

CITY COLLEGES OF CHICAGO

Fiscal Year Ended

June 30, 2025

Annual Comprehensive Financial Report

Brandon Johnson
Mayor, City of Chicago

Juan Salgado
Chancellor

Katya Nuques
Chair, Board of Trustees of
Community College District No. 508
Cook County, State of Illinois



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CITY COLLEGES[®]
OF CHICAGO

CITY COLLEGES[®] **OF CHICAGO**

COMMUNITY COLLEGE DISTRICT NO. 508

Chicago, Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2025

*Prepared by:
Office of Finance*

Katya Nuques, Board Chair
Juan Salgado, Chancellor

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Dear City Colleges' Community:

On behalf of the administration of City Colleges of Chicago, I submit the Fiscal Year 2025 Annual Comprehensive Financial Report (ACFR). This report reflects our continued commitment to accountability, transparency, and financial stewardship, advancing City Colleges' role as the city's engine of upward mobility.

The FY2025 ACFR provides an account of financial activities for the year ending June 30, 2025. This ACFR shows that City Colleges concluded the FY2025 year with a net position of \$441.5 million, a (\$72.8) million change over the prior year.

This year's report highlights investments we have made to progress towards our strategic priorities, including our bold 55 for All student outcome goal. The momentum we achieved this year was made possible in part through targeted investments in academic quality, in-demand programs, student supports, critical partnerships, and capital investments, including:

- Priority retention and completion strategies, such as: mandatory academic advising, year-long scheduling and expanding the Chancellor's Equitable Outcomes Fund to reward colleges for improvements in Black and Latine first-year retention rates
- The Chicago Roadmap, an unprecedented partnership with the Chicago Public Schools, to equitably support students
- Continued expansion of our partnership with proven student support model One Million Degrees
- A full suite of student supports that deliver an exceptional student experience, including advisors, tutors, career and transfer centers, undocumented student liaisons, and more
- Historic investments in student basic need supports, from food, housing, and technology, and in mental health supports that led to a doubling of students taking advantage of mental health counseling
- A high-quality education at one of the most affordable tuition rates in Chicagoland
- The growth of high-quality programs in in-demand fields -- from engineering to information technology, from health sciences to transportation, distribution and logistics
- Scholarships and other financial access tools that remove the barrier of cost to a quality education, including Star Scholarship, Future Ready, and the Options for the Future Scholarship

- Increased faculty and staff pay and benefits following successful negotiations with labor partners
- Enhanced marketing and enrollment infrastructure to attract and retain a diverse student body that has yielded enrollment increases surpassing state and national averages, and
- A capital program, supporting technology, deferred maintenance, and program expansion

The investments represented in this year's report are key to ensuring that every City Colleges student is prepared to contribute their abundant talents and in turn benefit from our city's dynamic economy.

I extend my appreciation to those involved in developing this report who made it possible to share this important tool of financial stewardship with our community.

Respectfully submitted,



Juan Salgado
Chancellor
City Colleges of Chicago
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City Colleges of Chicago
Community College District No. 508
Comprehensive Annual Financial Report
Fiscal year ended June 30, 2025

TABLE OF CONTENTS	Schedule/Table	Page
INTRODUCTORY SECTION		
• Transmittal Letter		iii
• Principal Officials		xvi
• Organization Chart		xvii
• Certificate of Achievement for Excellence in Financial Reporting		xviii
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		4
Basic Financial Statements		
• Statement of Net Position		12
• Statement of Revenues, Expenses and Changes in Net Position		13
• Statement of Cash Flows		14
• Component Unit City Colleges of Chicago Foundation Financial Statements		
• Statement of Financial Position		16
• Statement of Activities		17
• Notes to the Basic Financial Statements		18
Required Supplementary Information		
• Other Post-Employment Benefit Plan		68
• Employer Retirement Pension Plan		71
• Notes to Required Supplementary Information		73
STATISTICAL SECTION (Unaudited)		
Financial Trends		
• Components of Net Position	A	75
• Changes in Net Position	B	76
Revenue Capacity		
• Assessed and Estimated Value of Taxable Property	C	77
• Property Tax Rates - Direct and Overlapping Governments	D	78
• Principal Property Taxpayers - Current Year and Nine Years Ago	E	79
• Property Tax Levies and Collections	F	80
• Enrollment, Tuition and Fee Rates, Credit Hours, Tuition and Fee Revenues Generated	G	81
Debt Capacity		
• Ratios of General Debt Outstanding	H	82
• Direct and Overlapping Long-Term Debt	I	83

**City Colleges of Chicago
Community College District No. 508
Comprehensive Annual Financial Report
Fiscal year ended June 30, 2025**

TABLE OF CONTENTS	Schedule/Table	Page
STATISTICAL SECTION (Unaudited)(Continued)		
Demographic and Economic Information		
• Demographic and Economic Statistics	J	84
• Principal Employers	K	85
• Employee Data	L	86
• Student Enrollment Demographic Statistics - Credit Hours by Category	M	87
Operating Information		
• Capital Assets Statistics	N	88
• Miscellaneous Statistics	O	89
• Community College State Funding	P	90
• Revenues and Expenditures by Campus	Q	91
SPECIAL REPORTS SECTION		
State Required Reports Section		
Uniform Financial Statements		
• All Funds Summary	1	92
• Summary of Fixed Assets and Debt	2	93
• Operating Funds Revenues and Expenditures	3	94
• Restricted Purposes Fund Revenues and Expenditures	4	95
• Current Funds Expenditures by Activity	5	96
• Fiscal Year 2026 Certification of Per Capital Cost for Fiscal Year Ended June 30, 2025	6	97
Independent Accountant's Report on the Schedule of Enrollment Data and Other Bases on Which Claims are Filed		
• Schedule of Enrollment Data and Other Bases on Which Claims are Filed	7	98
• Reconciliation of In-District and Chargeback/Cooperative Contractual Agreement Credit Hours	8	99
• Student Residency Verification Process and Summary of Assessed Valuations (Unexamined)	9	100
STATE GRANT COMPLIANCE SECTION		
Independent Auditor's Report on Audits of Grant Program Financial Statements		102
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Grant Program Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		104
Grant Program Financial Statements		
State Adult Education and Family Literacy Grant Program		106
Notes to Grant Program Financial Statements		107

Introductory Section

Transmittal Letter

November 19, 2025

To Members of the Board of Trustees and Citizens of City Colleges of Chicago,
Community College District No. 508:

We are pleased to submit to you the Annual Comprehensive Financial Report of City Colleges of Chicago, Community College District No. 508 (City Colleges or the District), for the fiscal year ended June 30, 2025. It has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

City Colleges also maintains its accounts in accordance with guidelines set forth by the Government Finance Officers Association (GFOA), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). To account for limitations and restrictions more easily on certain resources, ICCB requires City Colleges to also report by select categories of funds. The financial records of City Colleges are maintained on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when incurred. The independent auditor's report of RSM US LLP is included in the financial section of this Annual Comprehensive Financial Report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of City Colleges. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of City Colleges. All disclosures necessary to enable the reader to gain an understanding of City Colleges' financial activities in relation to its mission have been included.

This letter of transmittal should be read in conjunction with the accompanying *Management's Discussion and Analysis*, which focuses on current activities, accounting changes, and currently known facts.

PROFILE OF CITY COLLEGES OF CHICAGO

City Colleges is a non-home rule community college district of the State of Illinois, having boundaries coterminous with the City of Chicago. City Colleges is established under and governed by the Illinois Public Community College Act and operates seven colleges offering two-year Associate degrees, occupational certificates, continuing education, customized business-specific training and adult education programs. In accordance with standards established by GASB, City Colleges has included City Colleges of Chicago Foundation as a discretely presented component unit.

Of the Board's eight members, the seven who vote are appointed by the Mayor of the City of Chicago with the approval of the City Council of Chicago. One non-voting student member, selected in accordance with the Illinois Public Community College Act, is elected from one of the colleges.

The District currently occupies a land area of approximately 227.7 square miles and serves an estimated population of 2,611,867.

As a large urban school district, our colleges, students and administrators reflect the broad diversity of our city. Our students hail from 150 countries. They are often working adults, single parents and individuals from low-income backgrounds. City Colleges' District Office and the seven separately accredited colleges, plus five satellite sites, are strategically located throughout the City of Chicago.

City Colleges' vision is to serve as the city's most accessible higher education engine of socioeconomic mobility and racial equity – empowering all Chicagoans to take part in building a stronger and more just city.

On Saturday, May 3, 2025, City Colleges of Chicago graduates from all seven colleges gathered at Wintrust Arena to celebrate a remarkable achievement: earning their associate degrees.

The total number of degrees, certificates and general education completer credentials awarded in fiscal year 2025 were 9,118 and degrees awarded totaled 3,875.

STRATEGIC GOALS AND STRATEGIES

OUR STRATEGIC GOALS

City Colleges of Chicago has outlined a common strategic framework, consisting of six strategic levers and a common set of goals, values, and Key Performance Indicators (KPI's) along with strategic plans, equity plans and strategic enrollment management plans for each college. These six levers form the framework for all strategic activities and steer City Colleges' long-term goals and vision:

- **STUDENT EXPERIENCE** - Our Goal: Create an Exceptional Student Experience

We promise that every experience with City Colleges, from pre-admissions to completion, will be exceptional. Every student will be able to maximize their learning experience inside and outside the classroom, navigate our institution with ease, make significant progress towards their goals and feel welcome and supported by all City Colleges employees.

- **EQUITY** - Our Goal: Achieve Equity in Student Outcomes

We will become “student-ready” and equitable. Our institution will be designed for all students to thrive, especially those from historically and present-day marginalized communities. We will equip students with the support and resources they need to succeed in the classroom and beyond.

- **ECONOMIC RESPONSIVENESS** - Our Goal: Respond to the Economic Needs of the City

We will be forward-looking and agile in developing pathways and forging partnerships that unlock transformational career opportunities for City Colleges students and fuel the Chicago workforce with talent that is prepared to meet the needs of the economy.

- **EXCELLENCE** - Our Goal: Build a Culture of Excellence

We will build a culture of excellence that inspires everyone to become the “best in class” for our students and community. We will hold ourselves accountable for delivering academics, experiences, and services of the highest quality. Our faculty and staff will continue to receive professional development across the District to continuously improve their practices.

- **COLLABORATION** - Our Goal: Create a Collaborative and Connected Ecosystem

We will create a more collaborative and connected ecosystem to foster coordination and communication that supports student success. At each college and across the District, we will implement people, data and technology solutions to create holistic best practices with an inclusive approach to problem-solving.

- **INSTITUTIONAL HEALTH** - Our Goal: Develop and Improve Critical Institutional Health Measures

We will develop, monitor and improve critical institutional health metrics that ensure the financial sustainability and well-being of our institution.

Three transformational goals serve as metrics for City Colleges five-year framework:

- Achieve unprecedented and equitable retention and completion rates.
- Be regarded as the smart choice among students, K-12 partners, alumni, partners, universities and employers.
- Advance upward mobility among City Colleges students and alumni through our colleges’ high-quality pathways.

A set of KPIs is used to measure our success:

- **ACCESS:** Total Illinois Community College Board (ICCB) headcount (credit + adult education enrollment) and total headcount (ICCB headcount + continuing education enrollment).
- **MOMENTUM:** Fall to Spring credit retention, Fall to Fall credit retention, taking and passing college level English in the first year, and taking and passing college level Math in the first year.
- **COMPLETION:** Integrated Postsecondary Education Data System (IPEDS) 150 graduation rate and four-year student outcome measures.
- **MOBILITY:** Transfer within two years of degree completion.
- **STUDENT EXPERIENCE:** Net promotor score.

Unified strategic initiatives support the success of college plans and provide the leadership and vision needed to achieve our goals and mission. They identify and support common areas of activity across colleges, shared opportunities for innovation or improvement, and the needed infrastructure to enable or accelerate meeting our goals.

To read the strategic plans in full, go to: www.ccc.edu/strategicplan.

FINANCIAL CHALLENGES

City Colleges has faced financial pressures arising from macro-economic and external policy factors, specifically:

Potential changes to federal funding priorities - City Colleges continues to monitor changes in federal funding priorities. The District sees fewer opportunities for new or renewed federal grants in the coming year. To date, a little more than \$1 million in unspent federal grants have been cancelled. We have sought efficiencies to position the District to weather the future changes.

ECONOMIC CONDITION AND OUTLOOK

In 2024, economic growth slowed for both the United States and the Seventh Federal Reserve District, with growth rates having come in close to their respective ten-year averages. District employment continued to grow more slowly than national employment overall, and this was partly due to slower growth rates for the District in the education and health services sector and the manufacturing sector. One bright spot for District employment was the public sector: Employment in the public sector grew faster than in the private sector, making up for several years of relatively slow job gains during the recovery from the Covid-19 pandemic. For 2025, Federal Open Market Committee (FOMC) participants project U.S. growth will continue to slow, but not significantly. While there were some gyrations throughout the year, economic growth was slower in 2024 than in 2023 for both the nation and the Seventh District. Real GDP growth rates in the U.S. and the District were quite low in the first quarter of 2024 (falling into negative territory in the District)

but bounced back in the second quarter and were quite good for the remainder of the year. If averaged across the quarters by year, the national real GDP grew by 3.2% in 2023 and 2.5% in 2024; in both years, the real GDP growth rate was somewhat above the ten-year average of 2.4%. Real GDP growth was slower in the District, where the average rate was 2.0% in 2023 and 1.7% through the third quarter of 2024. However, District real GDP growth in 2023 and 2024 was above its ten-year average of 1.3%.

Trends in employment growth in 2024 were broadly similar to trends in real GDP growth. Averaging by year using the CAGR formula, the nation's employment growth rate was 1.2% in 2024, down from 1.7% in 2023 and slightly lower than the ten-year average of 1.3%. In addition, the District employment growth was 1.0% in 2024, up a bit from the 0.9% increase in 2023, which was comfortably above the ten-year average of 0.6%. (Federal Reserve Bank of Chicago Seventh District Year in Review for 2024).

The Chicago Fed Survey of Economic Conditions (CFSEC) Activity Index decreased to -23 in July from -3 in June, suggesting that economic growth was below trend. The CFSEC Manufacturing Activity Index decreased to +3 in July from +7 in June, and the CFSEC Non-manufacturing Activity Index decreased to -40 in July from -9 in the previous month.

The **Illinois Department of Employment Security (IDES)**. The unemployment rate decreased in all twelve metro areas for the year ending June 2025, according to data released by the U.S. Bureau of Labor Statistics (BLS) and the Illinois Department of Employment Security (IDES). The St. Louis metro area unemployment rate reached a record low of 3.5% for June. Over the year, total nonfarm jobs increased in five metropolitan areas, leading to consecutive months with year-over-year growth: Champaign (5 consecutive months); Chicago (12 consecutive months); Springfield (20 consecutive months). Chicago's unemployment rate decreased from 6.6% in June 2024 to 5.3% in June 2025. This represents a 1.3% change year-over-year (YOY).

Chicago Fed National Activity Index (CFNAI) increased to -0.10 in June from -0.16 in May. Two of the four broad categories of indicators used to construct the index increased from May, but all four categories made negative contributions in June. The index's three-month moving average, CFNAI-MA3, decreased to -0.22 in June from -0.14 in May. The CFNAI Diffusion Index, which is also a three-month moving average, decreased to -0.37 in June from -0.32 in May. Thirty-seven of the 85 individual indicators made positive contributions to the CFNAI in June, while 48 made negative contributions. Fifty-three indicators improved from May to June, while 32 indicators deteriorated. Of the indicators that improved, 21 made negative contributions.

Production-related indicators contributed -0.01 to the CFNAI in June, up from -0.06 in May. The sales, orders, and inventories category's contribution to the CFNAI was -0.04 in June, down from +0.01 in May. Employment-related indicators contributed -0.05 to the CFNAI in June, down from -0.01 in May. The personal consumption and housing category's contribution to the CFNAI was -0.01 in June, up from -0.10 in May.

The CFNAI was constructed using data available as of July 24, 2025.

References

- Federal Reserve Bank of Chicago*. (2025, July 24). Retrieved from Chicago Fed National Activity Index (CFNAI): <https://www.chicagofed.org/research/data/cfnai/current-data>
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- Chicago Fed Survey of Economic Conditions (CFSEC)*. (2025). Retrieved from Federal Reserve Bank of Chicago: <https://www.chicagofed.org/research/data/cfsec/current-data>
- Illinois Department of Employment Security (IDES)*. (2025, July 24). Retrieved from Illinois Department of Employment Security: <https://ides.illinois.gov/resources/labor-market-information/illinois-employment-situation.html>

The fiscal year 2026 budget is balanced. The unrestricted and enterprise operating budget of \$390.5 million represents a 6.3 percent increase from the prior fiscal year. In this budget, we plan for a projected 6% year-to-year enrollment increase (fiscal year 2025 to fiscal year 2026) and an 8.6% increase in tuition revenue.

We have done all we can to remove barriers standing in the way of our students' success. We know when we support our students, they succeed. This includes funding a full complement of advisors, tutors, career and transfer centers, undocumented student liaisons, and more. We are maintaining our historic 20% increase in wellness staff, and growing our investment in student basic needs, including food pantries and housing partnership with DePaul USA.

This budget makes critical investments to continue the enrollment momentum, including maintaining our affordability. We continue to offer programs in multiple modalities to meet our busy students where they are in their lives.

