1, 2013 through January 31, 2023, with monthly lease payments ranging from \$6,333 to \$6,921.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LEASES (Continued)

Lessee (Continued)

Future minimum lease payments are as follows:

<u>Fiscal year</u>	
2020	\$ 80,628
2021	80,628
2022	80,628
2023	83,047
2024	83,047
	<u>\$ 407,978</u>

The District entered into a cancellable lease for a new 2011 International 4300LP hydraulic dump truck for the period July 17, 2014 through July 17, 2019, with monthly lease payments of \$2,157.

Future minimum lease payments are as follows:

<u>Fiscal year</u>	
2020	\$ 2,157
	<u>\$ 2,157</u>

9. PENSION PLAN

Plan Description. The District contributes to the State Universities Retirement Systems of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) 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's 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 for the plan. That report may be obtained by accessing the website at www.SURS.org.

9. PENSION PLAN (Continued)

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2018, can be found in the SURS's comprehensive annual financial report (CAFR) notes to the financial statements.

Contributions. The State of Illinois is primarily responsible for funding SURS 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 2018 and 2019 respectively, was 12.46% and 12.29% of employee payroll.

Funding Policy. 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 8.00% of their annual covered salary. 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).

9. PENSION PLAN (Continued)

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

Net Pension Liability

At June 30, 2018, SURS reported a net pension liability (NPL) of \$27,494,556,682. The net pension liability was measured as of June 30, 2017.

Employer Proportionate Share of Net Pension Liability

For the year ended June 30, 2019, the amount of the proportionate share of the net pension liability to be recognized for the District is \$0. The proportionate share of the State's net pension liability associated with the District is \$68,626,413 or 0.2496%. 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, 2018, and the total pension used to calculate the net pension liability was determined based on the June 30, 2017, actuarial valuation 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 2018.

Pension Expense

At June 30, 2018, SURS reported a collective net pension expense of \$2,685,322,700.

Employer Proportionate Share of Pension Expense

The District's proportionate share of collective net pension expense is recognized similarly to on-behalf payments 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 contributions made to SURS during fiscal year 2018. As a result, the District recognized revenue and pension expense of \$6,702,565 for the fiscal year ended June 30, 2019.

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

Deferred outflows of resources are the consumption of net position by the District that is applicable to future reporting periods. The District paid \$73,338 in federal, trust or grant contributions for the fiscal year ended June 30, 2019. These contributions were made subsequent to the pension liability measurement date of June 30, 2018 and are recognized as deferred outflows of resources as of June 30, 2019.

9. PENSION PLAN (Continued)

Assumptions and Other Inputs

Actuarial assumptions

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

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

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

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

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, these best estimates are summarized in the following table:

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

9. PENSION PLAN (Continued)

Assumptions and Other Inputs (Continued)

Actuarial assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.00%
Private Equity	6.00%	8.50%
Non-U.S. Equity	19.00%	6.45%
Global Equity	8.00%	6.00%
Fixed Income	19.00%	1.50%
Treasury-Inflation Protected Securities	4.00%	0.75%
Emerging Market Debt	3.00%	3.65%
Real Estate REITS	4.00%	5.45%
Direct Real Estate	6.00%	4.75%
Commodities	2.00%	2.00%
Hedged Strategies	5.00%	2.85%
Opportunity Fund	1.00%	7.00%
Total	100%	4.75%
Inflation		2.75%
Expected Arithmetic Return		7.30%

Discount Rate

A single discount rate of 6.65% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.62% (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 the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SUR's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

9. PENSION PLAN (Continued)

Discount Rate (Continued)

Sensitivity of SUR'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 6.65%, 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:

	1% Decrease 5.65%	Current Single Discount Rate Assumption 6.65%	1% Increase 7.65%
Net Pension Liability	\$ 33,352,188,584	\$ 27,494,556,682	\$ 22,650,651,520

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS CAFR by accessing the website at www.SURS.org.

10. RETIREE HEALTH PLAN

Plan Description

In addition to the pension plan described previously, the District contributes to the State of Illinois Community College Health Insurance Security Fund (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 dependent 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. CIP issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by accessing the website at www.auditor.illinois.gov.

10. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

The following disclosures are for the year ended June 30, 2019, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For purposes of measuring the net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit, and other postemployment benefit 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, 2019, the District reported a liability of \$10,330,327 for its proportionate share of the total other postemployment benefit liability that reflected a reduction for state other postemployment benefit support of \$10,330,327 resulting in a total other postemployment benefit liability associated with the District of \$20,660,654. The other postemployment benefit liability was measured as of June 30, 2018, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to June 30, 2018. The District's proportion of the net other postemployment benefit liability was based on the District's actual contributions to the other postemployment benefit plan relative to the projected contributions of all participating colleges and the State of Illinois, statutorily determined. At June 30, 2019, the District's proportionate shares were 0.547955%.

For the year ended June 30, 2019, the District recognized other postemployment benefit expense of \$412,453 and revenue of \$412,453 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefit from the following sources:

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151,831	\$ 22,625
Changes of assumptions	-	1,293,052
Changes in proportionate share and differences between college contributions and proportionate share of contributions	-	1,098,556
Contributions made after the measurement date	50,983	-
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	338
Total	\$ 202,814	\$ 2,414,571

\$50,983 reported as deferred outflows or resources related to other postemployment benefit resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net other postemployment benefit liability for the measurement period ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in other postemployment benefit expense as follows:

Year ended June 30:

2020	\$ (377,123)
2021	(377,123)
2022	(377,123)
2023	(377,123)
2024	(377,124)
Thereafter	(377,124)
Total	<u>\$ (2,262,740)</u>

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions

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

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

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

Projected benefit payments were discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on other postemployment benefit 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 rate was 3.62% as of June 30, 2018.

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

The following are sensitivity analysis of the other postemployment benefit liability to changes in the discount rate and the healthcare cost trend rate.

Rate Sensitivity

The table below presents the other postemployment benefit liability of the District calculated using the discount rate of 3.62% as well as what the District's other postemployment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62%) or 1 percentage point higher (4.62%) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Other postemployment benefit liability	\$ 11,972,585	\$ 10,330,327	\$ 8,963,487

The table below presents the District's other postemployment benefit liability, calculated using the healthcare cost trend rates as well as what the District's other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.91% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Other postemployment benefit liability	\$ 8,563,776	\$ 10,330,327	\$ 12,655,385

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

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
NOTES TO FINANCIAL STATEMENTS (Continued)

11. PRIOR PERIOD ADJUSTMENT

The District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2019. The implementation of this guidance resulted in changes to the postemployment benefit related liability, revenue, expense, notes to financial statements and to the required supplementary information.

Net position, beginning of year (as previously reported)	\$ 46,969,837
Restatement: GASB Statement No. 75	(12,129,631)
Net position, beginning of year (as restated)	<u>\$ 34,840,206</u>

12. COMPONENT UNIT

Richland Community College Foundation, located in Decatur, Illinois, was incorporated under the laws of the State of Illinois as a not-for-profit organization. The primary functions of the Foundation are to assist in developing and augmenting the facilities and carrying out the educational functions of Richland Community College, Community College District #537 for broader educational opportunities for its students, alumni, and citizens of the district by encouraging gifts of money, property, works of art, and other materials having educational, artistic or historical value.

Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to two classes of net assets, with donor restrictions and without donor restrictions, as follows:

Net assets with donor restriction: net assets subject to donor-imposed restrictions expected to be met by actions of the Foundation or the passage of time

Net assets without donor restriction: net assets that are not subject to donor-imposed restrictions.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases the net asset class. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

12. COMPONENT UNIT (Continued)

Contributions Receivable

Unconditional promises to give are recognized as revenue when the promise is received. Conditional promises are not recognized until they become unconditional; that is, in the period in which the conditions on which they depend are substantially met. Contributions receivable due in more than one year are discounted to their present value (estimated fair value) using a rate commensurate with the risks involved, currently five percent. Amortization of the discount is recorded as additional contribution revenue. Management determines an allowance for unredeemed promises by considering such factors as prior collection history with the donor, type of contribution, and type of fund-raising event.

Investments

Investments in equity securities with readily determinable fair values, mutual funds, and all investments in debt securities are measured at market value in the statement of financial position. The fair values for equity securities, mutual funds, and debt securities are based on quoted market prices.

Gains and losses on dispositions of investments are accounted for on a specific identification basis. Net realized and unrealized gains and losses are included in the statement of activities.

Income and realized and unrealized gains on investments of permanently restricted net assets are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift or the Foundation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;

Investment Pools

The Foundation maintains master investment accounts for its donor-restricted and board designated endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Land

The Foundation has purchased land to facilitate a new entry road to the College and for future college expansion.

12. COMPONENT UNIT (Continued)

Income Taxes

The Foundation is a non-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Foundation records a liability for any uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Foundation continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. No such positions existed at June 30, 2019, and no interest or penalties are recognized in the statements of financial position or activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Foundation to designate sums of unrestricted net assets for scholarships and endowments. Board designated funds are accounted for as net assets without donor restriction.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

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

June 30, 2019

MEASUREMENT DATE JUNE 30,	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
(a) Proportion Percentage of the Collective Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	
(b) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	68,705,039	75,002,609	78,604,291	71,805,757	68,626,413	
Total (b) + (c)	\$ 68,705,039	\$ 75,002,609	\$ 78,604,291	\$ 71,805,757	\$ 68,626,413	
Covered payroll	\$ 11,521,303	\$ 11,536,656	\$ 10,968,571	\$ 9,981,488	\$ 8,946,269	
Proportion of Collective Net Pension Liability associated with Employer as a percentage of covered-employee payroll	596.33%	650.12%	716.63%	719.39%	767.10%	
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%	
FISCAL YEAR ENDED JUNE 30,	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
RICHLAND COMMUNITY COLLEGE						
Federal, Trust, Grant and Other contributions	\$ 31,763	\$ 32,912	\$ 44,858	\$ 44,721	\$ 45,257	\$ 73,338
Contribution in relation to required contribution	31,763	32,912	44,858	44,721	45,257	73,338
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,521,303	\$ 11,536,656	\$ 10,968,571	\$ 9,981,488	\$ 8,946,269	\$ 9,358,791
Contributions as a percentage of covered payroll	0.28%	0.29%	0.41%	0.45%	0.51%	0.78%

*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 10 years.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total pension liability as of June 30, 2018.

