

Rock Valley College Board of Trustees
Community College District No. 511
3301 N. Mulford Road, Rockford, IL 61114

**Meeting Location: Advanced Technology Center, 1400 Big Thunder Blvd, Belvidere, IL
Change of location for this meeting only**

October 24, 2023, 5:15 p.m.

Special Meeting - Decennial Committee

- A. Call to Order
- B. Roll Call
- C. Communications and Petitions (Public Comment)
- D. Approval of Minutes – August 22, 2023
- E. Presentation and Review of Annual Comprehensive Financial Report – Vice President of Finance Ellen Olson
- F. Survey of Residents in Attendance
- G. Date of Next Committee of the Whole Meeting: November 7, 2023, 5:15 p.m. Meeting to be held in the Educational Resource Center (ERC), Room 0214, Performing Arts Room (PAR), on the main campus.
- H. Date of Next Regular Meeting: November 21, 2023, 5:45 p.m. Meeting to be held in the Educational Resource Center (ERC), Room 0214, Performing Arts Room (PAR), on the main campus.
- I. Date of Next Decennial Committee Meeting: December 19, 2023, 5:15 p.m., Educational Resource Center (ERC), Room 0214, Performing Arts Room (PAR), on the main campus.
- J. Adjourn

Gloria Cardenas Cudia, Board Chair

Following the meeting, please complete the community survey. Scan the QR code below or click on this link https://rvc.co1.qualtrics.com/jfe/form/SV_3xEAlMkqjIDAnhY



**Illinois Community College District #511
Rock Valley College
3301 North Mulford Road
Rockford, IL 61114**

**Board of Trustees Special Meeting – Decennial Committee
August 22, 2023, 5:15 p.m.**

MINUTES

Call to Order

The Special meeting of the Board of Trustees of Community College District No. 511, Winnebago, Boone, DeKalb, McHenry, Ogle, and Stephenson Counties, Illinois, convened in Room 0214, known as the Performing Arts Room (PAR), in the Educational Resource Center (ERC) on the main campus on Tuesday, August 22, 2023. Rock Valley College President Dr. Howard Spearman, co-chair of the Decennial Committee, called the meeting to order at 5:15 p.m.

Roll Call

The following members of the committee were present:

Ms. Gloria Cardenas Cudia	Mr. Bob Trojan
Mr. Paul Gorski	Ms. Kristen Simpson
Mr. Richard Kennedy	Mr. John Nelson
Student Trustee Juan Nogueta	Ms. Jessica Jones
Mr. Adrian Vasquez	Dr. Howard Spearman
Ms. Heather Snider	Ms. Ann Kerwitz
Ms. Ellen Olson	

The following member of the committee was absent: Ms. Crystal Soltow

Also in attendance: Mr. Rick Jenks, Vice President Operations/Chief Operations Officer; Dr. Amanda Smith, Vice President Liberal Arts and Adult Education/Chief Academic Officer; Mr. Jim Handley, Vice President Human Resources; Dr. Patrick Peyer, Vice President Student Affairs; Mr. Keith Barnes, Vice President Equity and Inclusion; Dr. Hansen Stewart, Vice President Industry Partnerships and Community Engagement; Ms. Betsy Saucedo, Assistant to the President; Attorney Matthew Gardner, Robbins Schwartz.

Communications and Petitions (Public Comment)

No public comments were received.

Approval of Minutes

A motion was made by Adrian Vasquez, seconded by Gloria Cudia, to approve the minutes of the June 27, 2023 meeting.

There was no discussion. The motion was approved by majority roll call vote. Committee members Cudia, Jones, Kennedy, Kerwitz, Nogueta, Olson, Simpson, Snider, Trojan, Vasquez and Spearman voted yes. Committee members Gorski and Nelson voted no.

Presentation and Review of Illinois Community College Board (ICCB) Recognition Report

Ms. Heather Snider, vice president institutional effectiveness and communications, presented a review of the Illinois Community College Board (ICCB) Recognition Report. In her report, she reviewed the legislation and purpose of the Decennial Committee, as well as the schedule for future meetings.