We have strengthened the backbone of our system, creating a healthier institution. We are delivering on our commitment to faculty and staff in our labor contracts, strengthening our marketing and enrollment infrastructure, maintaining a strategic capital program, including technology, deferred maintenance, and funds to expand healthcare programs to the South Side, and continuing a substantial reduction in student bad debt.

ACHIEVEMENTS

Enrollment reached 73,107 students in fiscal year 2025, an increase of 10 percent over the prior year, which included an increase in Fall 2024 enrollment that exceeded both the Illinois community college and national averages. In fiscal year 2025, credit unduplicated headcount enrollment and credit hour production increased at all seven colleges.

City Colleges' enrollment gains stem from a combination of factors, including a re-envisioned enrollment strategy and key investments, such as:

- Ensuring access via affordability: A high-quality education at one of the most affordable tuition rates in Chicagoland, with a credit hour rate of \$157/hour. Since fiscal year 2018, City Colleges has invested more than \$100 million to make college free, including Future Ready, which offers short-term programs in high-demand fields at no cost to Chicagoans, the growth of the Star Scholarship program, and the growth of free dual enrollment for high school students.
- Growing high-demand programs, including engineering, information technology, healthcare, construction technology and early childhood pathways. This past year, City Colleges announced the creation of the City Colleges School of Engineering, expanding our nationally recognized engineering program, with the aim of serving 2,030 engineering students district-wide by 2030. We also planned for the expansion of a full nursing pathway to Kennedy-King College and a new healthcare campus in Washington Park on Chicago's South Side.
- Launch of Chicago Roadmap 2.0: In partnership with the Chicago Public Schools and University of Illinois at Chicago, Chicago Roadmap 2.0 focuses on creating clear pathways to transfer and bachelor's degree completion. Chicago Roadmap 1.0 introduced post-secondary navigators supporting high school students in their post-secondary paths, transitional math and English and early college enrollment growth, and model pathways in in-demand fields, the summer melt strategy Enrollment Days, among other collaborative work.
- Implementing strategic enrollment management: Performance management system guided by metrics and data, college capacity building and norming, and ongoing review to drive continuous improvement.
- Sustaining the marketing investment: With a nearly three-times increase in marketing spend since fiscal year 2020 to \$3 million annually, we focused on digital media and increased in-house capacity, a rebranding completed in 2022 including a new ad campaign, and a new Salesforce customer relationship management solution launched in fiscal year 2024 to improve communications with students, with continued enhancements in fiscal year 2025.

Achieving Equity in Student Outcomes

Preliminary fiscal year 2025 outcomes indicate that City Colleges' four-year outcomes measure held steady at 41 percent of students achieving a credential and/or transferring to a bachelor's degree granting institution within four years of entry at City Colleges. This follows a 5-percentage point jump in the prior year, including a prior 4-percentage point increase for Black students and a 5-percentage point increase for Latine students.

Among the factors contributing to this progress is the Chicago Roadmap, a national model of partnership with our K-12 school system. The Chicago Roadmap model has led to collaboration at every level of Chicago's two major public education systems. As a result of this work so far:

- The number of students earning substantial early college credits while in high school through free dual credit and dual enrollment courses continues to grow. The total number of students taking free early college classes grew by 23 percent in fiscal year 2025, to 9,847 students. In 2025, more than 800 graduating CPS seniors earned 15 or more college credits through City Colleges, nearly one and a half times the approximately 330 students who achieved this milestone in 2019. One hundred thirty-eight (138) students earned an associate degree while in high school in 2025, a 47% increase from 2024.
- Students who completed transitional Math and English courses, classes which, when passed, allow CPS students to accelerate into college credit classes at City Colleges, are more likely to automatically start at City Colleges at the college level and are more likely to stay enrolled until their second year compared to their peers in developmental education courses. In fiscal year 2025, Transitional Math was offered in 72 high schools, up from 36 high schools in fiscal year 2020, and Transitional English was offered in 52 high schools, compared to none in fiscal year 2020. Since 2019, the proportion of students new to City Colleges eligible for college-level Math increased by 22 percentage points (2020: 41% to 2025: 63%) and the proportion of students new to City Colleges eligible for college-level English increased by 17 percent (2020: 35% to 2025: 52%). Fall-to-Fall retention at City Colleges for transitional Math students was 25 percentage points higher than for students starting in developmental education courses and Fall-to-Fall retention for transitional English students was 12 percentage points higher than for students starting in developmental education courses.
- Model Pathways provides CPS students with the opportunity to take industry-specific college courses, participate in career awareness activities, and earn industry credentials. We have implemented Model Pathways in IT, Healthcare, Advanced Manufacturing and Construction in 20 schools with ~1,000 students enrolled.
- City Colleges' key summer melt strategy, Enrollment Days, increased participant enrollment during the summer following senior year. In 2025, we enrolled 2,975 students (or 88% of CPS students who participated in Enrollment Days events), triple the prior year's enrollment from the same effort.

Chicago Public Schools (CPS), City Colleges of Chicago (CCC), and the University of Illinois Chicago (UIC) are expanding the nationally recognized higher education partnership with the launch of Chicago Roadmap 2.0. This next phase is designed to ensure students have a seamless transition from high school to community college to four-year institutions — retaining earned credits, reducing barriers to transfer, and keeping them on track for bachelor's degree completion. Building on this foundational success, Chicago Roadmap 2.0 is introducing structured pathways to four-year degrees at UIC, starting with key fields such as education, health care, business and computer science.

City Colleges also employed priority retention and completion strategies such as mandatory academic advising, year-long scheduling, continued expansion of the partnership with the proven student support model, the One Million Degrees program and a new transfer strategy focused on deep collaboration with university partners. Additionally, seven colleges are taking part in Achieving the Dream's (ATD) Accelerating Equitable Outcomes 3-year cohort experience.

Meeting Student Needs

Maintaining a robust suite of student academic and related supports that deliver an exceptional student experience is central to City Colleges' vision of social, economic and racial equity. City Colleges offers students a full complement of advisors, tutors, career and transfer centers, undocumented student liaisons, wellness centers, mental health telehealth services, disability access centers, and more.

The system administered a second survey of student basic need supports to inform enhancements to existing supports for food-insecure and housing-insecure or homeless students, finding that these supports are more needed than ever. To help meet this need, in fiscal year 2025, City Colleges is prepared to launch a new Food Security for Life program with partner, the Greater Chicago Food Depository, that will aim to eradicate hunger among City Colleges students, offering students access to snacks to go, ready-to-heat meals, and dynamic markets with healthy groceries.

City Colleges has made historic investments in student mental health supports that have maintained an increase in wellness staff. Wellness centers reported a significant increase in the number of students who received therapy/case management from 5,554 in fiscal year 2024 to 10,250 in fiscal year 2025 and the number of sessions held grew from 12,444 in fiscal year 2024 to 18,367 sessions in fiscal year 2025.

Maintaining Strong Financial Health

City Colleges continues strong financial health built upon disciplined financial management. In fiscal year 2025, Fitch upgraded City Colleges' bond rating with a stable outlook and S&P reaffirmed its bond rating for City Colleges, also with a stable outlook.

CAPITAL IMPROVEMENT PLAN

In fiscal year 2022, City Colleges of Chicago entered a new five-year capital plan, consisting of key programmatic and academic improvements, necessary deferred maintenance, information security, technology and technology infrastructure upgrades. The projects prioritized and included in the Capital Plan to further our strategic vision and maintain the condition of our colleges. Each year, City Colleges updates the plan based on a renewed assessment of conditions and evolving academic priorities. The updated fiscal year 2022 – fiscal year 2026 Capital Plan is \$293 million. For fiscal year 2026, City Colleges has budgeted capital investments of up to \$75.9 million that include \$16.8 million in technology, technology infrastructure and information security, \$35.7 million in deferred maintenance, \$15.4 million in academic and programmatic enhancements, and \$8 million for new facilities. The academic and programmatic improvements and select construction projects will be prioritized by their impact on student success and are subject to external funding and/or Chancellor approval.

FINANCIAL INFORMATION

Internal Control: City Colleges' management is responsible for establishing and maintaining an internal control structure designed to protect its assets, to prevent loss from theft or misuse of assets, and to allow for the preparation of financial information in conformity with U.S. GAAP under GASB. Although no internal control can guarantee complete assurance that these objectives are met, strong controls provide reasonable assurance of this. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls: The fiscal year begins on July 1 and ends on June 30, with annual appropriations lapsing at the end of the fiscal year. Individual colleges submit budget requests based on the colleges' strategic and tactical plans as reviewed and approved by the Chancellor. Administrative units submit requests for the Chancellor's review. The Budget Office compiles requests and recommendations for submission to the Board of Trustees for appropriation. The appropriated budget is prepared by fund, department, account (object of expense), and program (function).

City Colleges' budgetary control objectives are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Colleges' Board of Trustees. Budgetary control is implemented by individual funds within each college. Board approval is required for all transfers between funds, accounts, or programs. In addition, an amended budget is required for increases in total appropriation in accordance with the Illinois Public Community College Act.

Board approval is required for all purchases or exchanges of goods and services over \$25,000 from a single vendor during the fiscal year. In addition, proper segregation of duties exists both operationally and technologically to ensure that purchase orders are properly authorized with appropriate checks and balances.

City Colleges maintains an encumbrance accounting system as part of its budgetary control. Encumbered amounts lapse at the end of each fiscal year.

Capital project funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year.

City Colleges' financial resources are summarized in the following fund groups and individual funds in accordance with ICCB reporting requirements.

GASB Net Position Category

Unrestricted

Restricted for Specific Purpose

Net Investment in Capital Assets

ICCB FUND

Education

Auxiliary / Enterprise

Operations and Maintenance

Operations and Maintenance – Restricted (Board
Designated Capital Projects)

Working Cash

Audit Fund

Liability, Protection and Settlement

Restricted Purposes (Grants)

Bond and Interest

Trust and Agency

Building Bond Proceeds

Long-Term Debt

Property Tax: The estimated assessed value of taxable property for tax year 2024 collectible in fiscal year 2025 was \$109,770,538,836. The estimated assessed value of taxable property for tax year 2023 collectible in fiscal year 2024 was \$99,601,789,704. City Colleges' average collection rate over the past five years has been over 97%.

Debt Administration: Outstanding long-term and current debt on June 30, 2025, totaled \$264,405,000.

In fiscal year 2026, City Colleges is budgeting \$13,327,700 for debt service expenditures, which includes total interest of \$13,207,700 and total principal payments of \$120,000 for the Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2017 and Series 2024. The Series 2017 bond is amortized over 30 years. The Series 2024 bond refund retains the original 30-year amortization from the Series 2013 bond issuance. Both Series 2017 and 2024 are issued with an average interest rate of 5% with payments made on June 1 and December 1 of each year. The last payment for the Series 2017 and 2024 bonds is December 1 of 2047 and 2043, respectively.

Cash Management: Cash and investments are managed by the City Colleges' Chief Financial Officer and Vice Chancellor-Treasury/Finance commensurate with provisions within the Illinois Public Community College Act (Illinois Compiled Statutes Chapter 110, Act 805) and the Illinois Public Funds Investment Act (Illinois Compiled Statutes Chapter 30, Act 235). Fiduciary responsibility and oversight for investments rests with the City Colleges' Board of Trustees, which has delegated the function to the Chief Financial Officer and Vice Chancellor-Treasury/Finance of City Colleges as permitted by the Illinois Public Community College Act.

In keeping with existing Board policy, investments of excess funds are made in a prudent, conservative and secure manner in accordance with guidelines detailed in the Board Rules for Management and Government section 5.4, *Investment and Depository Policies*. The Board of Trustees authorizes the designation of depositories and investment managers.

City Colleges invests funds in various securities listed as permitted investments in the Board-approved Investment Policy. This policy is reviewed on an annual basis, and any modifications require Board approval. The securities include, but are not limited to, money market funds, U.S. Treasury bonds, bills, notes and certificates of deposit.

Risk Management: The Office of Risk Management (ORM) continuously and actively assesses and reviews potential risks and exposures the District may encounter and strives to mitigate the potential impact on the institution. ORM procures commercial insurance to address significant property and non-property losses for amounts in excess of self-insured retentions. The comprehensive Commercial Insurance Portfolio is reviewed annually to determine policy limits and retention (deductible) levels for property assets, general liability exposures, workers' compensation injuries and the educator's legal liability matters. The current deductibles equal \$25,000, \$250,000, \$600,000 and \$250,000 per claim, respectively.

City Colleges engages a third-party administrator to adjudicate and administer claims for general liability, workers' compensation, student athlete injury and student accident health claims.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants. The City Colleges of Chicago Board of Trustees selected the audit firm RSM US LLP as its independent certified public accountants for fiscal year 2025. The independent auditor's report of RSM US LLP on the basic financial statements and supplementary schedules is included in the financial section of this report.

Awards: The Government Finance Officers Association (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to City Colleges for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current report continues to conform to the GFOA Certificate of Excellence program requirements, and we are submitting it to GFOA again this year.

Acknowledgements: The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the senior leadership team and staff of City Colleges. We wish to express our sincere appreciation for the contributions they have made in preparing this report.

Respectfully submitted,

Maribel Rodriguez
Chief Financial Officer

Jolenna Nanalig
Associate Vice Chancellor, Treasurer

**CITY COLLEGES OF CHICAGO
COMMUNITY COLLEGE DISTRICT NO. 508
PRINCIPAL OFFICIALS
Year Ended June 30, 2025**

BOARD OF TRUSTEES

Katya Nuques, Board Chair
Rev. Dr. Marshall Elijah Hatch, Sr., Vice Chair
Princella “Jaribu” Lee, Secretary
Darlene Oliver Hightower, J.D., Trustee
Oscar Sanchez, Trustee
Dr. Kafi Moragne-Patterson, Trustee
Widedji Deguenon, Student Trustee
Bonnie Phillips, Chief Advisor to the Board of Trustees

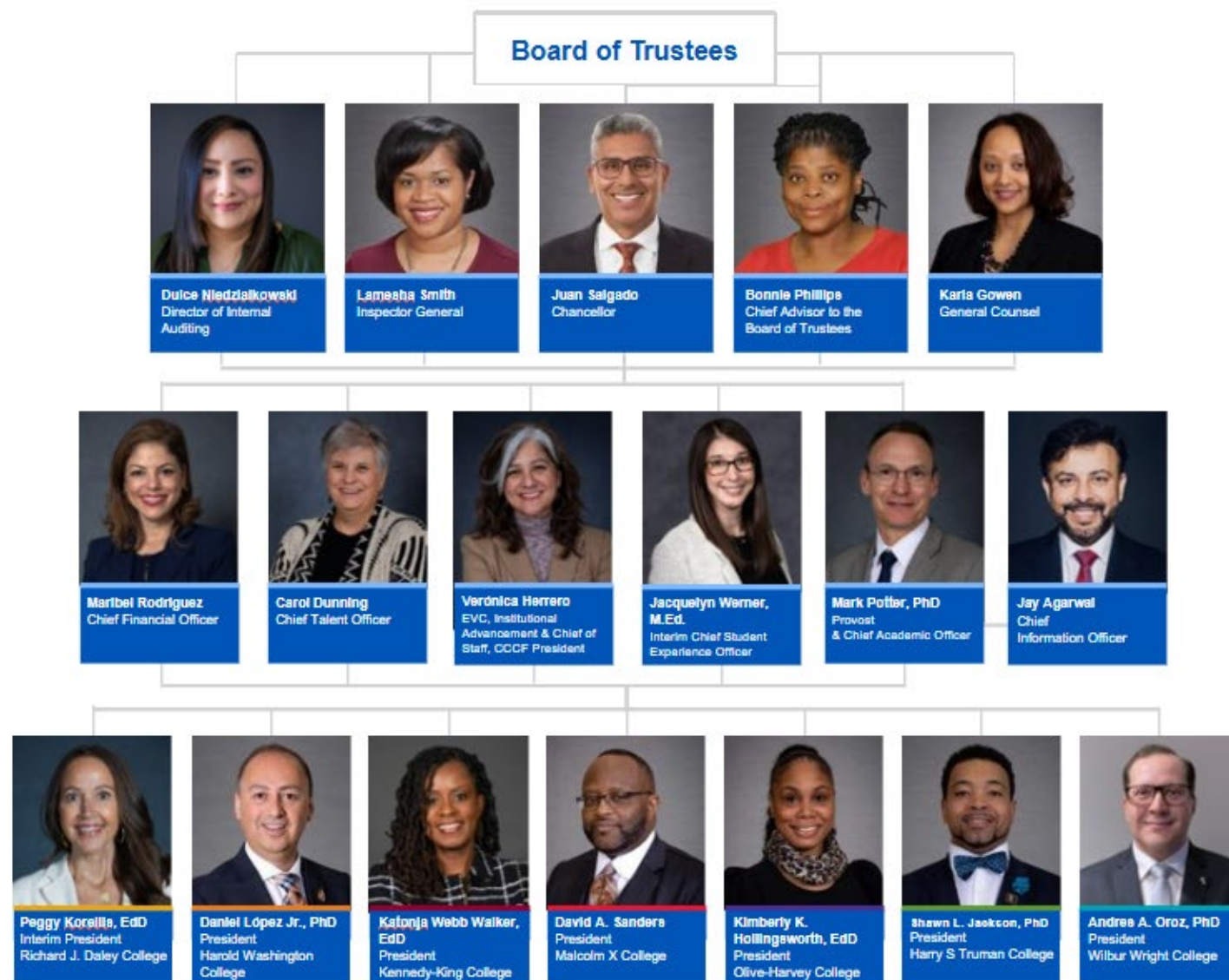
ADMINISTRATIVE OFFICERS

Juan Salgado, Chancellor
Mark Potter, PhD, Provost & Chief Academic Officer
Verónica Herrero, Executive Vice Chancellor, Institutional Advancement and Chief of Staff,
City Colleges of Chicago Foundation, President
Maribel Rodriguez, Chief Financial Officer
Karla Gowen, General Counsel
Jay Agarwal, Chief Information Officer
Jacquelyn Werner, M.Ed, Interim Chief Student Experience Officer
Carol Dunning, Chief Talent Officer
Lamesha Smith, Inspector General
Dulce Niedzialkowski, Director of Internal Auditing
Peggy Korellis, EdD, Interim President, Richard J. Daley College
Daniel López, PhD, President, Harold Washington College
Katonja Webb Walker, EdD, President, Kennedy-King College
David A. Sanders, President, Malcolm X College
Kimberly Hollingsworth, EdD, President, Olive-Harvey College
Shawn L. Jackson, PhD, President, Harry S. Truman College
Andres A. Oroz, PhD, President, Wilbur Wright College

REPORT ISSUED BY

Office of Finance

Executive Leadership





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City Colleges of Chicago
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditor's Report

Board of Trustees of
City Colleges of Chicago
Community College District No. 508

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of City Colleges, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City Colleges' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City Colleges' basic financial statements. The supplementary information as described in the table of contents (the Uniform Financial Statements (Schedules 1 – 6), as required by the Illinois Community College Board) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

RSM US LLP

Chicago, Illinois
November 19, 2025

**Management's
Discussion and Analysis
(MD&A)**

Community College District No. 508 Management's Discussion and Analysis

The discussion and analysis of City Colleges of Chicago's financial performance provides an overall review of City Colleges' financial activities for the fiscal year ended June 30, 2025. This discussion and analysis focuses on current activities, currently known facts and related changes. The management of City Colleges encourages readers to consider the information being presented herein in conjunction with the transmittal letter that precedes this section and the basic financial statements and accompanying notes (which immediately follow this section) to enhance their understanding of City Colleges' financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current and prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A"). Responsibility for the completeness and fairness of the information presented here rests with City Colleges.