Changes in Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Mortality rates - Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- Salary increase - Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- Normal retirement rates - A slight increase in the retirement age at 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50% if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates - Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates - Change rates to produce lower expected turnover for members with less than ten years of service and higher turnover for members with more than ten years of service.
- Disability rates - Decrease current rates to reflect that certain members who receive disability
- Effective rate of interest - Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75% (effective July 2, 2019).
- Investment return - Decrease the investment return assumption to 6.75%. This reflects maintaining an assumed real rate of 4.50% an decreasing the underlying assumed price inflation to 2.25%.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
CIP PLAN**

June 30, 2019

MEASUREMENT DATE JUNE 30,	2017	2018
District's proportion of the total OPEB liability	0.608006%	0.547955%
District's proportionate share of the total OPEB liability	\$ 11,087,820	\$ 10,330,327
Portion of State's total proportion of total OPEB liability associated with the District	10,941,789	10,330,331
TOTAL	\$ 22,029,609	\$ 20,660,658
Covered payroll	\$ 11,512,303	\$ 10,782,183
Proportion of collective net pension liability associated with the District as a percentage of covered payroll	191.36%	191.62%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)
FISCAL YEAR ENDED JUNE 30,	2018	2019
Statutorily required contribution	\$ 47,851	\$ 50,983
Contribution in relation to the statutorily required contribution	47,851	50,983
CONTRIBUTION EXCESS	\$ -	\$ -
Covered payroll	\$ 11,274,090	\$ 11,889,917
Contributions as a percentage of covered payroll	0.42%	0.43%

Note: The District implemented GASB No. 75 in fiscal year 2019. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total OPEB liability as of June 30, 2018.

Changes in Assumptions

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

SUPPLEMENTARY INFORMATION

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION, BY SUBFUND

June 30, 2019

	Education	Operations and Maintenance	Audit	Liability, Protection and Settlement	Restricted Purposes
CURRENT ASSETS					
Cash and cash equivalents	\$ 5,580,819	\$ -	\$ 70,313	\$ 1,329,378	\$ 367,098
Restricted cash	-	-	-	-	-
Investments	550,000	-	-	100,000	300,000
Accounts receivable:					
Property taxes	6,335,578	920,637	65,316	1,907,917	-
Student tuition and fees	2,585,911	-	-	-	-
Other receivables, net	22,200	-	-	-	1,230,574
Accrued interest receivable	285	-	-	26	1,066
Due from Foundation	1,099	-	-	-	71,921
Due from other funds	3,826,607	947,764	-	223,754	24,874
Inventories	12,173	-	-	-	-
Prepaid expenses	602,193	-	-	1,792	224,205
Total current assets	19,516,865	1,868,401	135,629	3,562,867	2,219,738
NONCURRENT ASSETS					
Capital assets not being depreciated	-	-	-	-	-
Other depreciable assets, net	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	19,516,865	1,868,401	135,629	3,562,867	2,219,738
DEFERRED OUTFLOWS OF RESOURCES					
OPEB items	-	-	-	-	-
SURS pension contributions	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 19,516,865	\$ 1,868,401	\$ 135,629	\$ 3,562,867	\$ 2,219,738
CURRENT LIABILITIES					
Accounts payable	\$ 370,205	\$ -	\$ -	\$ -	\$ 34,955
Accrued expenses	483,346	-	-	-	121,262
Unearned revenue	3,203,339	1	-	2,960	367,511
Due to other funds	2,525,025	-	5,389	56,808	1,615,013
Current portion of compensated absences	321,109	-	-	-	-
Current portion of OPEB liability	-	-	-	-	-
Current portion of capital leases obligations	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-
Total current liabilities	6,903,024	1	5,389	59,768	2,138,741
NONCURRENT LIABILITIES					
Compensated absences	295,145	-	-	-	-
OPEB liability	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	295,145	-	-	-	-
Total liabilities	7,198,169	1	5,389	59,768	2,138,741
DEFERRED INFLOWS OF RESOURCES					
OPEB items	-	-	-	-	-
Deferred property taxes	6,391,484	928,772	65,906	1,924,979	-
Total deferred inflows of resources	6,391,484	928,772	65,906	1,924,979	-
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Restricted for					
Audit	-	-	64,334	-	-
Liability, protection and settlement	-	-	-	1,578,120	-
Grant purposes	-	-	-	-	80,997
Capital projects	-	-	-	-	-
Working cash	-	-	-	-	-
Debt service	-	-	-	-	-
Unrestricted	5,927,212	939,628	-	-	-
TOTAL NET POSITION	\$ 5,927,212	\$ 939,628	\$ 64,334	\$ 1,578,120	\$ 80,997

Bond & Interest	Operations and Maintenance Restricted	Auxiliary Enterprises	Trust and Agency	Working Cash	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ 113,792	\$ 400,316	\$ 760,734	\$ 261,722	\$ 7,688,661	\$ -	\$ -	\$ -	\$ 16,572,833
-	157,765	-	-	-	-	-	-	157,765
-	-	-	-	701,207	-	-	-	1,651,207
2,707,003	468,667	-	-	-	-	-	-	12,405,118
-	-	-	3,370	-	-	-	-	2,589,281
-	-	761,006	-	-	-	-	-	2,013,780
-	-	-	-	1,891	-	-	-	3,268
-	-	-	-	-	-	-	-	73,020
180	1,389,281	59,533	48,408	-	-	-	(6,520,401)	-
-	-	14,404	-	-	-	-	-	26,577
-	-	24,168	14,982	-	-	-	-	867,340
2,820,975	2,416,029	1,619,845	328,482	8,391,759	-	-	(6,520,401)	36,360,189
-	-	-	-	-	-	1,147,420	-	1,147,420
-	-	740,812	-	-	-	45,459,517	-	46,200,329
-	-	740,812	-	-	-	46,606,937	-	47,347,749
2,820,975	2,416,029	2,360,657	328,482	8,391,759	-	46,606,937	(6,520,401)	83,707,938
-	-	-	-	-	202,814	-	-	202,814
-	-	-	-	-	73,338	-	-	73,338
\$ 2,820,975	\$ 2,416,029	\$ 2,360,657	\$ 328,482	\$ 8,391,759	\$ 276,152	\$ 46,606,937	\$ (6,520,401)	\$ 83,984,090
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,160
-	41,688	1,605	900	-	92,529	-	-	741,330
4	-	27,146	46,613	-	-	-	-	3,647,574
14,258	2,793	1,978,280	280,969	41,866	-	-	(6,520,401)	-
-	-	-	-	-	-	-	-	321,109
-	-	-	-	-	127,263	-	-	127,263
-	-	-	-	-	71,549	-	-	71,549
-	-	-	-	-	2,185,000	-	-	2,185,000
14,262	44,481	2,007,031	328,482	41,866	2,476,341	-	(6,520,401)	7,498,985
-	-	-	-	-	-	-	-	295,145
-	-	-	-	-	10,203,064	-	-	10,203,064
-	-	-	-	-	86,622	-	-	86,622
-	-	-	-	-	11,595,000	-	-	11,595,000
-	-	-	-	-	21,884,686	-	-	22,179,831
14,262	44,481	2,007,031	328,482	41,866	24,361,027	-	(6,520,401)	29,678,816
-	-	-	-	-	2,414,571	-	-	2,414,571
2,731,143	472,857	-	-	-	-	-	-	12,515,141
2,731,143	472,857	-	-	-	2,414,571	-	-	14,929,712
-	-	740,812	-	-	(12,310,406)	46,606,937	-	35,037,343
-	-	-	-	-	-	-	-	64,334
-	-	-	-	-	-	-	-	1,578,120
-	-	-	-	-	-	-	-	80,997
-	1,898,691	-	-	-	-	-	-	1,898,691
-	-	-	-	8,349,893	(650,000)	-	-	7,699,893
75,570	-	-	-	-	-	-	-	75,570
-	-	(387,186)	-	-	(13,539,040)	-	-	(7,059,386)
\$ 75,570	\$ 1,898,691	\$ 353,626	\$ -	\$ 8,349,893	\$ (26,499,446)	\$ 46,606,937	\$ -	\$ 39,375,562