She further explained that Recognition is a statutory term describing the status of a community college district that meets instructional, administrative, financial, facility, and equipment standards as established by the ICCB. A favorable recognition status is a condition of state funding eligibility. Meeting ICCB standards is an indication of accountability to the state of Illinois and also provides a blueprint for efficient College operations.

Ms. Snider then reviewed the Academic Standards, Student Services/Academic Support Standards and Institutional Research/Reporting Standards, and explained the ICCB advisory recommendations and the College's response. The Finance/Facility Standards will be examined more closely by Vice President of Finance Ellen Olson at the October 24 meeting of the committee.

Snider noted that members of the committee received the Recognition Report prior to the meeting and did not submit any questions. The College administration recommends the committee members accept the ICCB Recognition Report as evidence of efficiencies and accountability of the College.

Discussion:

Trustee Gorski commented that although the Recognition Report demonstrates efficiency and accountability to the ICCB, the final report of the Decennial Committee is to be distributed to each of the county boards in the College's district. However, because Rock Valley College is not accountable to the county boards, he suggested that the final report should include a recommendation that members of the state legislature be informed that the proposed legislation to change how trustees are elected (in subdistricts rather than at-large) would not increase the efficiency of the College nor of the trustees.

Trustee Nelson added that he concurs with Trustee Gorski that the College can save money by not having trustees elected by subdistricts. He also suggested that although the financial audit is good, hiring an independent auditor to report to an audit committee may increase efficiencies at the College.

Trustee Gorski added that may be a good idea, and the College's final report will remind county boards that the College is accountable to certifying organizations that function at a higher level of accountability than the county boards.

Attorney Gardner added that the Decennial Committee legislation does not create any accountability of the College to the county boards in the district. There is no case law to date, and he concurred that the legislation needs to be cleaned up.

Discussion continued regarding the possible intent of the legislation that created the Decennial Committee and the need (or not) for an outside auditor in addition to reviewing financial controls. Dr. Spearman added that this will be noted in the final report to the county boards.

President's Update

Dr. Spearman explained that although shared services are among the legislation's suggestions for exploration by the Decennial Committees, this topic is currently being discussed by the five community college presidents in the ICCTA Northwest Region. Additionally, the Illinois Council of Community College Presidents (ICCCP) meets three or four times a year to discuss topics affecting all of the state's community colleges, including the potential for sharing services.

Dr. Spearman added that trustees, administrators, and presidents are invited to attend a meeting of the ICCTA Northwest Region to be held Tuesday, September 19 at Kishwaukee College. In addition to a tour of the College and dinner, attendees will hear an update on shared services and have the opportunity to participate in a discussion of related topics and ideas. He added that a review of shared services was not recommended to RVC's Decennial Committee, as college presidents can move faster in keeping with the spirit of the ICCB. As a reminder, trustees will hear more about cooperative agreements among community colleges at the September 12 Committee of the Whole meeting.

Survey of Residents in Attendance

Dr. Spearman asked those in the audience to complete the survey, emphasizing RVC employees who live within District #511, by using the QR code on the agenda and on the screen or by completing the printed copies available near the entrance of the room. He added that these surveys are anonymous and meet the requirements of the legislation. All survey data will be compiled and included in the final report.

Date of Next Committee of the Whole Meeting: September 12, 2023, 5:15 p.m. Meeting to be held in Room 0214, Performing Arts Room (PAR), Educational Resource Center (ERC) on the main campus.

Date of Next Regular Meeting: September 26, 2023, 5:15 p.m. Meeting to be held in Room 0214, Performing Arts Room (PAR), Educational Resource Center (ERC) on the main campus.

Date of Next Decennial Committee Meeting: October 24, 2023, 5:15 p.m. Meeting to be held in Room 1300, Advanced Technology Center, 1400 Big Thunder Blvd., Belvidere, IL. **Location for this meeting only.**

Adjournment

There being no further business to come before the Decennial Committee, at 5:50 p.m., a motion to adjourn was made by Trustee Cudia, seconded by Trustee Nelson. The motion was approved by unanimous voice vote.