Using This Annual Report

The basic financial statements focus on City Colleges as a whole. The accompanying basic financial statements are designed to emulate the presentation model of private sector business-type activities, whereby all City Colleges' activities are consolidated into one total. The Statement of Net Position combines and consolidates all financial resources with long-term capital assets and debt. The Statement of Revenues, Expenses and Changes in Net Position describes operating results, comparing revenues derived from operations such as tuition and fees with operating expenses, and non-operating results. Non-operating revenues include funding received from State apportionment, grants, and property taxes. This approach is intended to facilitate the analysis of the financial results of various services to students and the public.

Financial Highlights

Statement of Net Position

The total net position as of June 30, 2025, decreased by \$72.8 million to \$441.5 million, mainly due to a \$64.9 million decrease in unrestricted funds.

**Community College District No. 508
Management's Discussion and Analysis**

Overview of Financial Statements

Total current assets decreased by \$55.3 million as compared to the prior year, due to a decrease in cash, short-term investments, personal property replacement tax receivable and other accounts receivable, which was offset by an increase in property tax receivables and prepaid items and other assets.

Total non-current assets decreased by \$22.3 million due to decreases in long-term investments and capital assets being depreciated which were offset by increases in restricted cash, funds held by others and capital assets not being depreciated. The deferred outflows of resources are the deferred other post-employment benefits and grant-related pension contributions that have been presented separately in the financial statements to conform to GASB Statements 68 and 75, respectively.

Total current liabilities increased by \$2.5 million due to increases in accrued payroll, unearned tuition and fees revenue, and unearned grant revenue that were offset by decreases in accounts payable, other accruals, and other liabilities.

**Table 1
Condensed Statements of Net Position
(in millions of dollars)**

	2025	2024	Change
Current assets	\$ 148.3	\$ 203.6	\$ (55.3)
Non-current assets			
Capital assets	1,343.8	1,328.1	15.7
Less accumulated depreciation	(584.8)	(556.3)	(28.5)
Other assets	58.0	67.5	(9.5)
Total assets	965.3	1,042.9	(77.6)
Deferred outflows of resources	7.7	9.6	(1.9)
Current liabilities	71.5	69.0	2.5
Non-current liabilities	373.6	388.2	(14.6)
Total liabilities	445.1	457.2	(12.1)
Deferred inflows of resources	86.4	81.0	5.4
Net position			
Net investment in capital assets	454.0	461.8	(7.8)
Restricted for specific purposes	1.0	1.1	(0.1)
Unrestricted	(13.5)	51.4	(64.9)
Total net position	\$ 441.5	\$ 514.3	\$ (72.8)

**Community College District No. 508
Management's Discussion and Analysis**

**Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Position
(in millions of dollars)**

	2025	2024	Change
Operating			
Revenues	\$ 36.9	\$ 35.1	\$ 1.8
Expenses	(598.3)	(500.8)	(97.5)
Operating loss	(561.4)	(465.7)	(95.7)
Non-operating			
Revenues	497.6	479.6	18.0
Expenses	(10.9)	(14.0)	3.1
Net non-operating revenues	486.7	465.6	21.1
Loss before capital contributions	(74.7)	(0.1)	(74.6)
Capital contributions	1.9	1.4	0.5
Change in net position	(72.8)	1.3	(74.1)
Net position, beginning of year	514.3	513.0	1.3
Net position, end of year	<u>\$ 441.5</u>	<u>\$ 514.3</u>	<u>\$ (72.8)</u>

**Changes in Net Position
Years Ended June 30,
(in millions of dollars)**

	2025	2024
Total revenue	\$ 536.4	\$ 516.1
Total expenses	(609.2)	(514.8)
Increase (decrease) in net position	<u>\$ (72.8)</u>	<u>\$ 1.3</u>

**Community College District No. 508
Management's Discussion and Analysis**

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues increased by \$1.8 million from the previous year due to increases in student tuition and fees.

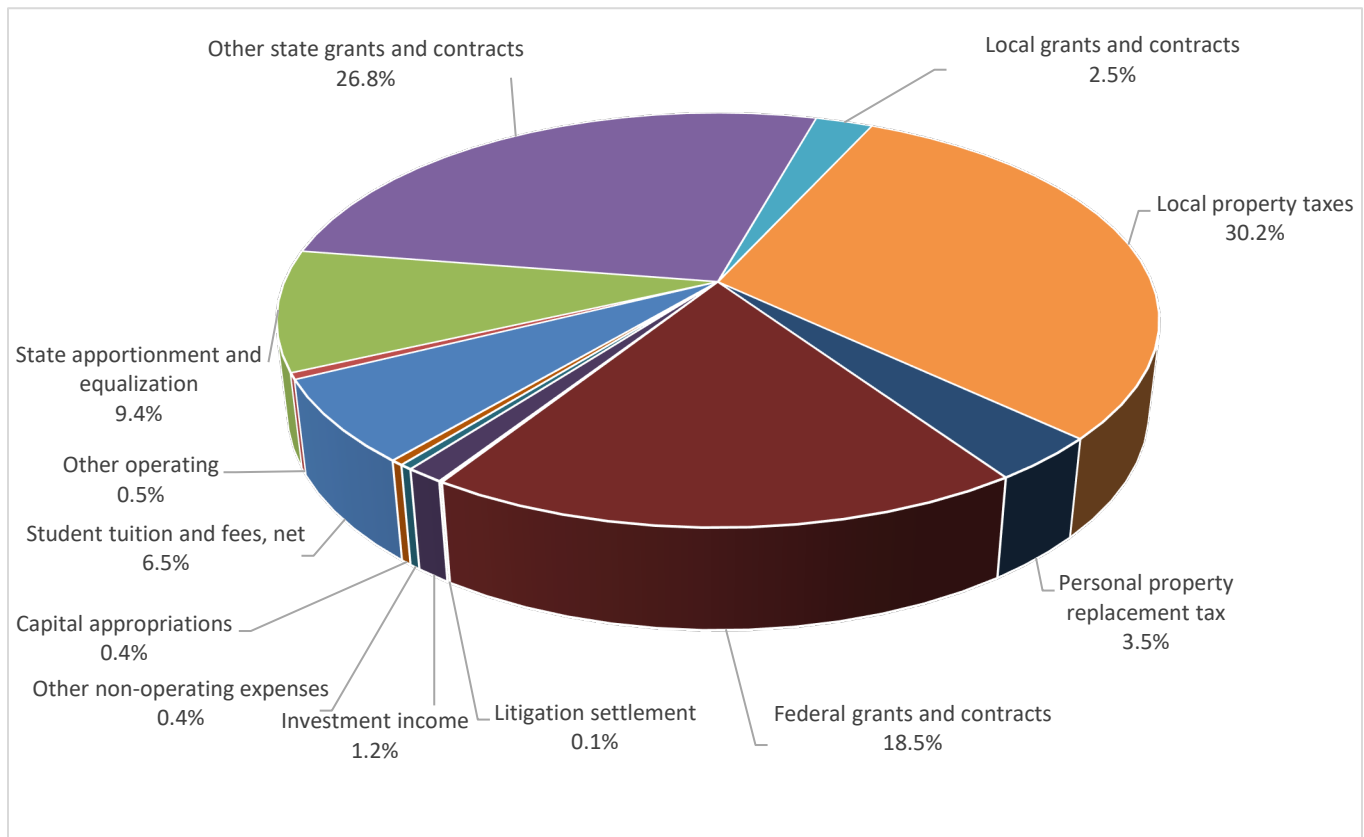
Net non-operating revenues increased by \$21.1 million in fiscal year 2025 due to increases in state grants, local grants, local property taxes, Federal grants, and other non-operating revenues and expenses, as well as a reduction on interest payment on debt. This increase was offset by decreases in personal property replacement tax, litigation settlement and investment income. Capital appropriations and grants increased by \$0.5 million due to an increase in grants from the State of Illinois Capital Development Board.

**Table 3
Operating Revenues and Non-Operating Revenues (Expenses)
(in millions of dollars)**

	2025	2024	Change
Operating revenues			
Student tuition and fees	\$ 96.2	\$ 83.4	\$ 12.8
Less scholarships	(62.1)	(52.3)	(9.8)
Other operating	2.8	4.0	(1.2)
Total operating revenues	36.9	35.1	1.8
Non-operating revenues (expenses)			
State apportionment and equalization	49.4	48.8	0.6
Other state grants and contracts	140.8	136.0	4.8
Local grants and contracts	12.9	11.1	1.8
Local property taxes	169.7	158.5	11.2
Personal property replacement tax	18.5	27.6	(9.1)
Federal grants and contracts	97.1	85.4	11.7
Litigation settlement	0.6	4.4	(3.8)
Investment income	6.6	7.8	(1.2)
Interest payments on debt	(10.9)	(12.9)	2.0
Other non-operating revenues (expenses)	2.0	(1.1)	3.1
Total non-operating revenues (expenses)	486.7	465.6	21.1
Capital appropriations and grants	1.9	1.4	0.5
Total	\$ 525.5	\$ 502.1	\$ 23.4

**Community College District No. 508
Management's Discussion and Analysis**

Table 3
Operating Revenues and Non-Operating Revenues (Expenses)
(in millions of dollars)



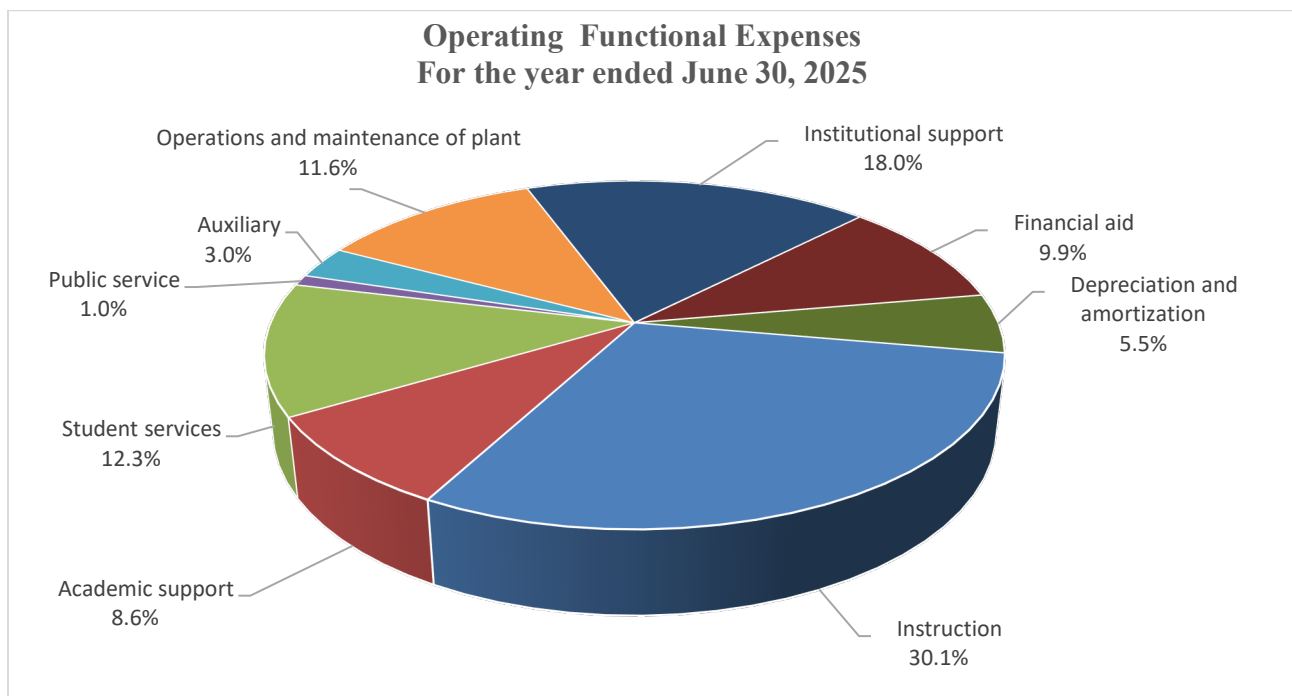
**Community College District No. 508
Management's Discussion and Analysis**

Operating Functional Expenses

Total operating functional expenses increased by \$97.5 million in fiscal year 2025. This was mainly due to a \$100.3 million increase in instruction, academic support, student services, auxiliary, institutional support, and financial aid, and depreciation. This increase was offset by a \$2.8 million decrease in public services and operation and maintenance of the plant.

Table 4
Operating Functional Expenses (in millions of dollars)

Operating expenses	2025	2024	Change
Instruction	\$ 179.9	\$ 165.8	\$ 14.1
Academic support	51.7	48.1	3.6
Student services	73.4	66.3	7.1
Public service	5.8	6.6	(0.8)
Auxiliary	17.8	15.8	2.0
Operations and maintenance of plant	69.2	71.2	(2.0)
Institutional support	108.5	47.0	61.5
Financial aid	59.2	47.4	11.8
Depreciation and amortization	32.8	32.6	0.2
Total operating expenses	<u>\$ 598.3</u>	<u>\$ 500.8</u>	<u>\$ 97.5</u>



**Community College District No. 508
Management's Discussion and Analysis**

Net Capital Assets

As of June 30, 2025, City Colleges had \$1,343.8 million in capital assets and \$584.8 million in accumulated depreciation and amortization, resulting in \$759.0 million in net capital assets. Some construction-in-progress projects were completed and put into service. The investment in net capital assets includes land, buildings and improvements, construction in progress, equipment, vehicles, software, lease assets and subscription-based arrangements. The total decrease in City Colleges' net capital assets for the current fiscal year is \$12.8 million. For more detailed information on capital assets, please refer to Notes 1K and Note 4 in the Notes to Basic Financial Statements.

**Table 5
Capital Assets (Net of Accumulated Depreciation and Amortization)
(in millions of dollars)**

	2025	2024	Change
Capital assets			
Land	\$ 51.4	\$ 51.4	\$ -
Buildings and improvements	1,119.8	1,114.6	5.2
Construction in progress	31.4	24.4	7.0
Equipment	68.1	66.4	1.7
Software	52.6	51.7	0.9
Lease assets	11.5	11.5	-
Subscription-based assets	9.0	8.1	0.9
Total	1,343.8	1,328.1	15.7
Less Depreciation and amortization	(584.8)	(556.3)	(28.5)
Net capital assets	<u>\$ 759.0</u>	<u>\$ 771.8</u>	<u>\$ (12.8)</u>

**Community College District No. 508
Management's Discussion and Analysis**

Non-Current Liabilities

Total non-current liabilities decreased by \$14.6 million mainly due to decreases in sick leave benefits, other post-employment benefits, bonds payable, accrued property tax refunds, subscription-based liabilities and lease obligations. These decreases were offset by increases in accrued compensated absences and workers' compensation. See Note 12 for more detailed information regarding long-term debt activity.