See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

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

For the Year Ended June 30, 2019

	Education	Operations and Maintenance	Audit	Liability, Protection and Settlement	Restricted Purposes
OPERATING REVENUES					
Student tuition and fees, net of scholarship allowances	\$ 6,188,879	\$ 616,549	\$ -	\$ 10,384	\$ -
Auxiliary enterprises revenue	-	-	-	-	-
Other operating revenue	201,623	409,059	-	-	200
Total operating revenues	6,390,502	1,025,608	-	10,384	200
OPERATING EXPENSES					
Instruction	7,296,562	-	-	-	5,156,164
Academic support	891,442	-	-	-	200,407
Public services	800	-	-	-	888,875
Student services	1,162,654	-	-	-	1,799,112
Auxiliary services	-	-	-	-	5,915
Operations and maintenance	-	1,686,808	-	323,676	239,836
Institutional support	2,798,745	-	56,760	1,180,904	1,488,462
Scholarships, student grants and waivers	293,600	-	-	-	6,784,456
Depreciation	-	-	-	-	-
Total operating expenses	12,443,803	1,686,808	56,760	1,504,580	16,563,227
OPERATING INCOME (LOSS)	(6,053,301)	(661,200)	(56,760)	(1,494,196)	(16,563,027)
NONOPERATING REVENUES (EXPENSES)					
State grants and contracts	1,184,279	750,000	-	-	8,856,054
Property taxes	6,313,203	917,929	64,928	1,851,537	-
Personal property replacement tax	360,091	-	-	-	-
Nongovernmental grants and contracts	150,000	-	-	-	1,032,028
Federal grants and contracts	-	-	-	-	6,322,071
Investment income, net	132,294	417	1,585	30,418	2,082
Debt service					
Principal	(73,559)	(104,837)	-	-	-
Interest	(6,218)	(2,880)	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Transfers in	170,129	-	-	-	471,260
Transfers (out)	(531,318)	(750,000)	-	-	(6,045)
Total nonoperating revenues (expenses)	7,698,901	810,629	66,513	1,881,955	16,677,450
CHANGE IN NET POSITION	1,645,600	149,429	9,753	387,759	114,423
NET POSITION BEGINNING OF YEAR	4,281,612	790,199	54,581	1,190,361	(33,426)
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
NET POSITION BEGINNING OF YEAR, RESTATED	4,281,612	790,199	54,581	1,190,361	(33,426)
NET POSITION END OF YEAR	\$ 5,927,212	\$ 939,628	\$ 64,334	\$ 1,578,120	\$ 80,997

Bond & Interest	Operations and Maintenance Restricted	Auxiliary Enterprises	Trust and Agency	Working Cash	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ -	\$ -	\$ 25,681	\$ -	\$ -	\$ -	\$ -	\$ (4,612,351)	\$ 2,229,142
-	-	3,021,342	-	-	-	-	(360,288)	2,661,054
-	427,148	105,937	-	-	-	-	-	1,143,967
-	427,148	3,152,960	-	-	-	-	(4,972,639)	6,034,163
-	-	359,968	-	-	193,813	(301,292)	-	12,705,215
-	-	-	-	-	7,996	-	-	1,099,845
-	-	324,434	-	-	28,976	-	-	1,243,085
-	-	-	-	-	38,999	-	-	3,000,765
-	-	2,161,412	-	-	-	(5,915)	(360,288)	1,801,124
-	264,085	154,388	-	-	7,682	(472,582)	-	2,203,893
2,500	-	-	-	-	61,649	-	-	5,589,020
-	-	-	-	-	-	-	(4,612,351)	2,465,705
-	-	-	-	-	-	2,593,995	-	2,593,995
2,500	264,085	3,000,202	-	-	339,115	1,814,206	(4,972,639)	32,702,647
(2,500)	163,063	152,758	-	-	(339,115)	(1,814,206)	-	(26,668,484)
-	-	-	-	-	-	-	-	10,790,333
3,392,167	182,116	-	-	-	-	-	-	12,721,880
-	-	-	-	-	-	-	-	360,091
-	71	164,353	-	-	-	-	-	1,346,452
-	-	-	-	-	-	-	-	6,322,071
5,104	15,738	15,043	-	164,084	-	-	-	366,765
(2,705,000)	-	-	-	-	2,883,396	-	-	-
(673,028)	-	-	-	-	35,308	-	-	(646,818)
-	-	(20,677)	-	-	-	(36,257)	-	(56,934)
-	773,623	464,788	36,086	-	-	-	(1,915,886)	-
-	(23,623)	(404,730)	(36,086)	(164,084)	-	-	1,915,886	-
19,243	947,925	218,777	-	-	2,918,704	(36,257)	-	31,203,840
16,743	1,110,988	371,535	-	-	2,579,589	(1,850,463)	-	4,535,356
58,827	787,703	(17,909)	-	8,349,893	(16,949,404)	48,457,400	-	46,969,837
-	-	-	-	-	(12,129,631)	-	-	(12,129,631)
58,827	787,703	(17,909)	-	8,349,893	(29,079,035)	48,457,400	-	34,840,206
\$ 75,570	\$ 1,898,691	\$ 353,626	\$ -	\$ 8,349,893	\$ (26,499,446)	\$ 46,606,937	\$ -	\$ 39,375,562

See accompanying notes to financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

NOTES TO SUPPLEMENTARY INFORMATION

June 30, 2019

The District accounts for all operating activity including accruals in the Education sub-fund. An interfund receivable or payable is recorded to reflect the amount due to/due from each individual sub-fund to which the transaction relates. The District is reported as a single enterprise fund at the basic financial statement level. All interfund activity between the various sub-funds is eliminated at the combining sub-fund level. Therefore, the total column on the Combining Schedules, included in the supplementary information, is correct in relation to the basic financial statements.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Position										
Net investment in capital assets	\$35,037,343	\$34,277,938	\$28,235,363	\$28,596,728	\$29,296,713	\$28,198,266	\$27,707,452	\$28,234,943	\$25,025,177	\$22,870,332
Restricted for										
Audit	64,334	54,581	45,492	21,458	11,972	3,330	-	-	-	-
Liability, protection and settlement	1,578,120	1,190,361	860,981	682,097	470,530	308,207	255,845	218,755	285	-
Capital Projects	1,898,691	607,086	553,948	629,396	1,238,026	653,346	640,241	833,366	885,155	302,065
Other	7,856,460	6,675,294	5,062,119	3,732,832	3,550,891	3,189,230	3,025,266	2,484,893	2,349,893	5,358,575
Unrestricted	-7,059,386	4,164,577	-218,064	-972,160	128,440	512,737	1,214,437	1,573,800	2,064,243	2,467,085
Total Net Position	\$39,375,562	\$46,969,837	\$34,539,839	\$32,690,351	\$34,696,572	\$32,865,116	\$32,843,241	\$33,345,757	\$30,324,753	\$30,998,057

NOTE: The district implemented GASB Statement No. 75 Accounting & Financial Reporting or Postemployment Benefits Other than Pensions.

Data Source
Audited Financial Statements

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating revenue										
Tuition and fees, net	\$ 2,229,142	\$ 2,336,635	\$ 2,398,415	\$ 2,096,505	\$ 1,856,512	\$ 2,071,035	\$ 2,148,932	\$ 2,299,159	\$ 2,460,490	\$ 3,056,050
Auxiliary	2,661,054	1,823,965	928,059	1,113,794	1,086,228	999,600	845,358	945,454	905,104	971,415
Other	1,143,967	725,322	607,327	912,833	761,901	633,577	618,011	935,238	1,881,345	2,593,252
Total operating revenue	6,034,163	4,885,922	3,933,801	4,123,132	3,704,641	3,704,212	3,612,301	4,175,851	5,246,939	6,620,717
Operating expenses										
Instruction	12,705,215	12,129,179	12,573,288	12,359,095	12,706,704	11,509,679	11,395,329	10,674,749	10,739,367	7,938,616
Academic support	1,099,845	994,333	1,179,046	1,138,105	1,155,434	1,211,991	1,331,410	1,224,787	841,039	813,123
Public services	1,243,085	1,657,595	1,071,703	960,571	1,151,262	1,299,292	1,214,719	1,322,405	963,614	406,459
Student services	3,000,765	2,831,427	3,020,505	2,720,500	2,703,523	2,734,016	2,554,790	2,589,104	2,452,645	2,097,985
Auxiliary enterprises	1,801,124	416,105	544,151	894,605	510,093	655,552	524,187	583,595	511,387	1,312,256
Operations and maintenance	2,203,893	2,304,242	2,037,107	2,492,063	2,200,942	2,886,852	2,943,167	5,262,723	2,198,890	3,468,416
Institutional support	5,589,020	5,259,206	6,762,092	6,079,103	6,308,710	5,623,896	5,361,027	2,398,485	5,241,063	4,525,696
Scholarships, student grants & waivers	2,465,705	2,534,089	2,305,131	2,989,109	3,702,521	4,446,260	4,706,518	5,397,300	5,766,069	2,647,587
Depreciation	2,593,995	2,396,279	2,511,040	2,492,059	2,465,185	2,043,241	1,991,091	1,666,124	1,602,188	1,550,558
SURS contributions paid by state	-	-	-	-	-	-	-	-	-	-
Total operating expenses	32,702,647	30,522,455	32,004,063	32,125,210	32,904,374	32,410,779	32,022,238	31,119,272	30,316,262	26,926,723
Operating income (loss)	(26,668,484)	(25,636,533)	(28,070,262)	(28,002,078)	(29,199,733)	(28,706,567)	(28,409,937)	(26,943,421)	(25,069,323)	(20,306,006)
Non-operating revenues (expenses)										
State grants and contracts	10,790,333	11,365,536	9,111,709	7,519,102	9,122,797	8,827,921	8,708,513	7,597,047	6,349,343	5,258,483
Property taxes	12,721,880	12,437,216	12,080,430	10,883,996	10,787,922	10,618,059	10,675,747	9,576,789	8,655,180	8,350,762
Personal property replacement tax	360,091	385,224	521,859	445,778	459,888	439,376	343,303	472,047	396,874	348,992
Nongovernmental grants and contracts (includes gifts)	1,346,452	4,320,128	1,991,787	1,688,547	2,700,334	1,000,170	889,694	516,596	730,491	-
Federal grants and contracts	6,322,071	6,105,036	6,583,492	7,001,322	7,504,063	7,762,439	7,995,783	12,378,729	8,683,969	4,263,091
Investment income	366,765	174,235	57,563	16,565	8,677	26,889	44,722	56,024	45,277	79,423
Interest expense	(646,818)	(748,077)	(806,544)	(813,390)	(855,577)	(501,516)	(987,283)	(632,807)	(221,202)	(128,618)
Loss on disposal of capital assets	(56,934)	-	-	-	-	-	-	-	-	-
SURS contribution by state	-	-	-	-	-	-	-	-	-	-
Total net non-operating revenue	31,203,840	34,039,298	29,540,296	26,741,920	29,728,104	28,173,338	27,670,479	29,964,425	24,639,932	20,338,160
Capital contributions										
Change in net position	-	4,027,233	379,454	-	1,303,085	555,104	236,942	-	-	-
Net position, beginning of year	4,535,356	12,429,998	1,849,488	(1,260,158)	1,831,456	21,875	(502,516)	3,021,004	(429,391)	32,154
Net position, beginning of year	46,969,837	34,539,839	32,690,351	34,696,572	32,865,116	32,843,241	33,345,757	30,324,753	30,998,057	30,965,903
Prior period adjustment	(12,129,631)	-	-	(746,063)	-	-	-	-	(243,913)	-
Net position end of year	\$ 39,375,562	\$ 46,969,837	\$ 34,539,839	\$ 32,690,351	\$ 34,696,572	\$ 32,865,116	\$ 32,843,241	\$ 33,345,757	\$ 30,324,753	\$ 30,998,057