Submitted by Ann L. Kerwitz

Ann L. Kerwitz,
Decennial Committee Secretary

Howard J. Spearman, Ph.D., Committee Co-Chair

Annual Comprehensive Financial Report (ACFR)

Decennial Committee Meeting
October 24, 2023

Ellen Olson
Vice President of Finance and Chief Financial Officer

RockValleyCollege.edu

Public Act 102-1008

Decennial Committees and Local Government Efficiencies Act

“Within one year after the effective date of this Act and at least once every 10 years thereafter, each governmental unit must form a committee to study local efficiencies and report recommendations regarding efficiencies and increased accountability to the county board in which the governmental unit is located.”

Review Plan

Date	Meeting	Purpose
June 27, 2023	Special Meeting-First Meeting of the Decennial Committee. Begin at 5:15 p.m. followed by the FY2024 Budget Hearing and regular Board meeting.	<p>Appoint and welcome members. Adopt the process, procedures, and review timeline. Vote on administration's recommendation of topics to be reviewed by the Committee.</p> <p>Note: The administration's recommendation was approved.</p>
August 22, 2023	Special Meeting-Second Meeting of the Decennial Committee. Begin at 5:15 p.m. followed by the regular Board meeting.	Review Illinois Community College Board (ICCB) Recognition Report.
October 24, 2023	Special Meeting-Third meeting of the Decennial Committee. Begin at 5:15 p.m. followed by the regular Board meeting.	Review Annual Comprehensive Financial Report (ACFR).
December 19, 2023	Special Meeting-Fourth meeting of the Decennial Committee. Begin at 5:15 p.m. followed by the regular Board meeting.	Review Higher Learning Commission (HLC) Report.

Annual Comprehensive Financial Report (ACFR)

Purpose: The Illinois Community College Board (ICCB) Financial Management Manual requires an external audit in compliance with Governmental Accounting Standards Board (GASB) 33/34 with minimal requirements. Rock Valley College participates in the Government Financial Officers Association (GFOA) Certificate of Achievement in Excellence in Financial Reporting.

The GFOA Certificate of Achievement (COA) encourages and assists state and local government to go beyond the minimum requirements of generally accepted accounting principles (GAAP) to prepare annual comprehensive reports that evidence the spirit of transparency and full disclosure. The goal of this program is that users of the financial information have the ability to access the financial health themselves.

Annual Comprehensive Financial Report (ACFR)-continued

GFOA Review Process: Reports submitted to the COA program are reviewed by select members of the GFOA professional staff and the GFOA Special Review Committee (SRC), which is comprised of individuals with expertise in public sector financial reporting and includes financial statement preparers, independent auditors, academics and other finance professionals

1. Each ACFR is reviewed using a check list designed to determine compliance with GAAP and GFOA program policy.
2. Reviews are performed by GFOA staff and members of the SRC, reviewers are never selected from the same state as the report being prepared or from the same firm that performed the independent audit
3. A Certificate is only awarded if there is consensus among reviewers that an ACFR substantially complies with both GAAP and program policy.

The College has received this award for 16 consecutive years.

Annual Comprehensive Financial Report (ACFR)-continued

Breaking down the ACFR:

Introductory Section: This section orients the reader to the College and guides the reader through the report. It includes:

- Principle Officers
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting
- Letter of Transmittal – provides a high-level overview of the financial information presented within the ACFR and mentions the independent auditors report.

Annual Comprehensive Financial Report (ACFR)-continued

Breaking down the ACFR (continued):

Financial Section: This section presents the College's basic financial statements as well as notes to the statements and the independent auditor's report. It includes:

- Independent Auditor's Report
- Management Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information – additional schedules required by GASB to provide transparency regarding:
 - Employer's Net Pension Liability (SURS)
 - College's Proportionate Share of the Net OPEB (other post-employment benefits)
- Supplementary Information – Additional reporting required by ICCB
 - Uniform Financial Statements
 - Certificate of Chargeback reimbursement
 - Combining Balance Sheet
 - Combining Schedule of Revenues, Expenses and Changes in Net Position
 - Consolidated Year-End Financial Report

Annual Comprehensive Financial Report (ACFR)-continued

Breaking down the ACFR (continued):