**Table 6
Non-Current Liabilities
(in millions of dollars)**

	2025	2024	Change
Accrued compensated absences	\$ 5.7	\$ 4.5	\$ 1.2
Accrued property tax refunds	15.5	18.9	(3.4)
Sick leave benefits	2.5	2.6	(0.1)
Other post-employment benefits	50.2	54.9	(4.7)
Workers' compensation	1.6	1.4	0.2
Bonds payable, net of premiums & discounts	289.1	291.5	(2.4)
Subscription-based liabilities	4.6	5.4	(0.8)
Lease obligations	13.1	14.7	(1.6)
Sub-total	382.3	393.9	(11.6)
Less current portion	(8.7)	(5.7)	(3.0)
Total non-current liabilities	<u>\$ 373.6</u>	<u>\$ 388.2</u>	<u>\$ (14.6)</u>

Requests for Information

This financial report is designed to provide a general overview of City Colleges' finances. Questions concerning the report or requests for additional information should be addressed to the Chief Financial Officer, City Colleges of Chicago, 180 N. Wabash, Suite 200, Chicago, IL 60601.

Basic Financial Statements

City Colleges of Chicago
Community College District No. 508
Statement of Net Position
June 30, 2025

Assets

Current assets:

Cash and cash equivalents	\$ 7,595,987
Short-term investments	19,602,554
Property tax receivable, net	77,921,782
Personal property replacement tax receivable	3,195,335
Other accounts receivable, net	31,542,218
Prepaid items and other assets	8,479,538

Total current assets	148,337,414
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Non-current assets:

Restricted cash	22,315,443
Funds held by others - restricted	5,019,542
Long-term investments	30,600,439
Capital assets not being depreciated	82,815,806
Capital assets being depreciated, net	676,228,000

Total non-current assets	816,979,230
--------------------------	-------------

Total assets	965,316,644
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Deferred outflows of resources

Deferred outflows related to other post-employment benefits	6,130,854
Deferred outflows related to pensions	1,569,170

Total deferred outflows of resources	7,700,024
--------------------------------------	-----------

Liabilities

Current liabilities:

Accounts payable	15,932,195
Accrued payroll	19,402,102
Other accruals	1,813,240
Unearned tuition and fees revenue	7,793,499
Unearned grant revenue	13,794,641
Other liabilities	4,058,113
Current portion of non-current liabilities	8,659,569

Total current liabilities	71,453,359
---------------------------	------------

Non-current liabilities:

Accrued compensated absences	5,706,090
Accrued property tax refunds	15,536,168
Sick leave benefits	2,464,432
Other post-employment benefits	50,181,168
Workers' compensation	1,603,942
Bonds payable, net of premiums and discounts	289,082,340
Subscription-based liabilities	4,624,225
Lease obligations	9,251,245
Other non-current liabilities	3,848,425
Less current portion of non-current liabilities	(8,659,569)

Total non-current liabilities	373,638,466
-------------------------------	-------------

Total liabilities	445,091,825
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Deferred inflows of resources

Deferred inflows related to other post-employment benefits	6,736,527
Deferred inflows related to property tax revenue	79,125,776
Deferred inflows related to bond refunding	600,510

Total deferred inflows of resources	86,462,813
-------------------------------------	------------

Net position

Net investment in capital assets	454,018,631
----------------------------------	-------------

Restricted for specific purposes:

Audit	122,529
Trust and Agency	910,529
Unrestricted	(13,589,659)

Total net position	\$ 441,462,030
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The accompanying notes are an integral part of these basic financial statements.

City Colleges of Chicago
Community College District No. 508
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended June 30, 2025

Revenues

Operating revenues:

Student tuition and fees:	
Resident tuition	\$ 86,396,129
Nonresident tuition	7,596,656
Fees	2,228,792
Less: Scholarship allowances	(62,147,783)
Net student tuition and fees	34,073,794
Other operating revenues	2,857,355
Total operating revenues	<u>36,931,149</u>

Expenses

Operating expenses:

Instructional salaries	115,735,013
Non-instructional salaries	160,635,383
Fringe benefits	152,971,697
Supplies	30,301,916
Professional development	1,699,609
Utilities	10,400,085
Contractual services	27,851,595
Depreciation and amortization	32,787,831
Financial aid, exclusive of scholarship allowances	59,210,167
Other expenses	6,734,444
Total operating expenses	<u>598,327,740</u>
Operating loss	<u>(561,396,591)</u>

Non-operating revenues (expenses):

State apportionment and equalization	49,354,755
Other state grants and contracts	140,770,793
Local grants and contracts	12,944,604
Local property taxes	169,739,413
Personal property replacement tax	18,529,912
Federal grants and contracts	97,060,654
Litigation settlement	617,446
Investment income	6,561,553
Interest payments on debt	(10,913,106)
Other non-operating revenue (expenses)	2,029,708
Total non-operating revenues (expenses)	<u>486,695,732</u>
Decrease in net position before capital appropriations	(74,700,859)
Capital appropriations	1,890,752
Change in net position	(72,810,107)
Net position, beginning of year	514,272,137
Net position, end of year	<u><u>\$ 441,462,030</u></u>

The accompanying notes are an integral part of these basic financial statements.

**City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows
Fiscal Year Ended June 30, 2025**

Cash flows from operating activities

Tuition and fees	\$ 36,625,350
Payments to suppliers	(137,910,816)
Payments to employees	(273,600,944)
Payments to students	(59,210,167)
Other operating receipts	2,857,355
Net cash used in operating activities	<u>(431,239,222)</u>

Cash flows from noncapital financing activities

Local property taxes	169,021,868
State apportionment, grants and contracts	88,010,806
Personal property replacement tax	20,014,635
Federal grants and contracts	115,869,904
Other non-operating receipts	584,835
Net cash provided by noncapital financing activities	<u>393,502,048</u>

Cash flows from capital and related financing activities

Purchases of capital assets	(14,827,088)
Principal paid on debt	(115,000)
Leases & SBITA obligations	(4,309,925)
Interest paid on debt	(13,213,574)
Net cash used in capital and related financing activities	<u>(32,465,587)</u>

Cash flows from investing activities

Proceeds from sales and maturities of investments	99,553,205
Purchases of investments	(34,705,157)
Interest on investments	6,746,616
Net cash provided by investing activities	<u>71,594,664</u>

Net increase in cash and cash equivalents	1,391,903
Cash and cash equivalents at beginning of year	28,519,527
Cash and cash equivalents at end of year	<u>\$ 29,911,430</u>

Cash and cash equivalents	\$ 7,595,987
Restricted cash	22,315,443
	<u>\$ 29,911,430</u>

The accompanying notes are an integral part of these basic financial statements.

City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows (Continued)
Fiscal Year Ended June 30, 2025

**Reconciliation of operating loss to net cash
used in operating activities**

Operating loss	\$ (561,396,591)
Reconciling adjustments:	
Depreciation and amortization	32,787,831
State pension that is associated with the College	102,114,742
Decrease in allowance for uncollectible receivables	775,621
Changes in assets and liabilities:	
Receivables	721,180
Prepaid items and other assets	(1,289,729)
Accounts payable	(6,958,272)
Accrued payroll	3,452,933
Other accruals	(260,816)
Unearned tuition and fees revenue	869,685
Other liabilities	(2,581,645)
Accrued compensated absences	1,165,191
Sick leave benefits	(97,556)
Bond refunding deferred inflows	600,510
OPEB and related deferred outflows and inflows	(1,142,306)
Net cash used in operating activities	<u><u>\$ (431,239,222)</u></u>

Non-cash investing, capital and financing activities

Decrease in fair value of investments	\$ 408,817
State of Illinois contributed capital assets	1,890,752
Capital assets in accounts payable	1,328,385
Amortization of premiums and discounts on bonds payable	2,299,990
Lease obligations and subscription-based assets	1,954,004
Gain on disposal of assets	2,029,708

The accompanying notes are an integral part of these basic financial statements.

Component Unit
City Colleges of Chicago
Foundation
Financial Statements

Component Unit – City Colleges of Chicago Foundation
Statement of Financial Position
As of June 30, 2025

Assets

Cash and cash equivalents	\$ 4,450,816
Restricted cash - held for City Colleges	3,559,252
Investments	18,545,287
Contributions receivable, net	669,160
Prepaid expenses	<u>20,116</u>
Total assets	<u><u>\$ 27,244,631</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 32,852
Due to City Colleges	<u>3,559,252</u>
Total liabilities	<u>3,592,104</u>

Net Assets

Without donor restrictions	4,747,082
With donor restrictions	<u>18,905,445</u>
Total net assets	<u>23,652,527</u>

Total liabilities and net assets	<u><u>\$ 27,244,631</u></u>
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Component Unit - City Colleges of Chicago Foundation
Statement of Activities
as of June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions of cash and other financial assets	\$ 12,868	\$ 4,748,956	\$ 4,761,824
Contributions of nonfinancial assets	825,136	-	825,136
Net assets released from restrictions	8,092,855	(8,092,855)	-
Total revenues and other support	<u>8,930,859</u>	<u>(3,343,899)</u>	<u>5,586,960</u>
Other income			
Investment income, net	<u>1,528,687</u>	<u>706,780</u>	<u>2,235,467</u>
Total revenues, other support and other income	<u>10,459,546</u>	<u>(2,637,119)</u>	<u>7,822,427</u>
EXPENSES			
Program services:			
Scholarships awarded	1,957,585	-	1,957,585
Grants and other program services	442,131	-	442,131
Distributions to City Colleges of Chicago	5,842,717	-	5,842,717
Supporting services:			
Management and general	746,402	-	746,402
Fundraising	<u>215,647</u>	<u>-</u>	<u>215,647</u>
Total expenses	<u>9,204,482</u>	<u>-</u>	<u>9,204,482</u>
Change in net assets	1,255,064	(2,637,119)	(1,382,055)
Net assets, beginning of year	3,492,018	21,542,564	25,034,582
Net assets, end of year	<u>\$ 4,747,082</u>	<u>\$ 18,905,445</u>	<u>\$ 23,652,527</u>

Notes to Basic Financial Statements

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City Colleges of Chicago, Community College District No. 508 (City Colleges or District), is a separate taxing body created under the Illinois Public Community College Act of 1965 with boundaries coterminous with the City of Chicago. City Colleges delivers educational and student services through seven colleges, each of which is separately accredited by the North Central Association. The Board of Trustees, appointed by the Mayor of Chicago and ratified by the City Council, is responsible for establishing the policies and procedures by which City Colleges is governed. The City of Chicago is a related organization but is a separate fiscal reporting entity. The City Colleges of Chicago is excluded from the City of Chicago financial reports and the City of Chicago financial reports are not included as part of City Colleges' financial reports. No fiscal relationship exists between these organizations that meets the financial accountability criteria established by the Government Accounting Standards Board (GASB).

A. Reporting Entity

The accompanying financial statements include City Colleges of Chicago and its discretely presented component unit, City Colleges of Chicago Foundation (Foundation).

City Colleges follows the standards established in the Codification Section 2100: "Defining the Financial Reporting Entity". According to the GASB Codification, City Colleges is a primary government since it is fiscally independent, whereas the Foundation is a discretely presented component unit of City Colleges.

The Foundation is a legally separate not-for-profit, tax-exempt corporation, established under Internal Revenue Code Section 501(c)(3). The Foundation reports its financial results under Financial Accounting Standards Board (FASB) Accounting Standards Codification, which is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB. Financial statements for the Foundation are available at City Colleges of Chicago's website:

<http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports-.aspx>.

B. Basis of Accounting

For financial reporting purposes, City Colleges is considered a special-purpose government engaged only in business-type activities. Accordingly, City Colleges' basic 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 incurred. All significant intra-agency transactions have been eliminated.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

B. Basis of Accounting *(continued)*

Non-exchange transactions, in which City Colleges receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include 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 City Colleges must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to City Colleges on a reimbursement basis.

The accounting policies of City Colleges conform to generally accepted accounting principles accepted in the United States of America (GAAP) as applicable to colleges and universities, as well as those prescribed by the Illinois Community College Board (ICCB). City Colleges' reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

C. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and short-term investments with original maturities of three months or less from the date of purchase, except for Illinois Funds, Illinois Institutional Investor Trust and money market mutual funds, which are treated as investments.

D. Investments

Investments are reported at fair value. External investment pools are reported at net asset value based on amortized cost, which approximates fair value. Illinois Funds and Illinois Portfolio - IIIT class are external investment pools. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in the carrying value of investments, resulting in realized and unrealized gains or losses, are reported as a component of investment income in the Statement of Revenues, Expenses and Changes in Net Position.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

D. Investments *(continued)*

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term that could materially affect the amounts reported in the statement of net position and in the Statement of Revenues, Expenses and Changes in Net Position.

E. Receivables

Accounts receivable consists of property taxes, personal property replacement taxes, tuition and fee charges to students and facilities rentals provided to third parties. Accounts receivable also include amounts due from the federal government, as well as state and local governments, in connection with reimbursement of allowable expenditures made pursuant to City Colleges' grant and contract agreements. Receivables are recorded net of estimated uncollectible amounts.

F. Allowance for Uncollectible Receivables

City Colleges provides allowances for uncollectible student accounts for any outstanding receivable balances less than 365 days. Balances more than 365 days past due are written off. During fiscal year 2025, \$4.9 million of student receivables were written off.

G. Property Taxes

City Colleges' property taxes are levied each calendar year on all taxable real property located in City Colleges' district. Property taxes are collected by the Cook and DuPage County Collectors and are submitted to each county's respective treasurer, who remits to the units their respective shares of the collections. Cook County taxes levied in one year become generally due and payable in two installments on March 1 and typically September 1 of the following year. The first installment is an estimated bill and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment, and equalization. Any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following levy year. DuPage County, which represents 1/100 of one percent of the total levy, follows a similar practice to Cook County. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

G. Property Taxes *(continued)*

Taxes are levied on all taxable real property located in the district for educational purposes, operations and maintenance purposes, financial auditing purposes and liability protection and settlement. The tax levies for City Colleges for educational, operations and maintenance, and financial auditing purposes are limited by Illinois statute to 0.175%, 0.05%, and 0.005%, respectively, of the equalized assessed valuation (EAV).

In accordance with the City Colleges' Board resolution, 50% of property taxes extended for the 2024 tax year and collected in 2025 are recorded as revenue in fiscal year 2025. The remaining revenue related to the 2024 tax year extension is deferred and will be recorded as revenue in fiscal year 2026. Based upon collection history, City Colleges recorded property taxes at 96.5% of the 2024 extended levy and has an allowance of \$2.9 million on June 30, 2025.

H. Personal Property Replacement Tax Revenue

Personal property replacement taxes are recognized as revenue when these amounts are collected by the State of Illinois for distribution.

I. Prepaid Items and Other Assets

Prepaid expenses and other assets represent amounts paid as of June 30 whose recognition is postponed to a future period. Prepaid expenses consist primarily of prepayments to vendors for maintenance contracts.

J. Restricted Cash

Cash held for the purchase or construction of capital or other non-current assets is classified as non-current assets in the Statement of Net Position.

K. Capital Assets

Capital assets of City Colleges consist of land, construction in progress, buildings, improvements, computer equipment, software and other equipment. Capital assets are reported at cost at the date of acquisition or their estimated acquisition value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

K. Capital Assets *(continued)*

Major outlays for assets or improvements to assets equal to or greater than \$200,000 are capitalized as projects are constructed. These are categorized as construction work in progress until placed in service, at which time they are reclassified to the appropriate asset type.

City Colleges considers a capital asset impaired when its service utility has declined significantly and the events or changes in their circumstances are unexpected or outside the normal life cycle.

City Colleges' capitalization policy for movable property includes only items with a unit cost equal to or greater than \$25,000 and an estimated useful life greater than one year. Beginning in fiscal year 2015, City Colleges also capitalizes moveable property less than \$25,000 with an estimated useful life greater than one year if the property is for major new construction or district-wide initiatives over \$200,000. City Colleges capitalizes interest related to construction in progress on self-constructed capital assets.

Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Renovations that increase the value of the structure are depreciated according to their estimated useful life. When renovations are capitalized, a portion of the original asset renovated is retired from capital assets and accumulated depreciation using a deflated replacement cost methodology. In addition, City Colleges re-evaluates an asset's useful life when there is a change in circumstances.

City Colleges capitalizes agreements for leases and subscription-based information technology arrangement (SBITA) assets, amortizing them over the duration of the asset contracts. **(See Note 14)**

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

K. Capital Assets *(continued)*

Capital assets are depreciated beginning the first day of the following month after they are put in service using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Computer equipment	4 - 5
Software	3 - 10
Other equipment	3 - 10
Lease assets	5 - 18
Subscription-based assets	1 - 5

L. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will be recognized as an outflow of resources (expense) until that time. For City Colleges, pension payments related to federal grants and made subsequent to the pension liability measurement date are considered to be deferred outflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Deferred outflows related to OPEB are differences between expected and actual experience and changes in assumptions, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. **(See Note 7 and Note 11)**

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will be recognized as an inflow of resources (revenue) until that time. Deferred inflows include bond refunding and property tax revenues, which are intended to finance the subsequent fiscal year. Deferred inflows related to OPEB represent differences between expected and actual experience and changes in assumptions, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. **(See Note 11)**

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

M. Pensions and Other Postemployment Benefits

Pensions. For measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the plan's net position of the State Universities Retirement System (SURS) and additions and deductions from SURS plan net position have 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 they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

For financial reporting purposes, the State of Illinois (the State) and its public universities and community colleges are under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (City Colleges) and 1) the amount of contributions for which the nonemployer entity (the State) is legally responsible is not dependent upon one or more events unrelated to pensions and 2) the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. City Colleges recognizes its proportionate share of the State's pension expense related to its employees as non-operating revenue and pension expense, with the expense further allocated to the related function. (See Note 7)

Other Postemployment Benefits. City Colleges provides other post-employment healthcare benefits (OPEB) and life insurance to retirees and spouses. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan. (See Note 11)

N. Other Liabilities

Other liabilities include amounts due at year-end for health care, dental, vision, unclaimed property and other third-party vendors.