Note:
Beginning in Fiscal Year 2011, SURS Contributions paid by State are allocated to various functions
Prior Period Adjustment in 2019 was for GASB Statement No. 75 Accounting & Financial Reporting or Postemployment Benefits Other than Pensions.

Data Source
Audited Financial Statements

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE
OF TAXABLE PROPERTY**

Last Ten Levy Years

Tax Levy Year	Assessed Value	Estimated Actual Value
2018	\$ 2,372,623,653	\$ 7,117,871,671
2017	2,301,593,329	6,904,780,677
2016	2,283,875,652	6,851,627,641
2015	2,247,109,689	6,741,329,741
2014	2,226,751,402	6,680,254,874
2013	2,211,282,046	6,633,846,801
2012	2,228,314,058	6,684,942,842
2011	2,262,705,098	6,788,115,973
2010	2,224,470,350	6,673,411,717
2009	2,202,216,033	6,606,648,760
2008	2,127,904,616	6,383,714,486

Note:

Assessed value is computed to be equal to one third of the estimated actual value.

Data Source

County Clerks Offices of Christian, DeWitt, Logan, Macon, Moultrie, Piatt, Sangamon and Shelby Counties

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

ASSESSED VALUATION AND ACTUAL VALUE OF TAXABLE PROPERTY - CONTINUED

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Rail Road Property	Other Property	Total Property
2018	\$ 1,146,064,244	\$ 428,301,168	\$ 391,239,862	\$ 370,512,922	\$ 35,902,879	\$ 602,578	\$ 2,372,623,653
2017	1,144,053,101	410,428,221	388,899,720	324,327,104	33,222,903	662,280	2,301,593,329
2016	1,137,888,532	392,309,687	389,909,141	327,410,433	35,599,959	757,900	2,283,875,652
2015	1,121,055,846	378,631,010	383,053,841	325,988,206	37,119,153	1,261,633	2,247,109,689
2014	1,119,230,045	369,494,808	377,592,872	324,615,886	34,196,517	1,621,274	2,226,751,402
2013	1,137,641,772	321,154,727	374,487,624	343,075,965	34,272,903	649,055	2,211,282,046
2012	1,142,434,435	316,967,680	381,369,966	350,675,549	36,288,874	577,554	2,228,314,058
2011	1,164,180,410	301,216,231	403,841,226	356,865,499	36,053,065	548,667	2,262,705,098
2010	1,179,343,138	282,094,082	393,726,846	335,348,884	33,315,944	641,456	2,224,470,350
2009	1,184,718,494	266,290,246	405,717,637	316,462,225	28,319,951	707,480	2,202,216,033

Data Source

County Clerks Offices of Christian, DeWitt, Logan, Macon, Moultrie, Piatt, Sangamon and Shelby Counties

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

ASSESSED VALUATIONS AND TAXES EXTENDED

Last Ten Levy Years

Assessed Values as Equalized	2018 Levy	2017 Levy	2016 Levy	2015 Levy	2014 Levy	2013 Levy	2012 Levy	2011 Levy	2010 Levy	2009 Levy
Christian County	\$ 92,207,580	\$ 88,644,295	\$ 85,539,093	\$ 81,224,932	\$ 79,140,963	\$ 74,286,469	\$ 71,344,023	\$ 68,121,492	\$ 66,308,382	\$ 63,763,877
DeWitt County	474,115,745	462,595,671	454,526,476	454,816,812	451,567,738	445,905,366	456,439,668	451,504,950	420,691,871	410,663,711
Logan County	10,279,803	10,251,407	10,041,595	9,301,787	8,749,346	8,299,209	7,926,771	7,854,001	7,914,092	7,601,306
Macon County	1,655,172,201	1,606,197,685	1,603,340,158	1,574,694,101	1,562,832,753	1,563,573,178	1,576,257,428	1,623,204,458	1,621,261,082	1,616,976,779
Moultrie County	7,042,075	6,054,532	6,100,243	6,002,363	5,764,261	5,814,571	5,390,033	5,305,102	5,064,126	5,057,268
Piatt County	41,002,280	39,189,876	37,512,551	36,829,360	36,250,602	34,576,276	33,090,545	32,065,724	30,633,932	29,429,273
Sangamon County	36,911,368	35,632,293	34,895,563	34,067,883	33,439,846	32,055,325	31,325,610	29,578,532	29,196,777	27,717,532
Shelby County	55,892,601	53,027,570	51,919,973	50,172,451	49,005,893	46,821,652	46,539,980	45,070,839	43,400,088	41,606,287
Total	\$ 2,372,623,653	\$ 2,301,593,329	\$ 2,283,875,652	\$ 2,247,109,689	\$ 2,226,751,402	\$ 2,211,282,046	\$ 2,228,314,058	\$ 2,262,705,098	\$ 2,224,470,350	\$ 2,202,216,033
Tax Rates (per \$100 of assessed valuations)										
Education Fund	0.2706	0.2749	0.2749	0.2749	0.2749	0.2749	0.2749	0.2749	0.2749	0.2749
Operations & Maintenance Fund	0.0393	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Liability, Protection, & Settlement Fund	0.0754	0.0719	0.0614	0.0677	0.0594	0.0555	0.0495	0.0460	0.0531	0.0419
Social Security & Medicare	0.0061	0.0088	0.0063	0.0063	0.0063	0.0062	0.0061	0.0055	0.0052	0.0053
Bond and Interest Fund	0.1160	0.1482	0.1461	0.1462	0.1088	0.1111	0.1096	0.1090	0.0557	0.0173
Audit	0.0028	0.0028	0.0028	0.0038	0.0032	0.0031	0.0027	0.0026	0.0023	0.0023
Protection, Health, & Safety	0.0200	0.0079	0.0142	0.0000	0.0000	0.0000	0.0000	0.0000	0.0013	0.0130
	0.5303	0.5546	0.5457	0.5389	0.4925	0.4908	0.4828	0.4780	0.4325	0.3947
Taxes Extended										
Education Fund	\$ 6,420,320	\$ 6,327,080	\$ 6,278,374	\$ 6,177,305	\$ 6,121,340	\$ 6,078,814	\$ 6,125,635	\$ 6,220,176	\$ 6,112,789	\$ 6,053,892
Operations & Maintenance Fund	933,439	920,637	913,550	898,844	890,701	884,513	891,326	905,082	889,788	880,886
Liability, Protection, & Settlement Fund	1,788,958	1,655,306	1,402,300	1,521,293	1,322,690	1,227,262	1,103,461	1,039,939	1,181,194	933,597
Social Security & Medicare	144,730	202,540	143,884	141,568	139,172	137,099	135,927	125,128	116,815	117,897
Bond and Interest Fund	2,752,243	3,410,961	3,336,742	3,283,274	2,421,592	2,456,734	2,442,232	2,465,443	1,235,069	380,493
Audit	66,235	65,135	63,720	86,064	72,147	68,550	60,164	59,735	52,312	50,304
Protection, Health, & Safety	475,237	182,056	324,310	-	-	-	-	-	29,893	285,622
	\$ 12,581,162	\$ 12,763,715	\$ 12,462,880	\$ 12,110,347	\$ 10,967,640	\$ 10,852,971	\$ 10,758,745	\$ 10,815,503	\$ 9,617,860	\$ 8,702,691

Data Source

County Clerks Offices of Christian, DeWitt, Logan, Macon, Moultrie, Piatt, Sangamon and Shelby Counties

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Tax Levy Year	Fiscal Year	Assessed Values as Equalized	Taxes Levied for the Fiscal Year	Tax Collections	Percentage of Levy Collected
2018	2020	\$ 2,372,623,653	\$ 12,581,162	\$ 110,022	0.87% *
2017	2019	2,301,593,329	12,763,715	12,721,881	99.67%
2016	2018	2,283,875,652	12,462,880	12,435,581	99.78%
2015	2017	2,247,109,689	12,110,347	12,080,430	99.75%
2014	2016	2,226,751,402	10,965,737	10,892,927	99.34%
2013	2015	2,211,282,046	10,845,963	10,781,408	99.40%
2012	2014	2,228,314,058	10,758,745	10,608,806	98.61%
2011	2013	2,262,705,098	10,651,117	10,651,117	100.00%
2010	2012	2,224,470,350	9,617,860	9,574,104	99.55%
2009	2011	2,202,216,033	8,692,187	8,655,180	99.57%