Statistical Section: This section presents detailed information as a context for understanding the information in the financial statements, notes disclosures and required supplementary information about the College's overall financial health. This section includes:

- **Financial Trends:** Trend information to help the reader understand how the College's financial performance and well-being has changed over time
- **Revenue Capacity:** Contains information to help the reader assess the College's most significant local revenue source, property taxes
- **Debt Capacity:** Provides information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue debt in the future.
- **Demographic and Economic Information:** Offers demographic and economic indicators to help the reader understand the environment within the College's financial activities take place.
- **Operating Information:** These schedules contain service and infrastructure data to help the reader understand how the College's financial report relates to the services the College provides and the activities it performs.

Annual Comprehensive Financial Report (ACFR)-continued

Breaking down the ACFR (continued):

Special Reports: This section includes additional information that present information required for the ICCB State Adult Education and Family Literacy Grant Program and the enrollment data on which claims are filed. This section includes:

- ICCB State Adult Education and Literacy Grant Program:
 - Independent Auditor's Report
 - Balance Sheet
 - Statement of Revenues, Expenditures and Changes in Program Balance
 - Schedule of Expenditure Amount and Percentages for ICCB Grant Funds Only
 - Notes to Financial Statements
- Enrollment Data and Other Bases Upon Which Claims are Filed
 - Independent Accountant's Report on the Schedule of Enrollment Data and Other Basis Upon Which Claims are Filed Debt Capacity
 - Schedule of Enrollment Data
 - Reconciliation of Total Semester Credit Hours

Other Reporting Requirements

Rock Valley College makes the Annual Comprehensive Financial Report available for public consumption on the website, but also pursuant to Section 3-22.2 of the Public Community College Act, each district is required to publish a financial statement annually, at least once in a newspaper of general circulation in the district.

The ICCB Fiscal Management Manual provides guidance on the recommended format.

The annual audit and associated reports are due for submission to ICCB by December 30th and documentation of the publication is required to ICCB no later than January 15th of each year.

Questions and Recommendations

College administration recommends that the committee members accept the Annual Comprehensive Financial Report as evidence of accountability.

Other recommendations:

- Administration recommends consideration of engaging an independent auditor/compliance officer biennially to review accountability across campus for compliance and adherence to policies and procedures. Estimated cost \$70,000 to \$80,000.

Questions and Recommendations-continued

Other recommendations:

- Update Board Policy 5:10:120 to require that expenditure in excess to \$25,000 be approved by the Board of Trustees.
 - ILCS 805/3-27.1 requires expenditures in excess of \$25,000 or a lower amount be approved by the Board.
 - The current \$10,000 Board Policy requirement goes back prior to 1999, the costs of items have escalated over the past 20+ years.
 - Increasing the requirement for Board of Trustee approval to \$25,000 will create efficiencies in conducting purchasing transactions with vendors in a business like and fair manner by permitting a quicker turn times on expenditures less than \$25,000. This will assist in facilitating the implementation of smaller projects and programs that may exceed the \$10,000 amount.
 - Reduce the amount of time spent preparing and documenting these items for Board of Trustee approval, so that departmental time can be better used in procuring items and services needed.
 - All expenditures are available for review on the monthly claims report provided to the Board of Trustees.

Survey of Residents

At the conclusion of each meeting, the committee shall conduct a survey of residents who attended asking for input on the matters discussed at the meeting.



https://rvc.co1.qualtrics.com/jfe/form/SV_3xEAIMkqjIDAnhY

Rock Valley College

Decennial Committee Feedback

Public Act 102-1088, the Decennial Committees on Local Government Efficiency Act, states "each governmental unit must form a committee to study local efficiencies and report recommendations regarding efficiencies and increased accountability to the county board in which the governmental unit is located."

Are you a resident of Community College District 511 served by Rock Valley College?

- Yes
- No

As a resident, I believe that the discussion at today's Decennial Committee meeting suggests that Rock Valley College operates in an efficient manner.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

As a resident, I believe that Rock Valley College has sufficient accountability measures to govern the institution.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Use this space to provide any other input on the matters discussed at the meeting.