O. Non-Current Liabilities

Non-current liabilities include estimated amounts for accrued compensated absences, sick leave benefits (payments to eligible retirees for accumulated unused sick days), other post-employment benefits, workers' compensation claims, bonds payable, lease obligations and subscription-based arrangements net of the current portion representing the amount to be paid within the next fiscal year.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

P. Premiums, Discounts, and Issuance Costs

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium and discount. Bond issuance costs are expensed at the time the debt is issued.

Q. Accrued Property Tax Refunds

Accrued property tax refunds are included in non-current liabilities. These are estimates of property taxes that may be refunded to taxpayers in the future.

R. Unearned Revenue

Amounts received for tuition and fees, certain auxiliary activities and grants and contracts that have not yet been earned are classified as unearned revenue within current liabilities.

S. Net Position

City Colleges' net position is classified as follows:

Net Investment in Capital Assets - Net investment in capital assets represents City Colleges' total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets plus unspent bond proceeds net of any related deferred outflows or inflows.

Restricted for Specific Purposes - Restricted net position includes assets that City Colleges is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or through enabling legislation. On June 30, 2025, City Colleges had a portion of its net position restricted for audit and trust and agency.

Unrestricted - Unrestricted net position represents 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 City Colleges and may be used at the discretion of the governing board to meet current expenses for any purpose.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

S. Net Position *(Continued)*

When both restricted and unrestricted resources are available for use, it is City Colleges' policy to use restricted resources first and then use unrestricted resources when they are needed.

T. Classification of Revenues and Expenses

City Colleges has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating Revenue and Expenses - Operating revenue and expenses include activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship allowances, (2) sales and services of educational departments and auxiliary enterprises, (3) salaries and benefits and (4) materials and supplies.

Non-Operating Revenue and Expenses - Non-operating revenue and expenses includes 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, (4) gifts and contributions, (5) income from investments and (6) interest on debt.

U. Tuition and Fees

Tuition and fees include all such items charged to students for educational and service purposes. Tuition-related waivers, scholarships, and other financial aid (excluding direct loans) are reported as contra revenue to tuition revenue. Scholarships that are paid to students are recorded as financial aid expense under operating expenses. Tuition and fees revenue are recognized when the educational services are performed.

V. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates and assumptions.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

W. Measurement of Leases and Subscription-Based Information Technology Arrangements

Leases. For leases that have a maximum possible term of 12 months or less at commencement, City Colleges recognizes expenses based on the provisions of the lease contract.

For all other leases, City Colleges recognizes a lease liability and an intangible right-to-use asset. At lease commencement, City Colleges initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. The lease asset is measured by lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

City Colleges uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. The incremental borrowing rate for leases is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the lease payment under similar terms at the commencement or remeasurement date.

The lease term includes non-cancelable periods of the lease plus any additional periods covered by either City Colleges' or the vendor's option to extend or terminate, if it is reasonably certain that either City Colleges or the vendor will exercise the option to extend or will not exercise the option to terminate. Periods in which both City Colleges and the lessor have a unilateral option to terminate without permission from the other party are cancelable periods and are excluded from the lease term.

Lease payments included in the measurement of lease liability include those payments that are reasonably certain of being made. **(See Note 14)**

Subscription-Based. For subscription agreements that have a maximum possible term of 12 months or less at commencement, City Colleges recognizes expenses based on the provisions of the subscription agreement.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

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

W. Measurement of Leases and Subscription-Based Information Technology Arrangements *(continued)*

For all other subscription-based agreements, City Colleges recognizes a subscription-based liability and an intangible right-to-use subscription asset. City Colleges recognizes subscription agreements that allow City Colleges the right to control another party's IT software, alone or in combination with tangible capital assets.

At agreement commencement, City Colleges initially measures the subscription liability at the present value of all payments expected to be made during the subscription term using the current discount rate. City Colleges uses its estimated incremental borrowing rate as the discount rate. The incremental borrowing rate for subscription-based agreements is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the subscription payment under similar terms at the commencement or remeasurement date. The subscription liability is reduced by the principal portion of payments made to the vendor. The subscription asset is amortized into amortization expense on a straight-line basis over the subscription term.

The subscription term includes non-cancelable periods to use third-party vendor information technology software plus any additional periods covered by either City Colleges' or the vendor's option to extend or terminate, if it is reasonably certain that either City Colleges or the vendor will exercise the option to extend or will not exercise the option to terminate. Periods for which both City Colleges and the SBITA vendor have a unilateral option to terminate without permission from the other party are cancelable periods and are excluded from the subscription term.

Preliminary project costs and training costs are expensed as incurred. Initial implementation costs are capitalized but are excluded from the present value calculation of the subscription asset. Operation and additional implementation costs that occur after putting the IT software in place are expensed as incurred. **(See Note 14)**

X. Pending Accounting Standards

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for City Colleges beginning with its year-end June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability by improving certain application issues related to Management's Discussion and Analysis, Unusual or Infrequent Items and the presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, as applicable.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. Pending Accounting Standards (Continues)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for City Colleges beginning with its year-end June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets as an enhancement to GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*. These include assets recognized in accordance with:

- GASB Statement No. 87, *Leases*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Management has not yet completed its evaluation of the impact of the provisions of these standards on its financial statements.

Y. Recently Adopted Accounting Pronouncements

Effective July 1, 2024, City Colleges adopted the provisions of GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Adoption of this accounting pronouncement did not have a material effect on City Colleges' financial statements.

Effective July 1, 2024, City Colleges adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to City Colleges' financial condition. Adoption of this accounting pronouncement had no effect on City Colleges' financial statements.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

2. DEPOSITS AND INVESTMENTS

The Treasurer or Chief Financial Officer may invest restricted and unrestricted funds pursuant to the Illinois Public Funds Investment Act. Investments may include current operating funds, special funds, interest and sinking funds, and other funds belonging to or in the custody of the Board, in the following types of securities, provided that: (i) such securities shall achieve the objectives described in Section 2 of these guidelines and; (ii) that such securities shall mature or be redeemable on the date or dates prior to the time when in the judgment of the Treasurer or Chief Financial Officer, the funds so invested will be required for expenditures by the Board. Securities shall generally be purchased with the intention that they will be held to maturity to minimize interest rate risk.

The investment portfolio will be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution or maturities.

In accordance with City Colleges' investment policy, funds may be invested in the following types of securities within certain limitations: (a) securities backed by the full faith and credit of the United States, (b) United States or its agencies' government securities, (c) bank certificates of deposit, (d) short-term obligations of corporations organized in the United States, (e) money market mutual funds, when they are invested in securities noted in items (a) and (b) above, (f) obligations of agencies created by an Act of Congress, (g) savings and loan securities, (h) certain credit unions if specifically authorized by the Board of Trustees and fully secured, (i) the Illinois Funds (Money Market and Prime), (j) repurchase agreements, (k) municipal bonds, and (l) short-term bond funds that invest primarily in corporate investment grade bonds. It is the policy of City Colleges to invest its funds in a manner that will provide for the preservation of capital, meet cash flow demands, provide for yields consistent with the market, and conform to all state and local statutes governing the investment of the public funds, using the "prudent person" standard for managing the overall portfolio.

Prohibitions

Investments in the following securities are prohibited: reverse repurchase agreements, inverse floaters, derivative products, such as interest-only securities (IOs), principal-only securities (POs) and other securities that could impart leverage to the portfolio or have highly unpredictable cash flows.

The primary objective of the policy is the protection of investment principal, liquidity, and yield within statutory constraints. This policy applies to all restricted and unrestricted funds, including operating funds, special funds, interest and sinking funds and other funds belonging to or in the custody of the Board.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

2. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk – with regard to deposits with financial institutions, custodial credit risk is the risk that, in the event of bank failure, City Colleges’ deposits may not be returned. City Colleges’ investment policy requires that investments made in excess of any applicable deposit insurance be secured by a corporate surety bond written by a surety company authorized to do business in the State of Illinois that is rated at least AA by S&P Global Ratings (S&P) or Aa3 by Moody’s, or by an undertaking from the depository supported by a pledge of securities having a fair value that is at all times equal to or greater than the uninsured amount on deposit. On June 30, 2025, City Colleges had deposits of over \$7.5 million in cash and \$22.3 million in restricted cash that was not exposed to custodial credit risk.

B. Investments

In accordance with its investment policy, City Colleges limits its risk tolerance based on the investment’s objective. Volatility of principal is not permitted or limited to obtain additional income or to manage the funds available for projects. Volatility of principal is defined as “selling an individual security that would cause a realization of an accounting loss on the security.” City Colleges limits its risk tolerance by primarily investing in obligations guaranteed by the United States government or securities issued by agencies of the United States government that are implicitly guaranteed by the United States government. However, City Colleges’ investment policy does not specifically limit City Colleges to these types of investments, as noted above. Illinois statutes authorize City College to invest in obligations of the U.S. Treasury and U.S. Agencies, interest-bearing savings accounts, interest-bearing time deposits, money market mutual funds registered under the Investment Company Act of 1940 (limited to U.S. Government obligations), shares issued by savings and loan associations (provided the investments are insured by the Federal Savings and Loan Insurance Corporation (FSLIC), short-term discount obligations issued by the Federal National Mortgage Association, share accounts of certain credit unions, investments in the Illinois School District Liquid Asset Fund, and certain repurchase agreements.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

2. DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk – as it relates to investments, custodial credit risk is the risk that in the event of the failure of the counterparty to the investment, City Colleges will not be able to recover the value of its investments held by an outside party. All City Colleges’ investment counterparties are limited to banks or trust companies authorized to do business in the State of Illinois that are member banks of the Federal Reserve System, and only to registered primary reporting dealers who are registered as broker-dealers with the Securities and Exchange Commission as required by City Colleges’ investment policy. All of City Colleges’ investments were insured or collateralized and there was no investment exposed to custodial credit risk as of June 30, 2025.

Concentration of credit risk – Investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

City Colleges’ investment policy requires the investment portfolio to be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution or maturities. More than 5 percent of City Colleges’ investments are in the Federal Home Loan Mortgage Corporation. The investment is 20.1% of the City Colleges’ total investments.

Interest Rate Risk – Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. City Colleges’ investment policy does not limit the maturities of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that City Colleges will not recover its investments due to the inability of the counterparty to fulfill its obligation. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

For obligations of corporations organized in the United States of America with assets exceeding \$500,000,000; these obligations must be rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and must mature not later than 3 years from the date of purchase. The Board’s investment in the short-term obligations of a single issuer shall not exceed 10% of that corporation’s outstanding obligations. U.S. dollar denominated corporate obligations of domestic issuers must be rated at the highest short-term rating category (A-1/P-1 or equivalent) or be rated at one of the three highest long-term rating categories (A-/A3 or equivalent) by at least two of the following standard rating services: Standard and Poor’s (S&P), Moody’s and Fitch Ratings.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

2. DEPOSITS AND INVESTMENTS *(Continued)*

The various types of interest-bearing savings accounts, certificates of deposit, time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, are insured by the Federal Deposit Insurance Corporation ("FDIC").

Investments made in excess of any applicable deposit insurance, including uninsured accounts in financial institutions in which multiple accounts are maintained, shall be secured by a corporate surety bond written by a surety company authorized to do business in the State of Illinois that is rated at least AA- by S&P or Aa3 by Moody's, or by an undertaking from the depository supported by a pledge of securities having a market value of 102% or greater than the uninsured amount on deposit or by a Federal Home Loan Bank ("FHLB") Letter of Credit ("LOC") rated AA- by Standard and Poor's or Aa3 by Moody's.

City Colleges' securities held as of June 30, 2025, are all investment grade according to S&P, Moody's, and Fitch Ratings:

Investment Type	Security Ratings		
	S&P	Moody's	Fitch Ratings
U.S. Treasury Bond/Note	AA+	Aa1	AA+
Federal Agency Mortgage-Backed Security	AA+	Aa1	AA+
Federal Agency Commercial Mortgage - Backed Security	AA+	Aa1	AA+
Federal Agency Collateralized Mortgage Obligation	AA+	Aa1	AA+
Federal Agency Mortgage-Backed Security Pass Through	AA+	Aa1	AA+
Municipal Bond/Note	A+ or Higher	A1 or Higher	A+ or Higher
Certificate of Deposit	A-1	P-1	F1+

The Commercial Paper was rated at least A-1 by S&P and P-1 by Moody's or F1 by Fitch Ratings. U.S. dollar denominated corporate note of domestic issuers were rated at least BBB+ by S&P and A3 by Moody's or A- by Fitch Ratings.

City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025

2. DEPOSITS AND INVESTMENTS *(Continued)*

The State Treasurer maintains the Illinois Funds at net asset value based on amortized cost, which approximates fair value, through daily adjustments in the interest earnings. The pool meets all the criteria in GASB No. 79, *Certain External Investment Pools and Pool Participants*, paragraph 4, which allows the reporting of its investment at amortized cost. The State Treasurer also maintains the average duration of the pool at less than 25 days. The value of City Colleges' investment in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. All funds deposited in the pool are classified as investments, even though some could be withdrawn on a day's notice. There are no limitations or restrictions on withdrawals from the pool. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235. The Illinois Funds are rated AAmmf by Fitch Ratings.

The Illinois Trust measures the Illinois Portfolio, IIIT Class at net asset value based on amortized cost, which approximates fair value. The pool does meet all the criteria in GASB No. 79 paragraph 4, which allows the reporting of its investments at amortized cost. The Illinois Trust also maintains a weighted average maturity of 60 days or less. The value of City Colleges' investments in the funds is the same as the value of the pool shares. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. All funds deposited in the pool are classified as investments, even though some could be withdrawn on a day's notice. There are no limitations or restrictions on withdrawals from the pool. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235. The Illinois Portfolio, IIIT class is rated AAAM by S&P.

The carrying amount of investments on June 30, 2025, is shown below:

Investment Type	June 30, 2025 Carrying Value	Investment Maturities (in years)	
		Less Than 1	1 - 5
U.S. Treasury Bond / Note	\$ 10,902,470	\$ 2,721,297	\$ 8,181,174
Federal Agency Mortgage-Backed Security	859,596	-	859,596
Federal Agency Commercial Mortgage-Backed Security	10,203,465	1,012,495	9,190,970
Federal Agency Collateralized Mortgage Obligation	361,162	-	361,162
Federal Agency Mortgage-Backed Security Pass Through	270,277	-	270,277
Certificate of Deposit	949,688	949,688	-
Corporate Note	10,612,774	1,031,524	9,581,250
Commercial Paper	9,035,909	9,035,909	-
Municipal Bond/Note	2,784,504	628,493	2,156,010
Illinois Portfolio, IIIT Class	4,169,500	4,169,500	-
Illinois Funds LGIP/5000	53,648	53,648	-
Total investments	\$ 50,202,993	\$ 19,602,554	\$ 30,600,439

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

2. DEPOSITS AND INVESTMENTS (Continued)

GASB Statement No. 72, *Fair Value Measurement and Application*, provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

City Colleges of Chicago categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation input 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, which include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs.
- Level 3 inputs are significant unobservable inputs.