Note

* Taxes Collected as of June 30, 2019 for Fiscal Year 2020

Data Source

County Clerks Offices of Christian, DeWitt, Logan, Macon, Moultrie, Piatt, Sangamon and Shelby Counties

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STUDENT CREDIT HOURS BY ENROLLMENT CATEGORIES

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Baccalaureate	25,198	24,693	26,652	28,727	30,027	31,142	32,524	37,274	39,088	38,112
Business Occupational	2,348	2,605	2,670	3,862	4,995	6,019	5,875	4,103	4,313	5,000
Technical Occupational	7,086	6,705	9,490	12,880	12,861	13,729	14,762	14,377	16,511	19,177
Health Occupational	5,710	5,284	5,766	6,285	6,682	6,742	6,749	6,792	6,313	6,788
Remedial Developmental	3,100	3,348	3,553	4,322	4,934	5,645	6,119	6,285	6,256	5,893
Adult Basic Education/ Adult Secondary Education	1,872	1,886	1,903	1,613	2,867	1,529	1,230	1,524	1,042	1,629
	45,313	44,521	50,033	57,689	62,366	64,806	67,258	70,355	73,523	76,599

Data Source
District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**TUITION AND FEE RATES, CREDIT HOURS
AND REVENUE GENERATED**

Last Ten Fiscal Years

Fiscal Year	Total Tuition & Fees in District per Credit Hour	Total Tuition & Fees Out of District per Credit Hour	Total Tuition & Fees Out of State per Credit Hour	Total Semester Credit Hours Generated	Operating Funds Tuition & Fee Revenue
2019	\$ 150.00	\$ 206.00	\$ 494.00	45,313	\$ 6,805,428
2018	147.00	202.00	483.00	44,521	6,872,555
2017	141.00	214.00	488.00	50,033	7,061,310
2016	124/129	305/310	569/574	57,689	6,995,663
2015	114.00	284.00	544.00	62,336	6,524,743
2014	107.00	334.00	503.00	64,806	6,592,017
2013	101.00	332.00	464.33	67,258	6,483,683
2012	96.00	385.87	511.42	70,355	6,305,977
2011	89.00	424.78	532.77	73,523	6,391,896
2010	83.00	391.03	506.36	76,599	5,895,318
2009	74.00	376.48	491.94	67,932	4,483,040
2008	69.00	355.29	424.29	66,641	4,133,742

FY16 had a mid-year tuition increase

Data Source

District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Lease Obligations	Installment Contract Obligations	Total Outstanding Debt	Amount Available in Debt Service	Net General Bonded Debt	Equalized Assessed Value	Percentage of Total Bonded Debt to Assessed Value	Percentage of Total Debt to Assessed Value	Percentage of Net Bonded Debt to Assessed Value	Population	Total Outstanding Debt Per Capita		Total Bonded Debt Per Capita		Net Bonded Debt Per Capita	
2019	\$ 13,780,000	\$ 158,171	\$ -	\$ 13,938,171	\$ 75,570	13,704,430	\$ 2,372,623,653	0.581%	0.587%	0.578%	127,090	109.67		108.43		107.83	
2018	16,485,000	336,568	-	16,821,568	58,827	16,426,173	2,301,593,329	0.716%	0.731%	0.714%	128,886	130.52		127.90		127.45	
2017	18,985,000	316,443	-	19,301,443	43,183	18,941,817	2,283,875,652	0.831%	0.845%	0.829%	128,886	149.76		147.30		146.97	
2016	20,705,000	270,000	44,439	21,019,439	32,894	20,672,106	2,247,109,689	0.921%	0.935%	0.920%	127,329	165.08		162.61		162.35	
2015	19,340,000	21,823	94,328	19,456,151	52,592	19,287,408	2,226,751,402	0.869%	0.874%	0.866%	128,209	151.75		150.85		150.44	
2014	20,915,000	64,186	141,383	21,120,569	49,055	20,865,945	2,226,751,402	0.939%	0.948%	0.937%	130,029	162.43		160.85		160.47	
2013	22,430,000	138,150	186,015	22,754,165	79,403	22,350,597	2,228,314,058	1.007%	1.021%	1.003%	131,108	173.55		171.08		170.47	
2012	23,605,000	229,831	138,150	23,972,981	-	23,605,000	2,262,705,098	1.043%	1.059%	1.043%	132,770	180.56		177.79		177.79	
2011	8,210,000	318,030	-	8,528,030	-	8,210,000	2,224,169,034	0.369%	0.383%	0.369%	132,807	64.21		61.82		61.82	
2010	5,110,000	-	-	5,110,000	42,286	5,067,714	2,202,216,033	0.232%	0.232%	0.230%	131,572	38.84		38.84		38.52	

Data Source:
District Records, ICCB and County Clerks Offices

**RICHLAND COMMUNITY COLLEGE DISTRICT
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

LEGAL DEBT MARGIN

Last Ten Fiscal Years

Tax Year Levy	Equalized Assessed Value	Debt Limit Rate	Debt Limit		Net Debt Applicable to Debt Limit*	Legal Debt Margin	Net Debt Applicable to Debt Limit as a Percentage of Debt Limit
			(Assessed Value X Debt Limit Rate)				
2018	\$ 2,372,623,653	2.875%	\$ 68,212,930	\$	\$ 13,938,171	\$ 54,274,759	20.43%
2017	2,301,593,329	2.875%	66,170,808		16,821,568	49,349,240	25.42%
2016	2,283,875,652	2.875%	65,661,425		19,301,443	46,359,982	29.40%
2015	2,247,109,689	2.875%	64,604,404		21,019,439	43,584,965	32.54%
2014	2,226,751,402	2.875%	64,019,103		19,456,151	44,562,952	30.39%
2013	2,211,282,046	2.875%	63,574,359		21,120,569	42,453,790	33.22%
2012	2,228,314,058	2.875%	64,064,029		22,754,165	41,309,864	35.52%
2011	2,262,705,098	2.875%	65,052,772		23,972,981	41,079,791	36.85%
2010	2,224,169,034	2.875%	63,944,860		8,528,030	55,416,830	13.34%
2009	2,202,216,033	2.875%	63,313,711		5,110,000	58,203,711	8.07%
2008	2,127,904,616	2.875%	61,177,258		2,419,479	58,757,779	3.95%

Notes

* Balances include current and non-current portions of debt outstanding.

Data Source

County Clerks Offices

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

SCHEDULE OF PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Company	Product/Service	2019			2009		
		No. of Employees	Rank	% of Total Employment	No. of Employees	Rank	% of Total Employment
Archer Daniels Midland	Agricultural Products	4,070	1	8.8%	4,000	1	12.5%
Caterpillar, Inc.	Manufacturer Large Equipment	3,150	2	6.8%	3,500	2	10.9%
Decatur Memorial Hospital	Health Care	2,300	3	5.0%	2,266	3	7.1%
Decatur Public Schools	Elementary/Secondary Education	1,740	4	3.8%	1,500	4	4.7%
St. Mary's Hospital	Health Care	930	5	2.0%	1,100	6	3.4%
Ameren/ IL Power Company	Utility	630	6	1.4%	1,250	5	3.9%
The Kelly Group	Construction/Metal Fabrication	575	7	1.2%	*	*	*
Tate & Lyle	Agricultural Products	563	8	1.2%	822	7	2.6%
Mueller Company	Manufacturer Control Valves	530	9	1.1%	*	*	*
Norfolk Southern Corporation	Railway Transportation	500	10	1.1%	600	9	1.9%
Akorn	Pharmaceutical	500	10	1.1%	*	*	*
Millikin University	Higher Education	*	*	*	600	8	1.9%
StarTek, Inc	Customer Service Center	*	*	*	600	10	1.9%

Note

Most Recent Available Information

Data Source

The Economic Development Corporation of Decatur and Macon County

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

PERSONAL INCOME PER CAPITA

Last Ten Fiscal Years

Year	District #537 Counties Served	Size of District	District #537 Population	Macon County Population	Macon County		
					Personal Income	Per Capita Income	Unemployment Rate
2019	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	127,090	104,712	\$ 2,961,255,360	\$ 28,280	5.0%
2018	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	128,886	105,533	3,178,231,828	30,116	5.5%
2017	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	128,886	106,550	2,865,662,000	26,895	5.9%
2016	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	127,329	107,303	2,815,269,000	26,009	6.7%
2015	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	128,209	110,768	2,817,669,000	26,259	7.3%
2014	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	130,029	108,350	2,842,237,000	26,232	7.9%
2013	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	131,108	109,278	2,835,546,000	25,948	12.2%
2012	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	132,770	110,122	2,840,817,000	25,797	10.1%
2011	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	132,807	110,715	2,737,539,000	24,726	9.9%
2010	Christian, Dewitt, Logan, Macon, Moultrie, Piatt, Sangamon, Shelby	1,114 square miles	131,572	110,768	2,774,074,000	25,044	11.8%

Notes

Approximately 100% of Richland Community College District #537 Metropolitan areas lie in Macon County
All other counties in District #537 are considered Non-Metropolitan

Data Source

District Records, ICCB Summary Profiles and Illinois Department of Employment Security, US Department of Labor, U.S. Census Bureau