The carrying amount of investments and fair value hierarchy on June 30, 2025, is as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value	June 30, 2025			
Debt securities				
U.S. Treasury Bond/Note	\$ 10,902,470	\$ 10,902,470	\$ -	\$ -
Federal Agency Mortgage-Backed Security	859,596	-	859,596	-
Federal Agency Commercial Mortgage-Backed Security	10,203,465	-	10,203,465	-
Federal Agency Collateralized Mortgage Obligation	361,162	-	361,162	-
Federal Agency Mortgage-Backed Security Pass Through	270,277	-	270,277	-
Corporate Note	10,612,774	-	10,612,774	-
Commercial Paper	9,035,909	-	9,035,909	-
Municipal Bonds/Notes	2,784,504	-	2,784,504	-
Total investments by fair value	<u>\$ 45,030,157</u>	<u>\$ 10,902,470</u>	<u>\$ 34,127,687</u>	<u>\$ -</u>
Investments not measured at fair value				
Illinois Portfolio, IIIT Class	\$ 4,169,500			
Illinois Funds LGIP/5000	53,648			
Certificate of Deposit	949,688			
Total investments at net asset value	<u>5,172,836</u>			
Total investments	<u><u>\$ 50,202,993</u></u>			

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. City Colleges of Chicago does not have Level 3 investments.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

3. OTHER ACCOUNTS RECEIVABLE

City Colleges' other accounts receivable consists of the following:

	2025
Student	\$ 11,095,394
Grants	19,006,057
Leases and other	5,341,391
Gross other accounts receivable	35,442,842
Less: Allowance for uncollectible	(3,900,624)
Current portion of other receivable, net	<u>\$ 31,542,218</u>

4. CAPITAL ASSETS

	July 1, 2024	Additions and Transfers In	Retirements and Transfers Out	June 30, 2025
Capital assets not being depreciated:				
Land	\$ 51,376,464	\$ -	\$ -	\$ 51,376,464
Construction in progress	24,359,260	16,846,459	(9,766,377)	31,439,342
Subtotal	<u>\$ 75,735,724</u>	<u>\$ 16,846,459</u>	<u>\$ (9,766,377)</u>	<u>\$ 82,815,806</u>
Capital assets being depreciated:				
Leases*				
Buildings	\$ 10,078,754	\$ -	\$ -	\$ 10,078,754
Equipment	1,452,375	-	-	1,452,375
Subscription-based assets*	8,086,235	1,954,004	(1,094,301)	8,945,938
Equipment	66,442,871	1,690,932	-	68,133,803
Software	51,771,424	792,285	-	52,563,709
Buildings and improvements	1,114,554,360	8,670,219	(3,406,185)	1,119,818,394
Subtotal	<u>1,252,386,019</u>	<u>13,107,440</u>	<u>(4,500,486)</u>	<u>1,260,992,973</u>
Total capital assets	<u>\$ 1,328,121,743</u>	<u>\$ 29,953,899</u>	<u>\$ (14,266,863)</u>	<u>\$ 1,343,808,779</u>
Accumulated depreciation and amortization				
Leases*				
Buildings	\$ 2,187,936	\$ 687,392	\$ -	\$ 2,875,328
Equipment	24,206	290,475	-	314,681
Subscription-based assets*	2,770,016	2,584,439	(1,094,301)	4,260,154
Equipment	63,074,718	1,400,378	-	64,475,096
Software	48,098,510	1,409,647	-	49,508,157
Buildings and improvements	440,134,949	26,415,499	(3,218,891)	463,331,557
Total accumulated depreciation and amortization	<u>556,290,335</u>	<u>32,787,830</u>	<u>(4,313,192)</u>	<u>584,764,973</u>
Capital assets, net	<u>\$ 771,831,408</u>	<u>\$ (2,833,931)</u>	<u>\$ (9,953,671)</u>	<u>\$ 759,043,806</u>

* See Note 14 for leases and subscription-based information technology arrangements

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

5. NET POSITION

City Colleges' net position includes restricted and unrestricted resources (including \$56 million of working cash fund). Unrestricted resources may be used at the discretion of the governing board to meet current expenses for any purpose. This qualifies as a stabilization arrangement, which is a formal arrangement set aside by the District to maintain amounts for budget stabilization or working capital needs. These funds may be spent through a transfer, an abolishment, or an abatement of amounts needed by the District. Amounts can be added to the working cash balance through replenishment, the issuance of bonds, or the levy of property taxes.

6. OTHER ACCRUALS AND OTHER LIABILITIES

City Colleges' other accruals and other liabilities consist of the following as of June 30, 2025:

	<u>2025</u>
Other accruals	
Accrued interest	\$ 1,100,892
Other accruals	712,348
Total other accruals	<u>\$ 1,813,240</u>
 Other liabilities	
Self-insurance	\$ 3,281,122
Unclaimed property	7,930
ICCB	59,830
Other	709,231
Total other liabilities	<u>\$ 4,058,113</u>

7. EMPLOYEE RETIREMENT PENSION PLAN

Plan Description – City Colleges contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan (Plan) with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established on July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Annual Comprehensive Financial Report as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org.

City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025

7. EMPLOYEE RETIREMENT 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 who 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 reciprocal system service. 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 whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2024, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions - The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS 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 that are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer’s normal cost for fiscal year 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% of employee payroll. Contributions for fiscal years 2024 and 2025 were \$1,857,392 and \$1,569,170, respectively. The normal cost is equal to the value of the 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 8.0% of the annual covered salary, except for police officers and firefighters, who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State’s 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), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor). City Colleges accrued \$8,407 for the liability due to earnings that exceed the Governor’s salary.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

7. EMPLOYEE RETIREMENT PENSION PLAN (Continued)

For 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-employer 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.

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

Net Pension Liability - The net pension liability (NPL) was measured as of June 30, 2024. As of June 30, 2024, the collective NPL was \$30,230,907,727.

Employer Proportionate Share of Net Pension Liability – The amount of the proportionate share of the NPL to be recognized for City Colleges is \$0. The proportionate share of the State's NPL associated with City Colleges is \$1,522,905,859 or 5.0376%. City Colleges' proportionate share changed by 0.1027% from 4.9349% since the last measurement date on June 30, 2023. This amount is not recognized in City Colleges' financial statements. The NPL and total pension liability as of June 30, 2024, were determined based on the June 30, 2023, actuarial valuation rolled forward to the measurement date. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to the SURS defined benefit plan during fiscal year 2023.

Pension Expense - For the year ending June 30, 2024, collective net pension expense was \$1,996,285,670.

Employer Proportionate Share of Pension Expense - The employer proportionate share of the State's pension expense that is associated with City Colleges of Chicago is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share is the actual reported pensionable contributions made to the SURS defined benefit plan during fiscal year 2024. As a result, City Colleges recognized revenue and pension expense of \$102,114,742 from this special funding situation during the year ended June 30, 2025. On the statement of revenues, expenses and changes in net position, the revenue is reflected in other state grants and contracts and the pension expense is reflected in fringe benefits.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Deferred Outflows and Deferred Inflows of Resources Related to Pensions - Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of a net position that is applicable to future reporting periods.

Collective Deferred Outflows and Deferred Inflows of Resources by Sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 305,114,071	\$ -
Changes in assumptions	483,809,428	-
Net difference between projected and actual earnings on pension plan investments	-	27,577,324
Total	<u>\$ 788,923,499</u>	<u>\$ 27,577,324</u>

Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses are as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2025	\$ 126,531,380
2026	756,545,086
2027	(49,545,529)
2028	(72,184,762)
Thereafter	-
Total	<u>\$ 761,346,175</u>

City Colleges of Chicago's Deferral of Fiscal Year 2025 Contributions – The City Colleges of Chicago paid \$1,569,170 in federal, trust or grant contributions to the SURS defined benefit pension plan during the year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024, and are recognized as deferred outflows of resources as of June 30, 2025, on the statement of net position.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

7. EMPLOYEE RETIREMENT PENSION PLAN (Continued)

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024, valuation was based on the results of an actuarial experience study for the period from June 30, 2020, through June 30, 2023. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.15 to 15.00 percent, including inflation
Investment rate of return	6.50 percent

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

There were assumption changes for the June 30, 2024 valuation due to the Public Act 103-0548, effective August 11, 2023. Changes were made to the calculation of service time and eliminated the part-time adjustment for participants on or after September 1, 2024. Additionally, the inflation rate and salary increases also changed.

The long-term expected rate of return on pension plan investments (6.50%) 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 consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36.0 %	7.13 %
Stabilized Growth		
Core Real Assets	8.0	5.06
Public Credit Fixed Income	6.5	4.10
Private Credit	2.5	7.36
Non-Traditional Growth		
Private Equity	11.0	10.92
Non-Core Real Assets	4.0	9.09
Inflation Sensitive		
U.S. TIPS	5.0	2.12
Principal Protection		
Core Fixed Income	10.0	1.34
Crisis Risk Offset		
Systematic Trend Following	10.0	2.90
Alternative Risk Premia	3.0	2.62
Long Duration	2.0	2.84
Long Volatility/Tail Risk	2.0	(1.22)
Total	100.0 %	5.63 %
Inflation		2.80
Expected arithmetic return		8.43 %

Discount Rate - A single discount rate of 6.35% (a decrease of 0.02% from fiscal year 2024) was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.97% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2024). The projection of cash flows used to determine this single discount rate was the amounts of contributions attributable to current plan members, assuming 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 SURS 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.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.35%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.35%	6.35%	7.35%
\$36,700,168,358	\$30,230,907,727	\$24,839,790,537

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in the SURS Annual Comprehensive Financial Report by accessing the website at www.SURS.org.

8. CHANGES IN NON-CURRENT LIABILITIES

Changes in non-current liabilities for the year ended June 30, 2025, are as follows:

	July 1, 2024	Additions	Reductions/ Adjustments	June 30, 2025	Amounts due within one year
Accrued compensated absences	\$ 4,540,899	\$ 10,002,975	\$ (8,837,784)	\$ 5,706,090	\$ 1,460,781
Sick leave benefits	2,561,988	81,320	(178,876)	2,464,432	136,076
Other post-retirement benefits	54,896,086	-	(4,714,918)	50,181,168	2,323,433
Bonds payable	264,520,000	-	(115,000)	264,405,000	120,000
Bonds premiums and discounts	26,977,330	-	(2,299,990)	24,677,340	-
Workers' compensation	1,431,030	472,640	(299,728)	1,603,942	535,391
Accrued property tax refund	18,965,040	3,746,832	(7,175,704)	15,536,168	-
Subscription-based liabilities	5,364,905	1,707,276	(2,447,956)	4,624,225	2,394,000
Lease obligations	10,029,919	-	(778,674)	9,251,245	828,225
Other	4,684,992	-	(836,567)	3,848,425	861,663
	<u>\$ 393,972,189</u>	<u>\$ 16,011,043</u>	<u>\$ (27,685,197)</u>	<u>\$ 382,298,035</u>	<u>\$ 8,659,569</u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

9. ACCRUED COMPENSATED ABSENCES

Administrators and full time, non-bargained for employees accrue and accumulate paid vacation days based upon their years of service and cannot accrue in excess of maximum number of vacation days as set forth in the policy. Bargained-for employees receive paid leave days in accordance with their applicable collective bargaining agreements.

Accrued compensated absences are recognized when leave (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Unless otherwise specified by a collective bargaining agreement, leave earned in the current fiscal year is considered used for unused leave earned in the prior fiscal year (last in first out, LIFO method).

Compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees (e.g., jury duty) are recognized as a liability when the leave commences. Holiday leave is recognized when the leave is taken. The liability for leave that has been used, but not yet taken has been recognized in accrued payroll. The liability for leave that has not been used is recognized in accrued compensated absences.

A. Vacation

Accumulated unused vacation leave banks will be paid out upon termination of employment. On June 30, 2025, City Colleges recorded a liability of \$5,706,090 for compensated absences and estimated that \$1,460,781 of these liabilities is current and due within one year.

(See Note 8)

B. Sick Leave

The compensated absences for the sick leave policies were reviewed. It was determined with the adoption of GASB No. 101, *Compensated Absences*, did not result in an additional liability.

10. SICK LEAVE BENEFITS

Upon the retirement, permanent disability, or death of a full-time eligible employee, it is the policy of City Colleges to pay over a three-to-five-year period an amount equal to a percentage of the individual's accumulated unused sick days in the form of a benefit. Eligible employees include administrative and non-bargained-for employees, if hired prior to January 1, 2012, and certain union-represented employees pursuant to their respective collective bargaining agreements, who have served continuously for 10 years or more and are eligible for an annuity under the State University Retirement System (SURS), generally at age 55. The method of calculating the value of an eligible employee's benefit liability uses the actual sick leave balances at 80% multiplied by the current daily rates. Some benefit payments are made 60 days after retirement.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

10. SICK LEAVE BENEFITS (Continued)

On June 30, 2025, City Colleges accrued \$2,406,822 for the value of these future benefits for current eligible employees and \$57,610 in benefits payable to inactive (retired) employees for a total of \$2,464,432. (See Note 8)

11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description: In addition to providing the pension benefits described in Note 8, City Colleges provides other post-employment healthcare benefits (OPEB) and life insurance to retirees and their spouses. The benefits, benefit levels, employee contributions and employer contributions are governed by City Colleges and can be amended by City Colleges through its personnel manual and union contracts. The plan is a single employer defined benefit plan. An irrevocable trust has not been established to account for the plan, so the plan is not accounted for as a trust fund and does not issue a separate report.

Benefits Provided: City Colleges pays approximately 85% of the medical and life insurance premiums for most retirees and spouses. For other retirees, City Colleges pays a portion of the medical premium. To be eligible for benefits, an employee must qualify for retirement under SURS. It is expected that all full-time active employees who retire directly from City Colleges and meet the eligibility criteria will participate.

Effective October 5, 2017, City Colleges eliminated the other post-employment benefits for new administrators and non-bargained-for employees not covered by a collective bargaining agreement. Effective July 1, 2023, for Local 1708 and effective July 16, 2022, for Local 1600 the subsidy period for these collective bargaining units will end at 1) ten (10) years after retirement, or 2) until the employee is eligible for Medicare, whichever occurs first, provided that health insurance coverage(s) shall be reduced to the extent that Medicare or comparable benefits are otherwise available to the early retiree.

Membership: As of July 1, 2023, consists of:

Retirees currently receiving benefits	559
Spouses of retirees	157
Active employees	<u>1,525</u>
Total	<u><u>2,241</u></u>
Participating Employers	1

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

11. OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Funding Policy: Currently, City Colleges provides subsidized coverage for the medical, dental and vision insurance for a period of 10 years from the employee's retirement date. Retired employees are covered for life insurance for a period of six to ten years, with City Colleges paying the cost of the coverage. During the ten-year subsidy period, City Colleges pays approximately 85% of the cost of the premiums and retirees pay approximately 15% of the cost of the medical, dental and vision coverage. City Colleges' contribution is estimated and is based on premiums, retiree contributions and retirees participating in the plan in 2025. The actuarial valuation is used to determine the total actuarial accrued liability and the annual OPEB expense for the post-retirement medical and life insurance benefits provided for purposes of GASB Statement No. 75. For the fiscal year ended June 30, 2025, City Colleges contributed \$2,323,433.

The City Colleges' total OPEB liability was determined by an actuarial valuation as of July 1, 2023, and rolled forward to the measurement date of June 30, 2025.

Annual OPEB costs and the total OPEB liability are based on the calculations and parameters prescribed in GASB Statement No. 75. The Entry Age Normal actuarial cost method was used. The Actuarially Determined Contribution (ADC) expense includes interest charge on the Unfunded Actuarial Liability and the gains and losses are amortized over the "Average Service to Retirement" of 8.10 years. The amortization of gains, losses, and actuarial assumption changes is referred to as "deferred inflows and outflows". The assumptions also include data regarding demographic and mortality rates, an inflation rate of 2.60% per year, a salary rate increase of 2.60%, an interest rate assumption of 5.20% per year, and a healthcare cost trend rate assumption that starts at 4.00% to 7.50% over 52 years. Mortality rates were based on the PUB-2010 headcount-weighted for Teachers, projected fully generationally with MP-2021 ultimate scale.

OPEB Assumption changes:

	<u>2025</u>	<u>2024</u>
Valuation date	July 1, 2023	July 1, 2023
Measurement date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.60%	2.60%
Medical trend rate	4.00% - 7.50%	4.00% - 7.50%
Salary increases including inflation	2.60%	2.60%
Discount rate		
20-Year Tax Exempt Municipal Bond Yield	5.20%	3.93%
Mortality table	Employee Mortality for Teachers	Employee Mortality for Teachers
Generational projection scale	MP-2021 Ultimate	MP-2021 Ultimate

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

11. OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

This valuation also considers projections and estimates of future retiree healthcare benefits based on actuarial standards issued by the Actuarial Standards Board. In performing the actuarial valuation of the OPEB program, the actuarial assumptions for fiscal year 2025 included premium rates, payroll data, variation of healthcare costs, census data regarding participants and age factors in each plan.

Actuarial calculations of City Colleges' OPEB plan reflect a long-term perspective. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

The actuarial value of assets was not determined as City Colleges has not advance-funded its obligation. Based upon the above valuations, City Colleges' total OPEB liability is \$50,181,168 as of June 30, 2025.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2024	<u>\$ 54,896,086</u>
Changes for the Year:	
Service Cost	1,647,601
Interest	2,176,952
Change of Assumptions	(6,216,038)
Benefit Payments	<u>(2,323,433)</u>
Net Changes:	<u>(4,714,918)</u>
Balance as of June 30, 2025	<u><u>\$ 50,181,168</u></u>

Changes in the actuarial assumptions reflect the changes in the discount rate from 3.93% as of June 30, 2024, to 5.20%, an increase of 1.27% as of June 30, 2025.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

11. OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2025, City Colleges recognized OPEB expense of \$1,493,413. On June 30, 2025, City Colleges reported deferred outflows and inflows of resources related to OPEB from the following sources.

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (998,883)	\$ 637,127
Changes of assumptions	(5,737,644)	5,493,727
Total	<u>\$ (6,736,527)</u>	<u>\$ 6,130,854</u>

Amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be amortized over the average remaining service lives of the active and inactive members and will be recognized in OPEB expense as follows:

	<u>Year ended June 30</u>
2026	\$ (730,264)
2027	61,174
2028	61,174
2029	61,174
2030	61,174
Thereafter	(120,106)
Total	<u>\$ (605,674)</u>

Sensitivity of the total OPEB liability to changes in the discount rate.

The following chart presents the total OPEB liability of the plan as of June 30, 2025, calculated using the discount rate of 5.20% for a 20-year Tax Exempt Municipal Bond Yield, as well as what the total OPEB liability would be if calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current discount rate.

	<u>1% Decrease (4.20%)</u>	<u>Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
Total OPEB Liability	\$ 54,997,999	\$ 50,181,168	\$ 45,896,484

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

11. OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Sensitivity of the total OPEB liability to changes in the health care trend rate.

The following chart presents the total OPEB liability of the plan as of June 30, 2025, calculated using the current healthcare cost trend rate as well as what the total OPEB liability would be if calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 44,455,897	\$ 50,181,168	\$ 56,953,526

12. LONG-TERM DEBT

General Obligation Bonds – Series 2017: On December 11, 2017, City Colleges issued \$78,065,000 in Unlimited Tax General Obligation Bonds (Series 2017) at a net premium of \$7,330,176. The bonds were issued with interest rates ranging from 4% to 5% with payment dates of June 1 and December 1 of each year. The proceeds derived from the issuance of the bonds were to pay for (i) all or a portion of the costs of the Capital Plan, (ii) any capitalized interest on the Bonds, (iii) costs of issuance of the Bonds, including bond insurance. The Bonds are secured by the pledged revenues of tuition and fees, and state grants. Furthermore, City Colleges has levied the pledged property taxes to satisfy the debt service on the bonds if the pledged revenues are insufficient; however, based on projected receipts of pledged revenues, City Colleges anticipates that all pledged taxes will be abated on a year-by-year basis prior to such pledged taxes being extended.

The future debt service requirements for the bonds are as follows:

Fiscal Year	Principal Payment	Interest	Total
2026	\$ 120,000	\$ 3,879,450	\$ 3,999,450
2027	130,000	3,873,200	4,003,200
2028	135,000	3,866,575	4,001,575
2029	135,000	3,859,825	3,994,825
2030	145,000	3,852,825	3,997,825
2031 - 2035	845,000	19,147,925	19,992,925
2036 - 2040	1,035,000	18,948,500	19,983,500
2041 - 2045	18,250,000	18,243,250	36,493,250
2046 - 2048	57,045,000	4,371,125	61,416,125
Total	<u>\$ 77,840,000</u>	<u>\$ 80,042,675</u>	<u>\$ 157,882,675</u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

12. LONG-TERM DEBT *(Continued)*

General Obligation Bonds – Series 2024: On January 24, 2024, City Colleges issued \$186,565,000 at a net premium of \$22,303,798 in General Obligation Bonds with an average interest rate of 5.00% to advance refund \$206,555,000 of outstanding Series 2013 bonds with an average interest rate of 5.25%. The net proceeds of \$206,629,716 (after payment of \$2,239,082 in underwriting fees, insurance, and other issuance costs) plus an additional \$1,405,554 from Series 2013 bond funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2013 bonds. As a result, the Series 2013 bonds are considered to be defeased, and the liability for those refunded bonds has been removed from the long-term debt.

The advance refunding resulted in a gain on refunding which is being amortized over the remaining life of the old bonds, which has a remaining unamortized balance of \$600,510 for the year ended June 30, 2025, but City Colleges in effect reduced its aggregate debt service payment by \$27,508,529 over the next 20 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$25,534,090. Series 2013 bonds were all called on 4/23/24.

The future debt service requirements for the Bonds are as follows:

Fiscal Year	Principal Payment	Interest	Total
2026	\$ -	\$ 9,328,250	\$ 9,328,250
2027	-	9,328,250	9,328,250
2028	2,960,000	9,254,250	12,214,250
2029	7,760,000	8,986,250	16,746,250
2030	8,150,000	8,588,500	16,738,500
2031 - 2035	47,280,000	36,244,000	83,524,000
2036 - 2040	60,345,000	22,854,625	83,199,625
2041 - 2044	60,070,000	6,190,000	66,260,000
Total	\$ 186,565,000	\$ 110,774,125	\$ 297,339,125

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

12. LONG-TERM DEBT *(Continued)*

City Colleges has pledged revenues to repay its bond issues. The pledges will remain until the bonds are retired. The amount of pledges remaining as of June 30, 2025 is as follows:

<u>Debt Issue</u>	<u>Pledge Revenue Source</u>	<u>Pledge Remaining</u>	<u>Commitment End Date</u>
Series 2017	Tuition, fees and state grants	\$ 157,882,675	2048
Series 2024	Tuition, fees and state grants	297,339,125	2044
Total		<u>\$ 455,221,800</u>	

<u>Debt Issue</u>	<u>Pledge Revenue Source</u>	<u>Pledge Revenue</u>	<u>Principal and Interest Retired</u>	<u>Percentage of Revenue Pledged</u>
Series 2017	Tuition, fees and state grants	\$ 83,428,548	\$ 4,000,325	4.79%
Series 2024	Tuition, fees and state grants	\$ 83,428,548	\$ 9,328,250	11.18%

Investors who purchase municipal bonds use debt ratings as an indicator of the financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid on municipal bonds. A strong rating also promotes a wider market and more buyers of City Colleges' municipal bonds. There are several rating agencies that assign ratings to municipal debt, including debt issued by City Colleges. As of June 30, 2025, City Colleges' ratings are AA- and BBB+ by Fitch Ratings and S&P Global Ratings, respectively.

13. RISK MANAGEMENT

City Colleges is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These matters are managed by the Office of Risk Management in concert with the Office of the General Counsel and the District's insurance broker, insurance carriers and third-party claims administrator.

a. General Liability - Property Policy and Educators Legal Liability Policy

General Liability includes claims of property and non-property matters. This exposure is insured under a buffer policy and an excess policy. The underlying retention is \$250,000. Property insurance is designed to provide coverage for the District's real estate assets, boilers, machinery, and contents, as well as its vehicles. City Colleges maintains a commercial property policy with limits equal to \$500,000,000, with various sub-limits dependent upon the nature of the loss. The retention stands at \$25,000.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

13. RISK MANAGEMENT (Continued)

a. General Liability - Property Policy and Educators Legal Liability Policy (Continued)

The amount of liability of City Colleges is further limited by the Local Government and Governmental Employees Tort Immunity Act. This Act gives City Colleges the authority to levy a special judgment tax or to issue bonds to pay qualifying tort-related expenses.

The District procures an Educators Legal Liability Policy (ELL) to cover a broad range of non-bodily injury or non-property damage liability claims made against the District, administrators, employees and staff and includes a sublimit providing Directors & Officers Liability in the Policy amount of \$10,000,000 to address the actions of the Board of Trustees. Claims associated with ELL matters are managed by the Office of the General Counsel with the cooperation of the Office of Risk Management. Policy limits of \$5,000,000 in the aggregate and \$5,000,000 per occurrence apply, with a retention of \$250,000.

City Colleges follows the practice of recognizing the expenses for general liability claims in the year such settlements become probable and estimable. City Colleges has accrued funds for estimated future claims of \$1,191,000 as of June 30, 2025.

City Colleges' management believes there are no material lawsuits or claims covered by the general liability self-insurance programs that have not been adequately accrued.

b. Health Insurance

City Colleges self-insures for a portion of its health costs for eligible employees. Future claims are estimated based on historical charges and lag periods. City Colleges has accrued estimated medical expenses of \$2,090,122 as of June 30, 2025, that have been incurred but not paid.

c. Workers' Compensation

City Colleges retains a portion of workers' compensation risk and maintains an excess commercial policy for individual claims exceeding \$600,000 up to the statutory limit. City Colleges estimates future claims based on a loss development factor and a specific claim reserve. City Colleges' management believes that there are no material lawsuits or claims covered by the workers' compensation self-insurance program that have not been adequately covered. City Colleges has accrued an estimated workers' compensation liability of \$1,603,942 and estimated that \$535,391 is current and due within one year as of June 30, 2025. (See Note 8)

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

13. RISK MANAGEMENT (Continued)

The following table shows the activity within City Colleges' self-insurance liability, which is reported within other current liabilities on the statement of net position. (See Note 6)

Summary of Changes in Self-Insurance*

	June 30, 2024	Incurred Claims	Payment on Claims	June 30, 2025
General liability	\$ 854,428	\$ 1,451,128	\$ (1,114,556)	\$ 1,191,000
Health insurance	1,937,000	42,298,394	(42,145,272)	2,090,122
Workers' compensation	1,431,031	472,640	(299,729)	1,603,942
	<u>\$ 4,222,459</u>	<u>\$ 44,222,162</u>	<u>\$ (43,559,557)</u>	<u>\$ 4,885,064</u>

	June 30, 2023	Incurred Claims	Payment on Claims	June 30, 2024
General liability	\$ 1,409,559	\$ (600,131)	\$ 45,000	\$ 854,428
Health insurance	1,846,072	40,261,647	(40,170,719)	1,937,000
Workers' compensation	1,268,600	449,247	(286,816)	1,431,031
	<u>\$ 4,524,231</u>	<u>\$ 40,110,763</u>	<u>\$ (40,412,535)</u>	<u>\$ 4,222,459</u>

*Workers' compensation is also presented in Note 8.

**14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY
ARRANGEMENTS**

A. Lessor

City Colleges did not initiate any new leases as the lessor during the fiscal year, and all previous lease agreements in which City Colleges acted as the lessor have concluded.

City Colleges did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have an agreement that includes sale-leaseback and lease-leaseback transactions.

B. Lessee

City Colleges entered into a twelve-year, ten-month lease for its District Office commencing on May 1, 2018, and terminating on May 28, 2031. City Colleges has the option to renew the term of this lease for one additional period of five years, which it is reasonably certain it will exercise. Total outflows (expense) recognized during the fiscal year for payments is \$868,612. The annual interest rate charged on this lease is 4.5%.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

**14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY
ARRANGEMENTS** *(Continued)*

B. Lessee *(Continued)*

City Colleges also entered into a five-year lease for its inspector general's office beginning July 1, 2014. City Colleges renewed the contract to extend it to December 31, 2028. The total outflows (expense) recognized during the fiscal year is \$22,680. The annual interest rate charged on this lease is 3.31%.

City Colleges entered into a new five-year lease with a previous vendor. The lease started June 1, 2024, with an option to renew for two additional years. The total outflows (expense) recognized during the fiscal year is \$325,845. The annual interest rate charged on the new lease is 4.78%.

City Colleges did not incur expenses regarding its leasing activities that related to residual value guarantees or lease termination penalties. It also does not currently have an agreement that includes sale-leaseback and lease-leaseback transactions as a lessee.

Future annual lease payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 828,225	\$ 402,833	\$ 1,231,058
2027	880,128	364,850	1,244,978
2028	934,496	324,402	1,258,898
2029	957,209	277,117	1,234,326
2030	701,742	236,472	938,214
2031-2036	4,949,445	656,897	5,606,342
	<u>\$ 9,251,245</u>	<u>\$ 2,262,571</u>	<u>\$ 11,513,816</u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS *(continued)*

C. Subscription-Based Arrangements

City Colleges entered into seven new subscription-based technology arrangements during the fiscal year and renewed one existing agreement.

City Colleges has the noncancelable right to use certain third-party vendor information technology software. These subscription-based technology arrangements primarily consist of software used for student assessment and engagement, the Learning Management System, the Library and other software needs. These arrangements have terms ranging from 1 to 5 years. The principal and interest payments to maturity for subscription-based liabilities on June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,394,000	\$ 140,376	2,534,376
2027	1,611,010	51,205	1,662,215
2028	267,462	21,466	288,928
2029	230,888	10,468	241,356
2030	120,865	1,266	122,131
	<u>\$ 4,624,225</u>	<u>\$ 224,781</u>	<u>\$ 4,849,006</u>

15. TAX ABATEMENT

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. It requires the government to disclose: (1) Brief descriptive information about the agreement; (2) The gross dollar amount of taxes abated during the period; and (3) Commitments made by the government, other than to abate taxes, that are part of the tax abatement agreement.

In fiscal year 2025, City Colleges did not directly enter into any tax abatement agreements with any taxpayer.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

15. TAX ABATEMENT (Continued)

Tax Abatement Agreements Entered into by Other Governments – Cook County

Cook County provides tax reductions under numerous programs with different taxpayers. The purpose of these agreements is to encourage the development and rehabilitation of new and existing industrial and commercial property, the reutilization of abandoned property, and the increase multi-family residential affordable rental housing throughout Cook County by offering a real estate tax incentive. An eligibility application must be filed prior to commencement of a project and include a resolution from the municipality where the real estate is located. Once the project has been completed, the applicant must file an Incentive Appeal Form with the County Assessor's Office. Upon approval by the County Assessor's Office and based on the property classification, the applicant is eligible to receive one of the following tax incentives:

- Property will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year.
- Property will be assessed at 10% of market value for the first 3 years, 15% in the 4th year and 20% in the 5th year.
- Property will be assessed at 10% of the market value for 10 years from the date of completion of major rehabilitation.

Without the incentive, the property tax would be assessed at 25% of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants.

For fiscal year 2025, City Colleges estimated its portion of annual abatement of property taxes to various taxpayers under the development incentive programs approximates \$2.5 million.

16. DISCRETELY PRESENTED COMPONENT UNIT

A. Operations

City Colleges of Chicago Foundation (the "Foundation") is an Illinois not-for-profit, tax-exempt Corporation established to pursue financial support from the private sector and to promote the programs of the City Colleges of Chicago, Community College District No. 508 ("City Colleges"). The Foundation receives, administers, and distributes funds to City Colleges for various grants, scholarships, and programs. Substantially all of the Foundation's revenues and support are for the benefit of City Colleges. The Foundation is supported primarily through donor contributions and grants. The Foundation is considered a component unit of City Colleges and is discretely presented in City Colleges' financial statements.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

B. Significant Accounting Policies

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – As of June 30, 2025, cash and cash equivalents include highly liquid investments with maturities of three months or less at the date of purchase, and are stated at cost, which approximates fair value. The Foundation maintains its cash in commercial bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted Cash – Held for City Colleges — As of June 30, 2025, the Foundation has \$3,559,252 in cash and cash equivalents that is held on behalf of City Colleges. The corresponding liability is included as due to City Colleges in the statement of financial position. The amounts are to be paid to City Colleges to fund scholarships based on an agreement City Colleges has with a third party.

Investments — The Foundation’s investment policy permits the Foundation’s Board of Directors to oversee the investment of Foundation assets through the use of an internally appointed investment committee and external investment managers and custodians. The policy reflects the objectives and constraints associated with investing the Foundation’s assets. Investments are measured at fair value in the statement of financial position. Net investment return (including realized and unrealized gains and losses on investments, interest, and dividends) is reported as an increase or decrease in net assets without donor restrictions, unless such income or loss is restricted by explicit donor stipulations or by law.

Contributions – Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable at June 30, 2025, are considered fully collectible and management has determined that no allowance is necessary.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

B. Significant Accounting Policies (continued)

Contributions of Nonfinancial Assets - The Foundation receives contributed services consisting of personnel salaries and benefits (\$782,439) and other administrative expenses (\$42,697) from City Colleges. Donated accounting services are determined based on estimated hours of services provided at market rates. Other operating support is determined based on allocation of expenses based on square footage. These amounts are included as contributions of nonfinancial assets revenue in the statement of activities.

Functional Allocation of Expenses – Expenses are recognized in the period they are incurred. When an expense is identified with a specific program, fundraising, or general and management function, it will be charged directly to that category. In some circumstances, an expense will be allocated between the program services, fundraising, or general and management categories based on the specific transaction. The accounting services received consist of salaries and fringe benefits paid to City Colleges employees who estimate their percentage of time spent on Foundation duties. The other operating support includes occupancy (lease and utilities) cost which is allocated based on square footage, as well as the audit fee. These expenses are charged to the proper functional category and are presented in footnote 7 — Functional Expenses.

Basis of Presentation — The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued*)

B. Significant Accounting Policies (*continued*)

Tax Status - The Foundation is exempt from federal income tax under Internal Revenue Code Section 501(c) (3). Accordingly, no provision for such taxes has been recognized in these financial statements.

The accounting standard on Accounting for Uncertainty in Income Taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and the various positions related to the potential sources of unrelated business income tax. There were no unrecognized tax benefits identified or recorded as liabilities during the year ended June 30, 2025.

The Foundation files Forms 990 in the U.S. federal jurisdiction and the State of Illinois.

Subsequent Events — The Foundation has evaluated all subsequent events through November 19th, 2025, which is the date the financial statements were available to be issued.

C. Fair Value of Investments

The Fair Value Measurements and Disclosures Topic of the Accounting Standards Codification defines fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction among market participants on the measurement date. The accounting guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels:

Level 1 — Quoted prices for identical instruments in active markets.

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.

Level 3 — Valuations derived from valuation techniques in which one or more significant inputs are not observable.

The Foundation attempts to establish fair value as an exit price in an orderly transaction consistent with normal settlement market conventions. The Foundation is responsible for the valuation process and seeks to obtain quoted market prices for all securities.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

C. Fair Value of Investments *(continued)*

For the year ended June 30, 2025, the application of valuation techniques applied to similar assets and liabilities has been consistent. The Foundation's investments are the only assets or liabilities that are measured at fair value on a recurring basis.

The Foundation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. For the year ended June 30, 2025, there were no such transfers.

The Foundation invests in domestic equity and fixed income mutual funds, which are open-ended Securities and Exchange Commission registered investment funds with a daily net asset value ("NAV"). These mutual funds are designed to be liquid and allow investors to sell their interests daily to the fund at the published NAV, with no restrictions on redemptions and no unfunded commitments.

The Foundation also invests in alternative investments — real estate fund. The fair value of certain funds is based on the NAV of units in the fund. The NAV, as provided by the investment manager, is used as a practical expedient to estimating fair value. The NAV is based upon the fair value of the underlying investments comprising the fund less its liabilities. Redemption is allowed quarterly with 60 days' notice. There are no unfunded commitments.