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

STUDENT ENROLLMENT DEMOGRAPHICS

Last Ten Fiscal Years

Fiscal Year	Fall Enrollment Headcount	Full-Time Equivalent	Male	Female	Full-Time Students	Part-Time Students	Average Age
2019	2,476	1,396	888	1,588	817	1,659	22
2018	2,515	1,433	945	1,570	828	1,687	26
2017	2,839	1,591	1,180	1,659	900	1,939	26
2016	3,368	1,778	1,256	2,112	956	2,412	26
2015	3,369	1,801	1,313	2,056	1,016	2,353	27
2014	3,340	1,847	1,297	1,284	1,061	2,279	28
2013	3,272	1,817	1,283	1,989	982	2,290	28
2012	3,695	2,035	1,515	2,180	1,190	2,505	27
2011	3,632	2,699	1,485	2,147	1,161	2,471	27
2010	3,807	2,154	1,507	2,300	1,306	2,501	27
2009	3,595	2,077	1,484	2,111	1,325	2,270	27

Data Source

District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

OPERATING STATISTICS

Last Ten Fiscal Years

Fiscal Year	Instructional Expenses	Enrollment	Cost Per Student	Percentage Change	Faculty (Full-Time Equivalent)	Student / Faculty Ratio
2019	\$ 7,296,562	4,971	\$ 1,468	-1.00%	210	24
2018	7,193,829	4,852	1,483	-2.69%	212	23
2017	7,409,499	4,863	1,524	15.30%	194	25
2016	7,899,376	5,978	1,321	12.87%	237	25
2015	8,157,945	6,968	1,171	12.32%	258	27
2014	8,071,774	7,744	1,042	0.89%	283	27
2013	7,918,294	7,664	1,033	5.28%	295	26
2012	7,847,821	7,997	981	-5.53%	307	26
2011	7,968,454	7,671	1,039	6.07%	301	25
2010	7,681,548	7,844	979	5.25%	296	27
2009	7,140,502	7,674	930	-3.33%	286	27

Data Source

District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

FACULTY, STAFF AND ADMINISTRATORS

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Faculty										
Full Time	60	58	63	67	70	75	77	79	86	87
Part Time	102	107	103	119	126	135	107	106	162	162
Total Faculty	162	165	166	186	196	210	184	185	248	249
Staff										
Administrative	38	33	31	41	39	41	43	47	50	48
Classified	34	27	23	44	69	94	111	102	76	124
Professional/Technical	39	32	32	32	55	53	36	35	35	32
Total Staff	111	92	86	117	163	188	190	184	161	204
Total Staff and Faculty	273	257	252	303	359	398	374	369	409	453

Data Source
District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

CAPITAL ASSETS

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Capital Assets:										
Land	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441	\$ 1,059,441
Furniture and Equipment	10,900,555	12,979,172	12,089,377	11,983,217	12,287,018	11,731,585	11,511,438	11,270,512	8,500,940	8,332,875
Buildings	59,198,091	59,178,883	52,980,020	52,980,020	52,554,375	37,168,126	37,168,126	36,231,917	32,483,357	32,483,357
Building Improvements	11,982,148	11,913,986	8,489,505	8,425,762	8,320,753	8,223,312	7,509,874	7,509,874	7,500,626	7,500,626
Construction in Progress	87,979	10,743	2,877,611	1,789,705	1,841,680	14,072,951	2,069,262	600,800	1,083,764	28,365
Total Capital Assets	\$ 83,228,214	\$ 85,142,225	\$ 77,495,954	\$ 76,238,145	\$ 76,063,267	\$ 72,255,415	\$ 59,318,141	\$ 56,672,544	\$ 50,628,128	\$ 49,404,664
Depreciation Expense	\$ 2,593,995	\$ 2,396,279	\$ 2,511,040	\$ 2,492,059	\$ 2,465,185	\$ 2,043,241	\$ 1,991,091	\$ 1,666,124	\$ 1,602,188	\$ 1,550,558

Data Source
District Records

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

CAPITAL ASSETS - PHYSICAL PROPERTY INFORMATION

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Land - Assigned Acreage										
Landscape Grounds	80	80	80	80	80	80	80	80	80	80
Parking	11	11	11	11	11	11	11	11	10	10
Athletic Fields	6	6	6	6	6	6	6	6	6	6
Building & Attached Structures	7	7	7	7	7	7	7	7	7	7
Other Instructional Areas	47	47	47	47	47	47	47	47	49	49
Roadways	4	4	4	4	4	4	4	4	3	3
Total Acreage	155	155	155	155	155	155	155	155	155	155
Buildings - Square Feet										
Main Campus Building	154,796	154,796	154,796	154,796	154,796	154,796	154,796	154,796	150,466	150,466
Shilling Center (Community Outreach)	44,607	44,607	44,607	44,607	44,607	44,607	44,607	44,607	44,607	44,607
Agricultural/Maintenance	12,876	12,876	12,876	12,876	12,876	12,876	12,876	12,876	12,000	12,000
Schrodt Health Education Center	25,570	25,570	25,570	25,570	25,570	25,570	25,570	25,570	25,570	25,570
Industrial Technology Center	23,550	23,550	23,550	23,550	23,550	23,550	23,550	23,550	23,550	23,550
Andreas Agribusiness Education Center	17,861	17,861	17,861	17,861	17,861	17,861	17,861	17,861	17,861	17,861
Center for Sustainability and Innovation	14,680	14,680	14,680	14,680	14,680	14,680	14,680	14,680	10,124	10,124
National Sequestration Education Center	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	-	-
Macon County Soil & Water Building	7,815	7,815	7,815	7,815	7,815	7,815	7,815	7,815	-	-
Workforce Development Institute	40,260	40,260	40,260	40,260	40,260	40,260	-	-	-	-
Administration North Wing	20,000	20,000	-	-	-	-	-	-	-	-
Total Building Square Feet	357,546	357,546	357,546	357,546	357,546	357,546	317,286	317,286	284,178	284,178
Assignable Square Footage										
Instructional Classrooms	42,673	47,024	42,272	42,485	44,846	44,846	44,846	42,999	42,999	42,999
Instructional Laboratories	66,739	66,739	70,177	67,849	47,822	47,822	47,822	45,025	45,025	45,423
Office	43,907	44,496	39,433	40,634	36,578	36,578	36,578	35,812	35,812	35,414
Student Study	15,885	15,885	15,376	15,658	14,823	14,823	14,823	14,823	14,823	14,823
Special Use	15,748	15,748	15,748	14,686	14,897	14,897	14,897	14,897	14,897	14,897
General Use	44,106	44,106	38,676	35,909	30,985	30,985	30,895	26,794	26,794	26,794
Supporting Facilities	15,391	15,391	15,933	15,717	15,006	15,006	15,006	15,006	15,006	15,006
Total Assignable Square Footage	244,449	249,389	237,615	232,938	204,957	204,957	204,867	195,356	195,356	195,356

Data Source
District Records

SPECIAL REPORTS SECTION

RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS

CERTIFICATION OF CHARGEBACK REIMBURSEMENT FOR THE FISCAL YEAR 2020

ALL FISCAL YEAR 2019 NONCAPITAL AUDITED OPERATING EXPENDITURES
FROM THE FOLLOWING FUNDS:

1. Education Fund	\$ 12,523,580	
2. Operations and Maintenance Fund	1,713,783	
3. Public Building Commission Operations and Maintenance Fund	-	
4. Bond and Interest Fund	1,175,036	
5. Public Building Commission Rental Fund	-	
6. Restricted Purposes Fund	9,074,537	
7. Audit Fund	56,760	
8. Liability, Protection, and Settlement Fund	1,440,069	
9. Auxiliary Enterprises Fund (subsidy only)	<u>60,058</u>	
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)		<u>26,043,823</u>
11. Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid from sources other than state and federal funds)	<u>2,069,979</u>	
12. TOTAL COST INCLUDED (line 10 plus line 11)		<u>28,113,801</u>
13. Total certified semester credit hours for FY 2019	<u>45,313.1</u>	
14. PER CAPITA COST (line 12 divided by line 13)		<u>620.43</u>
15. All FY 2019 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>8,228,178</u>	
16. FY 2019 state and federal grants per semester credit hour (line 15 divided by line 13)		<u>181.58</u>
17. District's average ICCB grant rate (excluding equalization grants) for FY 2020		<u>37.85</u>
18. District's student tuition and fee rate per semester credit hour for FY 2020		<u>150.00</u>
19. Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)		<u>\$ 251.00</u>

Approved: 
Chief Fiscal Officer

12/12/2019
Date

Approved: 
Chief Executive Officer

12/12/2019
Date

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1

FISCAL YEAR ENDED JUNE 30, 2019

	Education Fund	Operations and Maintenance Fund	Audit Fund	Liability, Protection and Settlement Fund
FUND BALANCE (deficit) JULY 1, 2018	\$ 4,281,612	\$ 790,199	\$ 54,581	\$ 1,190,361
REVENUES				
Local Tax Revenue	6,673,294	917,929	64,928	1,851,537
All Other Local Revenue				
ICCB Grants	1,184,279	750,000	-	-
All Other State Revenue	-	-	-	-
Federal Revenue	-	-	-	-
Student Tuition and Fees	6,188,879	616,549	-	10,384
All Other Revenue	483,917	409,476	1,585	30,418
Total revenues	14,530,369	2,693,954	66,513	1,892,339
EXPENDITURES				
Instruction	7,296,562	-	-	-
Academic support	891,442	-	-	-
Student services	1,162,654	-	-	-
Public services	800	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	1,686,808	-	323,676
Institutional support	2,798,745	-	56,760	1,180,904
Scholarships, student grants, waivers	293,600	-	-	-
Debt Principal and Interest	79,777	107,717	-	-
Total expenditures	12,523,580	1,794,525	56,760	1,504,580
Excess revenues over (under) expenses	2,006,789	899,429	9,753	387,759
NET TRANSFERS	(361,189)	(750,000)	-	-
FUND BALANCE (deficit) JUNE 30, 2019	\$ 5,927,212	\$ 939,628	\$ 64,334	\$ 1,578,120

Restricted Purposes Fund	Bond & Interest Fund	Operations and Maintenance Restricted Fund	Auxiliary Enterprises Fund	Trust and Agency Fund	Working Cash Fund	Total
\$ (33,426)	\$ 58,827	\$ 787,703	\$ 1,129,622	\$ -	\$ 8,349,893	\$ 16,609,372
-	3,392,167	182,116	-	-	-	13,081,971
297,407	-	-	-	-	-	2,231,686
1,443,629	-	-	-	-	-	1,443,629
6,322,071	-	-	-	-	-	6,322,071
-	-	-	25,681	-	-	6,841,493
1,034,310	5,104	442,957	3,285,998	-	164,084	5,857,849
9,097,417	3,397,271	625,073	3,311,679	-	164,084	35,778,699
1,089,748	-	-	359,968	-	-	8,746,278
32,642	-	-	-	-	-	924,084
980,873	-	-	-	-	-	2,143,527
280,929	-	-	324,434	-	-	606,163
5,915	-	-	2,161,412	-	-	2,167,327
78,665	-	264,085	154,388	-	-	2,507,622
194,981	-	-	-	-	-	4,231,390
6,784,456	-	-	-	-	-	7,078,056
-	3,380,528	-	-	-	-	3,568,022
9,448,209	3,380,528	264,085	3,000,202	-	-	31,972,469
(350,792)	16,743	360,988	311,477	-	164,084	3,806,230
465,215	-	750,000	60,058	-	(164,084)	-
\$ 80,997	\$ 75,570	\$ 1,898,691	\$ 1,501,157	\$ -	\$ 8,349,893	\$ 20,415,602

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2**

Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
CAPITAL ASSETS				
Land and sites improvements	\$ 1,059,441	\$ -	\$ -	\$ 1,059,441
Furniture and equipment	12,979,172	460,183	(2,538,800)	10,900,555
Buildings	59,178,883	19,208	-	59,198,091
Building improvements	11,913,986	223,162	(155,000)	11,982,148
Construction in process	10,743	87,979	(10,743)	87,979
	<u>85,142,225</u>	<u>790,532</u>	<u>(2,704,543)</u>	<u>83,228,214</u>
Total	<u>85,142,225</u>	<u>790,532</u>	<u>(2,704,543)</u>	<u>83,228,214</u>
Less accumulated depreciation	<u>(35,923,336)</u>	<u>(2,593,995)</u>	<u>2,636,866</u>	<u>(35,880,465)</u>
NET CAPITAL ASSETS	<u>\$ 49,218,889</u>	<u>\$ (1,803,463)</u>	<u>\$ (67,677)</u>	<u>\$ 47,347,749</u>
LONG-TERM DEBT				
Capital lease obligations	\$ 336,568	\$ -	\$ (178,397)	\$ 158,171
General obligation bonds	16,485,000	-	(2,705,000)	13,780,000
OPEB Liability	11,087,820		(757,493)	10,330,327
	<u>27,909,388</u>	<u>-</u>	<u>(3,640,890)</u>	<u>24,268,498</u>
TOTAL LONG-TERM DEBT	<u>\$ 27,909,388</u>	<u>\$ -</u>	<u>\$ (3,640,890)</u>	<u>\$ 24,268,498</u>

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3**

Year Ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government revenue:			
Current property taxes	\$ 6,313,203	\$ 917,929	\$ 7,231,132
Personal property replacement taxes	360,091	-	360,091
Total local government revenue	6,673,294	917,929	7,591,223
State government:			
ICCB Credit Hour Grants	900,409	750,000	1,650,409
ICCB Equalization Grants	50,000	-	50,000
ICCB CTE Formula Grant	233,870	-	233,870
Total state government	1,184,279	750,000	1,934,279
Student tuition and fees:			
Tuition	5,446,301	535,840	5,982,141
Fees	742,578	80,709	823,287
Total student tuition and fees	6,188,879	616,549	6,805,428
Other Sources			
Interest in investments	132,294	417	132,711
Bookstore	72,020	-	72,020
Facility Rental	-	270,413	270,413
Contractual	-	-	-
Gifts	150,000	-	150,000
Miscellaneous	129,603	138,646	268,249
Total other sources	483,917	409,476	893,393
Total revenue	14,530,369	2,693,954	17,224,323
Less non-operating items			
Tuition chargeback revenue	-	-	-
ADJUSTED REVENUE	\$ 14,530,369	\$ 2,693,954	\$ 17,224,323

(Continued)

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)**

Year Ended June 30, 2019

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
EXPENDITURES BY PROGRAM:			
Instruction	\$ 7,376,339	\$ -	\$ 7,376,339
Academic support	891,442	-	891,442
Public services	800	-	800
Student services	1,162,654	-	1,162,654
Auxiliary services	-	-	-
Institutional support	2,798,745	-	2,798,745
Scholarships, student grant, waivers	293,600	-	293,600
Operations and maintenance	-	1,794,525	1,794,525
	<u>12,523,580</u>	<u>1,794,525</u>	<u>14,318,105</u>
Total expenditures by program			
	<u>12,523,580</u>	<u>1,794,525</u>	<u>14,318,105</u>
Less non-operating items:			
Tuition chargeback	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted expenditures	<u>\$ 12,523,580</u>	<u>\$ 1,794,525</u>	<u>\$ 14,318,105</u>
EXPENDITURES BY OBJECT			
Salaries	\$ 9,143,773	\$ 179,570	\$ 9,323,343
Employee benefits	1,656,327	47,874	1,704,201
Contractual services	486,017	621,826	1,107,843
General materials and supplies	544,286	112,371	656,657
Conference and meeting expenses	136,426	401	136,827
Fixed charges	131,520	255,512	387,032
Utilities	3,840	496,229	500,069
Capital outlay	3,032	80,742	83,774
Other	418,359	-	418,359
	<u>12,523,580</u>	<u>1,794,525</u>	<u>14,318,105</u>
Total expenditures by object			
	<u>12,523,580</u>	<u>1,794,525</u>	<u>14,318,105</u>
Less non-operating items			
Tuition chargeback	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EXPENDITURES	<u>\$ 12,523,580</u>	<u>\$ 1,794,525</u>	<u>\$ 14,318,105</u>

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4**

Year Ended June 30, 2019

REVENUES BY SOURCE

State Government	
ICCB - Adult Education	\$ 221,745
Illinois Secretary of State	100,000
Illinois Board of Higher Education	44,494
Department of Commerce and Economic Opportunity	838,282
Illinois Student Assistance Commission	435,320
Other state sources	<u>101,195</u>
Total State Government	<u>1,741,036</u>
Federal Government	
U.S. Department of Education	5,879,457
U.S. Department of Energy	16,104
U.S. Department of Housing and Urban Development	45,741
U.S. Department of Transportation	276,542
U.S. Department of Veterans Affairs	71,535
U.S. Department of Labor	<u>32,692</u>
Total Federal Government	<u>6,322,071</u>
Other Sources	<u>1,034,310</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 9,097,417</u></u>

EXPENDITURES BY PROGRAM

Instruction	\$ 1,089,748
Academic Support	32,642
Public services	280,929
Student services	980,873
Auxiliary services	5,915
Operations and Maintenance	78,665
Institutional Support	194,981
Scholarships, Grants, Waivers	<u>6,784,456</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>9,448,209</u></u>
--	-------------------------

EXPENDITURES BY OBJECT

Salaries	842,479
Employee Benefits	235,207
Contractual Services	600,738
General Materials and Supplies	233,846
Travel & Conference/Meeting Expenses	59,497
Fixed Charges	82,426
Utilities	-
Capital Outlay	618,667
Other	<u>6,775,349</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u><u>\$ 9,448,209</u></u>
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See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5**

Year Ended June 30, 2019

INSTRUCTION

Instructional Programs	\$ 8,458,949
Other	<u>287,329</u>
Total Instruction	<u>8,746,278</u>

ACADEMIC SUPPORT

Library Center	245,023
Instructional Materials Center	-
Academic Computing Support	338,124
Other	<u>340,937</u>
Total Academic Support	<u>924,084</u>

STUDENT SERVICES SUPPORT

Admissions and Records	390,198
Counseling and Career Services	505,687
Financial Aid Administration	246,310
Social and Cultural development	283,909
Administration	589,590
Other	<u>127,833</u>
Total Student Services Support	<u>2,143,527</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	132,975
Community Services	257,641
Administration	114,995
Other	<u>100,552</u>
Total Public Service/Continuing Education	<u>606,163</u>

AUXILIARY SERVICES

2,167,327

(Continued)

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**CURRENT FUNDS - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)**

Year Ended June 30, 2019

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 497,055
Custodial Services	678,303
Grounds	94,201
Campus Security	184,495
Transportation	15,308
Utilities	511,562
Administration	127,897
Other	<u>398,801</u>

Total Operations and Maintenance of Plant	<u>2,507,622</u>
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INSTITUTIONAL SUPPORT

Executive Management	627,830
Fiscal Operations	252,608
Community Relations	274,891
Administrative Support Services	245,655
Board of Trustees	41,767
General Institutional	312,881
Administrative Data Processing	931,939
Other	<u>1,543,819</u>

Total institutional support	<u>4,231,390</u>
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SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>7,078,056</u>
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DEBT PRINCIPAL AND INTEREST PAYMENTS	<u>3,568,022</u>
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TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 31,972,469</u></u>
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NOTE: Current funds include the Education, Operations and Maintenance, Auxiliary Enterprise, Restricted Purposes, Audit, and Liability Protection and Settlement funds.

See Independent Auditor's Report.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Richland Community College
Community College District #537
Decatur, Illinois

Report on the Financial Statements

We have audited the accompanying balance sheets of Richland Community College, Community College District #537's (the District) Career and Technical Education - State Adult Education and Family Literacy Grant Programs as of June 30, 2019, and the related statements of revenues, expenditures, and changes in fund balances for the year then ended and notes to financial statements – state grant programs.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the District's management. Management's responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit also included a review of compliance with the provisions of the laws, regulations, contracts, and grants between the District and the State of Illinois and Illinois Community College Board (ICCB). We believe that our audit provides a reasonable basis for our opinion, and the District is in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District's State Adult Education and Family Literacy Grants as of June 30, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheets and statements of revenues and expenditures were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the District's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the balance sheet of the District State Adult Education and Family Literacy Grant Programs as of June 30, 2019, and the related statements of revenues, expenditures and changes in fund balance for the year then ended. The Schedule of Expenditure Amounts and Percentages for ICCB Grant Funds Only is presented for purposes of additional analysis and is not a required part of these financial statements. The Schedule of Expenditure Amounts and Percentages for ICCB Grant Funds Only is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare these financial statements. The information has been subjected to the auditing procedures applied in the audit of these financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used 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 District 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 District's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the agreements, insofar as they relate to accounting matters.

Sikich LLP

Springfield, Illinois
December 12, 2019

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED GRANTS
BALANCE SHEET**

June 30, 2019

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
ASSETS			
Other receivables	\$ 22,892	\$ 4,908	\$ 27,800
	<u>22,892</u>	<u>4,908</u>	<u>27,800</u>
Total assets	<u>22,892</u>	<u>4,908</u>	<u>27,800</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 3,045	\$ 3,475	\$ 6,520
Accrued expenses	12,975	921	13,896
Other liabilities	<u>6,872</u>	<u>512</u>	<u>7,384</u>
	<u>22,892</u>	<u>4,908</u>	<u>27,800</u>
Total liabilities	<u>22,892</u>	<u>4,908</u>	<u>27,800</u>
FUND BALANCE			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,892</u>	<u>\$ 4,908</u>	<u>\$ 27,800</u>

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED GRANTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

For the Year Ended June 30, 2019

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
REVENUES			
State sources	\$ 172,670	\$ 49,075	\$ 221,745
Total revenues	<u>172,670</u>	<u>49,075</u>	<u>221,745</u>
EXPENSES			
Instruction	104,054	-	104,054
Student services - records	9,149	-	9,149
Student services - counseling	29,334	-	29,334
Student activities	15,825	-	15,825
Workforce coordination	7,659	-	7,659
Assessment and testing	<u>3,995</u>	<u>-</u>	<u>3,995</u>
Total instructional and student services	<u>170,016</u>	<u>-</u>	<u>170,016</u>
Program support:			
General administration	686	49,075	49,761
Grant training	<u>1,968</u>	<u>-</u>	<u>1,968</u>
Total program support	<u>2,654</u>	<u>49,075</u>	<u>51,729</u>
Total expenditures	<u>172,670</u>	<u>49,075</u>	<u>221,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES, JULY 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2019	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED GRANTS
EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY**

For the Year Ended June 30, 2019

	<u>Audited Expenditure Amount</u>	<u>Audited Expenditure Percentage</u>
STATE BASIC		
Instruction (45% minimum required)	\$ 104,054	60%
General administration (15% maximum allowed)	686	0%

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

NOTES TO FINANCIAL STATEMENTS – STATE GRANT PROGRAMS

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

B. Basis of 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, 2019. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

C. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay and not capitalized on the grant financial statements, but are capitalized in the basic financial statements.

2. PAYMENTS OF PRIOR YEAR ENCUMBRANCES

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

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

A. Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

Performance Grants

Grants provided to colleges based on measures for advancing success of students who are academically or financially at risk and focus on increasing college course, certificate, and degree completion.

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (Continued)

A. Unrestricted Grants – Continued

Small College Grants

Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the “fixed costs” of operating a smaller institution.

Equalization Grants

Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

C. Restricted Adult Education Grants/State

State Basic

Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens, including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes included in this grant are funds for support services, such as student transportation and child care facilities or provision.

Performance

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

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**INDEPENDENT ACCOUNTANT'S REPORT ON THE SCHEDULE
OF ENROLLMENT DATA AND OTHER BASES UPON
WHICH CLAIMS ARE FILED**

Board of Trustees
Richland Community College
Community College District #537
Decatur, Illinois

We have examined management of Richland Community College, Community College District #537's (District) assertion that the District 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 Richland Community College, Community College District #537 during the period July 1, 2018 through June 30, 2019. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance with the specified requirements based on our examination.

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

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

In our opinion, management's assertion that the District 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 the District is fairly stated, in all material respects.

Sikich LLP
Springfield, Illinois
December 12, 2019

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

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

For the Year Ended June 30, 2019

	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total (Note 3)	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
(Notes 1 and 2)								
CATEGORIES								
Baccalaureate	-	2,242.0	72.00	11,828.0	90.00	10,966.0	162.00	25,036.0
Business occupational	-	157.0	-	868.0	-	1,323.0	-	2,348.0
Technical occupational	130.00	288.0	216.00	3,149.0	252.00	3,051.0	598.00	6,488.0
Health occupational	-	568.5	120.00	2,405.5	-	2,615.5	120.00	5,589.5
Remedial developmental	-	168.0	-	1,591.0	-	1,341.0	-	3,100.0
Adult basic education/adult secondary education	641.70	-	643.4	-	586.5	-	1,871.6	-
TOTAL CREDIT HOURS VERIFIED	771.70	3,423.5	1,051.4	19,841.5	928.5	19,296.5	2,751.6	42,561.5

Note 1: Unrestricted credit hours are supported with 50% or more of unrestricted sources of funding and are reimbursable if they meet all eligibility requirements.

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

Note 3: Total of unrestricted and restricted should equal the S-3 record totals.

	Chargeback/ Contractual		
	In-District	Agreement	Total
Semester credit hours	39,632.0	106.5	39,738.5

	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
CATEGORIES				
Baccalaureate	-	-	-	-
Business occupational	-	-	-	-
Technical occupational	-	-	-	-
Health occupational	-	-	-	-
Remedial developmental	-	-	-	-
Adult basic education/adult secondary education	-	-	-	-
TOTAL	-	-	-	-

	Dual Credit and Dual Enrollment Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
CATEGORIES								
Dual Credit	-	10.0	-	2,630.0	-	3,426.0	-	6,066.0
Dual Enrollment	-	-	-	16.0	-	3.0	-	19.0
TOTAL CREDIT HOURS CERTIFIED	-	10.0	-	2,646.0	-	3,429.0	-	6,085.0

DISTRICT'S 2018 EQUALIZED ASSESSED VALUATION \$ 2,372,623,653

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537
DECATUR, ILLINOIS**

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2019

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	25,036.0	25,036.0	-	162.0	162.0	-
Business occupational	2,348.0	2,348.0	-	-	-	-
Technical occupational	6,488.0	6,488.0	-	598.0	598.0	-
Health occupational	5,589.5	5,589.5	-	120.0	120.0	-
Remedial developmental	3,100.0	3,100.0	-	-	-	-
Adult basic education/adult secondary education	-	-	-	1,871.6	1,871.6	-
TOTAL	42,561.5	42,561.5	-	2,751.6	2,751.6	-

RECONCILIATION OF IN-DISTRICT/CHARGEBACK REIMBURSABLE CREDIT HOURS

	Total Attending	Total Attending as Certified to the ICCB	Difference
Reimbursable in-district residents	39,632.0	39,632.0	-
Reimbursable out-of-district on chargeback or contractual agreement	106.5	106.5	-
Total credit hours	39,738.5	39,738.5	-

RECONCILIATION OF TOTAL CORRECTIONAL SEMESTER CREDIT HOURS

	Total Correctional Credit Hours	Total Correctional Credit Hours Certified to the ICCB	Difference
Baccalaureate	-	-	-
Business occupational	-	-	-
Technical occupational	-	-	-
Health occupational	-	-	-
Remedial developmental	-	-	-
Adult basic education/adult secondary education	-	-	-
Total credit hours	-	-	-

RECONCILIATION OF TOTAL DUAL CREDIT/DUAL ENROLLMENT HOURS

	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Dual Credit	6,066.0	6,066.0	-	-	-	-
Dual Enrollment	19.0	19.0	-	-	-	-
TOTAL	6,085.0	6,085.0	-	-	-	-

See Independent Auditor's Report.

**RICHLAND COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT #537**

RESIDENCY VERIFICATION PROCESS

June 30, 2019

A student is considered to be a resident of District 537 if the student's legal residency is within the boundaries of Community College District 537 and can be established thirty days prior to the beginning date of a semester.

Residency is verified by the Admissions and Records office personnel. When the Admission Information Form (AIF) is submitted, one of the following may be used for verification:

- Illinois driver's license
- Voter registration card
- Property tax statement
- Utility bill or rent receipt in the resident's name
- Formal mail or correspondence from the state or federal government

When the verification is provided, the Admission and Records personnel initial the AIF and write down which item was used for verification.

Students unable to show proof of district residency are sent a letter reminding them that they must bring in proof of residency or face out of district charges. All new and any out of district students moving in district must show proof of residency.

Students who are currently enrolled in a high school within District 537 and taking classes at Richland Community College are considered to be residents,

Students who are enrolled in a correctional program are coded as out of district students. Students who live out of district but work in District 537 at least 35 hours a week are coded out of district but may pay in-district tuition with an employer-signed affidavit.

International students are coded as out of district.