Fair value measurements for investments on June 30, 2025, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Fixed income funds	\$ 5,331,172	\$ -	\$ -	\$ 5,331,172
Equity funds	12,734,664	-	-	12,734,664
Total investments at fair value	<u>\$ 18,065,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,065,836</u>
Alternative investment - real estate fund*				479,451
Total investments				<u>\$ 18,545,287</u>

*Investments held at NAV

Investments measured using NAVs are not traded in an active market and are not included in the Level 1, 2, or 3, but are separately reported.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

C. Fair Value of Investments *(continued)*

The components of net investment return for the year ended June 30, 2025, are as follows:

	<u>2025</u>
Interest and dividends	\$ 578,149
Net realized gains	1,955,160
Net unrealized gains	<u>(297,842)</u>
Total	<u><u>\$ 2,235,467</u></u>

D. Net Assets with Donor Restrictions

Net assets with donor restrictions on June 30, 2025, are restricted to the following purposes:

Net Assets with Donor Restrictions	<u>2025</u>
Subject to expenditure for specified purpose:	
Scholarships and instructional services	\$ 12,708,510
Goldman Sachs 10,000 Small Businesses Initiative	9,043
Project Grants	336,628
Miscellaneous	965,545
Time Restriction	<u>666,792</u>
Purpose and/or time restrictions	<u><u>14,686,518</u></u>
 Endowments:	
Subject to Foundation's spending policy and appropriation:	
Scholarships	\$ 4,218,522
Miscellaneous	<u>405</u>
	<u><u>4,218,927</u></u>
	 <u><u>\$ 18,905,445</u></u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

D. Net Assets with Donor Restrictions *(continued)*

Net assets released from donor restrictions are as follows for the year ended June 30, 2025:

Scholarships and instructional services	\$ 2,451,408
Miscellaneous	4,748,500
Goldman Sachs 10,000 Small Businesses Initiative	828,119
Project grants	<u>64,828</u>
Total released from donor restrictions	<u><u>\$ 8,092,855</u></u>

E. Endowment Net Assets

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the preservation of the fair value of the original gift, as of the gift date of the donation, as perpetual restricted funds in the absence of explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as perpetual donor-restricted net assets with donor restrictions (a) the original value of the gifts, (b) the original value of subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate perpetual donor-restricted funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide adequate liquidity to enable the Foundation to meet all operating requirements which may be reasonably anticipated in any fund. Endowment assets are invested in a diversified asset mix, which includes equity and fixed income securities. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

E. Endowment Net Assets *(continued)*

The Foundation's spending policy provides that only the income from endowments may be used for the specific purpose outlined by the donor, with the Foundation withdrawing income as it is needed. The Foundation's annual spending target is up to 5% of a rolling five-year average of quarterly market values of endowed assets. The Foundation's expenditures, including those for scholarships, are considered authorized appropriations as approved by the Board of Directors, with funding first from donations specifically designated by donors, next from investment earnings on endowments and finally from all other sources.

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2025.

The Foundation's endowment composition is as follows for the year ended June 30, 2025:

Donor-restricted endowment funds:	\$ 2,180,382
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>2,038,545</u>
Accumulated investment gains	<u><u>\$ 4,218,927</u></u>

Changes in endowment net assets for the year ended June 30, 2025, are as follows:

	<u>With Donor Restriction</u>
Endowment net assets - beginning of year	<u>\$ 4,149,657</u>
Investment return:	
Investment income	96,504
Net gain (realized and unrealized)	<u>389,909</u>
Total investment return	486,413
Contributions	20,000
Appropriation of endowment assets for expenditures	<u>(437,143)</u>
Endowment net assets - end of year	<u><u>\$ 4,218,927</u></u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

F. Related Party Transactions

The Foundation receives contributed services without restrictions from City Colleges including personnel salaries and benefits and other administrative expenses. For the year ended June 30, 2025, contributed services within the statement of activities included:

	<u>2025</u>
Personnel salaries and benefits	\$ 782,439
Rent and utilities	11,997
Professional services	<u>30,700</u>
Total	<u>\$ 825,136</u>

The personnel salaries and benefits are reported using the personnel's current rates for the salaries and benefits. Rent and utilities are calculated based on estimated square footage use of City Colleges' District Office. Professional services are based on the Foundation's portion of invoices provided by vendors. The contributed services were utilized in the Foundation's program services, as well as the Foundation's management and general and fundraising functions.

G. Functional Expenses

The Foundation expenses by function are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Distributions to City Colleges of Chicago for scholarships, grants and programs	\$ 5,842,717	\$ -	\$ -	\$ 5,842,717
Scholarships	1,957,585	-	-	1,957,585
Grants and other program services	275,534	134,955	125,008	535,497
Supplies	33,868	-	148	34,016
Bank fees	-	9,530	-	9,530
Contributed services	<u>132,729</u>	<u>601,917</u>	<u>90,491</u>	<u>825,137</u>
	<u>\$ 8,242,433</u>	<u>\$ 746,402</u>	<u>\$ 215,647</u>	<u>\$ 9,204,482</u>

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

16. DISCRETELY PRESENTED COMPONENT UNIT *(Continued)*

H. Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or board restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2025</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ 4,450,816
Investments	18,545,287
Pledge receivable, net	<u>669,160</u>
Total financial assets	<u>\$ 23,665,263</u>
 Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>18,905,445</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u><u>\$ 4,759,818</u></u>

Certain investments of the Foundation consist of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specific periods. Income from donor-restricted funds is restricted for scholarship and educational purposes. The Board approves the use of funds without donor restrictions for operating expenses.

As part of its liquidity management plan, the Foundation invests excess cash in short-term investments, including money market funds and short-term investments.

City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025

17. COMMITMENTS AND CONTINGENCIES

City Colleges is defendant in litigation under various matters (sexual harassment, discrimination, personal injury, loss of wages, unfair labor practice, breach of employment contract, etc.) arising in the ordinary course of business. In the opinion of management, this litigation will be vigorously defended and resolved without any material adverse effect upon the financial position of City Colleges.

As of June 30, 2025, City Colleges had approximately \$66,900,000 in commitments for its capital plan, all of which are being funded by City Colleges.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions, including loss of revenue due to decrease in enrollment, higher health cost, and higher OPEB liabilities.

City Colleges participates in a number of Federal and State grant programs. Participation in these programs is subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to grantor agency for expenditures disallowed under terms of the grant.

In January 2025, President Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance for programs that do not align with the new administration's policies. The Administration tasked federal departments with evaluating all federal programs they administer, to determine if the funding being provided falls under any of the EOs. During the year ended June 30, 2025, City Colleges recognized federal financial assistance totaling approximately \$97.1 million, and on June 30, 2025, had outstanding federal receivables of approximately \$13.3 million. Management does not consider the actions under the EOs to have a direct and significant impact on its funding or current operations, however there is uncertainty surrounding future federal funding actions. As of the date of this report, Management has not received any communication from its federal funding agencies indicating the termination of or significant decline in federal funding. Management is actively monitoring the situation and will continue to assess the potential effect, if any, on City Colleges' financial statements.

**City Colleges of Chicago
Community College District No. 508
Notes to Basic Financial Statements
June 30, 2025**

18. SUBSEQUENT EVENTS

A. Tax Anticipation Note

On September 4, 2025, the Board of Trustees of Community College District No. 505 issued and sold \$60 million notes in anticipation of the collection of the taxes heretofore levied for educational purposes and for operations and maintenance of facilities purposes by the District for the levy year 2024. The proceeds of the Notes shall be used to provide funds for the payment of necessary expenses incurred for educational purposes of the District and for operations and maintenance of facilities purposes of the District.

B. Debt Certificates and Obligations

On October 6, 2025, the District issued a request for expression of interest in tax-exempt drawdown debt certificates in the amount of \$85 million. The proceeds from these debt certificates are intended to finance the District's capital projects.

On October 9, 2025, the District expressed an intent to issue a maximum principal amount of obligation of \$150 million for the District's capital projects.

Required Supplementary Information

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Other Post-Employment Benefit Plan

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Total OPEB Liability					
Service Cost	\$ 5,227,410	\$ 2,815,597	\$ 2,885,987	\$ 2,367,953	\$ 1,697,411
Interest	5,458,342	4,310,846	3,422,135	2,349,164	2,264,072
Change in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	(12,995,395)	(15,938,464)	-	-	(10,987,691)
Change of Assumptions	(20,818,383)	4,816,393	8,985,260	512,169	(3,179,240)
Benefit Payments	(4,968,061)	(5,436,298)	(6,288,983)	(6,761,637)	(5,304,869)
Net Change in Total OPEB Liability	<u>\$ (28,096,087)</u>	<u>\$ (9,431,926)</u>	<u>\$ 9,004,399</u>	<u>\$ (1,532,351)</u>	<u>\$ (15,510,317)</u>
Total OPEB Liability - Beginning	<u>\$ 135,815,015</u>	<u>\$ 107,718,928</u>	<u>\$ 98,287,002</u>	<u>\$ 107,291,401</u>	<u>\$ 105,759,050</u>
Total OPEB Liability - Ending	<u><u>\$ 107,718,928</u></u>	<u><u>\$ 98,287,002</u></u>	<u><u>\$ 107,291,401</u></u>	<u><u>\$ 105,759,050</u></u>	<u><u>\$ 90,248,733</u></u>
Covered - Employee Payroll	\$ 115,957,481	\$ 110,108,221	\$ 110,108,221	\$ 110,108,221	\$ 127,006,364
Total OPEB Liability as a Percentage of Covered - Employee Payroll	92.90%	89.26%	97.44%	96.05%	71.06%

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Other Post-Employment Benefit Plan *(Continued)*

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Total OPEB Liability			
Service Cost	\$ 1,517,705	\$ 1,346,016	\$ 1,647,601
Interest	3,153,286	3,383,230	2,176,952
Change in Benefit Terms	-	(47,324,612)	-
Difference between Expected and Actual Experience	-	824,517	-
Change of Assumptions	2,978,794	6,467,045	(6,216,038)
Benefit Payments	(5,428,330)	(2,270,298)	(2,323,433)
Net Change in Total OPEB Liability	<u>\$ 2,221,455</u>	<u>\$ (37,574,102)</u>	<u>\$ (4,714,918)</u>
Total OPEB Liability - Beginning	<u>\$ 90,248,733</u>	<u>\$ 92,470,188</u>	<u>\$ 54,896,086</u>
Total OPEB Liability - Ending	<u><u>\$ 92,470,188</u></u>	<u><u>\$ 54,896,086</u></u>	<u><u>\$ 50,181,168</u></u>
 Covered - Employee Payroll	 \$ 127,006,364	 \$ 151,577,778	 \$ 151,577,778
Total OPEB Liability as a Percentage of			
Covered - Employee Payroll	72.81%	36.22%	33.11%

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Other Post-Employment Benefit Plan (Continued)

The information above is presented for as many years as available and is intended to show information for 10 years.

Changes of Assumptions: Changes of assumptions and other inputs reflect that the discount rate was changed to 5.20% in 2025 from 3.93% in 2024 to comply with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Changes in assumptions also reflect the changes in mortality rate, turnover rate and retirement rate. The plan is a single employer defined benefit plan. An irrevocable trust has not been established to account for the plan, so the plan is not accounted for as a trust fund and does not issue a separate report. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

There are no changes to the benefit terms and the assumption changes are noted below.

	<u>2025</u>	<u>2024</u>
Valuation date	July 1, 2023	July 1, 2023
Measurement date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.60%	2.60%
Medical trend rate	4.00% - 7.50%	4.00% - 7.50%
Salary increases including inflation	2.60%	2.60%
Discount rate		
20-Year Tax Exempt Municipal Bond Yield	5.20%	3.93%
Mortality table	Employee Mortality for Teachers	Employee Mortality for Teachers
Generational projection scale	MP-2021 Ultimate	MP-2021 Ultimate

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Employer Retirement Pension Plan

Schedule of Proportionate Share of Net Pension Liability:	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%
Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Portion of Non-employer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	<u>\$ 1,355,491,236</u>	<u>\$ 1,308,352,868</u>	<u>\$ 1,313,662,424</u>	<u>\$ 1,414,808,146</u>	<u>\$ 1,517,786,988</u>
Total	<u>\$ 1,355,491,236</u>	<u>\$ 1,308,352,868</u>	<u>\$ 1,313,662,424</u>	<u>\$ 1,414,808,146</u>	<u>\$ 1,517,786,988</u>
Employer Defined Benefit Covered Payroll	\$ 189,147,615	\$ 181,881,925	\$ 171,283,952	\$ 178,671,966	\$ 184,360,074
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of Covered Payroll	716.63%	719.34%	766.95%	791.85%	823.27%
SURS Plan Net Position as a Percentage of Total Pension Liability	39.57%	42.04%	41.27%	40.71%	39.05%
Schedule of Contributions:	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Federal, Trust, Grant and Other Contribution	\$ 812,143	\$ 1,100,852	\$ 920,479	\$ 681,719	\$ 653,884
Contribution in Relation to Required Contribution	<u>812,143</u>	<u>1,100,852</u>	<u>920,479</u>	<u>681,719</u>	<u>653,884</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer Covered Payroll	\$ 212,512,956	\$ 204,273,077	\$ 191,786,539	\$ 196,471,620	\$ 201,460,474
Contributions as a Percentage of Covered Payroll	0.38%	0.54%	0.48%	0.35%	0.32%

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Employer Retirement Pension Plan *(continued)*

Schedule of Proportionate Share of Net Pension Liability:	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	
Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	\$ -	
Portion of Non-employer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	<u>\$ 1,410,599,964</u>	<u>\$ 1,376,309,651</u>	<u>\$ 1,453,052,916</u>	<u>\$ 1,522,905,859</u>	
Total	<u>\$ 1,410,599,964</u>	<u>\$ 1,376,309,651</u>	<u>\$ 1,453,052,916</u>	<u>\$ 1,522,905,859</u>	
Employer Defined Benefit Covered Payroll	\$ 176,945,580	\$ 188,745,059	\$ 201,863,115	\$ 232,814,130	
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of Covered Payroll	797.19%	729.19%	719.82%	654.13%	
SURS Plan Net Position as a Percentage of Total Pension Liability	45.45%	43.65%	44.06%	44.06%	
Schedule of Contributions:	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Federal, Trust, Grant and Other Contribution	\$ 1,913,328	\$ 1,327,707	\$ 1,757,933	\$ 2,199,877	\$ 1,547,559
Contribution in Relation to Required Contribution	<u>1,913,328</u>	<u>1,327,707</u>	<u>1,757,933</u>	<u>2,199,877</u>	<u>1,547,559</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer Covered Payroll	\$ 200,258,542	\$ 208,823,070	\$ 226,796,593	\$ 251,220,384	\$ 273,388,278
Contributions as a Percentage of Covered Payroll	0.96%	0.64%	0.78%	0.88%	0.57%

City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025

Notes to Required Supplementary Information

These pension schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board's Statement No. 68 to show information for 10 years.

Changes of benefit terms.

Public Act 103-0548, effective August 11, 2023, made changes to the calculation of service and eliminated the part-time adjustment for participants on or after September 1, 2024. This change was first reflected in the Total Pension Liability as of June 30, 2024.

Changes of 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, 2020, to June 30, 2023, was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below.

- Salary increase. The overall assumed rates of salary increase range from 3.15 percent to 15.00 percent based on years of service, with an underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return to 4.10 percent and assumed price inflation of 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts to 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, nonacademic, and public safety positions. Rates are generally highest for public safety positions and lowest for academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and nonacademic positions. Rates are generally higher for non-academic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase, with separate rates for academic and non-academic positions.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2021 scale, with separate rates for academic, nonacademic, and public safety members.
- Disability rates. Separate rates for members in academic positions, non-academic positions, and public safety positions, as well as for males and females. Public safety disability incidence is assumed to be 50 percent line-of-duty related and 50 percent ordinary.

**City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2025**

Notes to Required Supplementary Information *(Continued)*

- Plan election. For new non-academic members, assumed plan election rates are 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP). For new academic members, assumed plan election rates are 55 percent Tier 2 and 45 RSP.
- Cost of living adjustment. Annual annuity increases are assumed to be 3.00 percent for Tier 1 members and 1.20 percent for Tier 2 members.

Statistical Section

This section of City Colleges' Annual Comprehensive Financial Report includes detailed information as a context for understanding the financial statements and note disclosures related to the college's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how City Colleges' financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess City Colleges' significant local revenue sources, property taxes and tuition and fees revenue.

Debt Capacity

These schedules present information to help the reader assess City Colleges' current levels of outstanding debt and City Colleges' ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which City Colleges operates.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in City Colleges' financial reports relates to the services the college provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**City Colleges of Chicago
Community College District No. 508**

Table A

**Financial Trends
Components of Net Position (Unaudited)
Last Ten Fiscal Years
Fiscal Years Ended June 30**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net Position:										
Net investment in capital assets	\$ 719,559,997	\$ 704,854,741	\$ 653,939,196	\$ 622,386,371	\$ 535,255,971	\$ 509,655,082	\$ 488,858,156	\$ 474,138,462	\$ 461,839,098	\$ 454,018,631
Agency	-	-	-	-	1,309,037	1,020,227	1,012,595	1,022,200	93,317	122,529
Audit	36,209	29,488	156,235	238,546	293,763	334,907	424,501	332,785	958,955	910,529
Liability, protection, and settlement	2,632,672	705,482	-	194,117	-	-	-	-	-	-
Bonds and interest	-	-	1,851,574	-	-	-	-	-	-	-
Grants	-	-	-	-	-	2,461,883	3,080,149	1,593,425	-	-
Unrestricted	24,896,253	(37,672,764)	(78,655,342)	(82,590,665)	(52,921,570)	(19,455,184)	21,118,668	35,956,063	51,380,767	(13,589,659)
Total Net Position	\$ 747,125,131	\$ 667,916,947	\$ 577,291,663	\$ 540,228,369	\$ 483,937,201	\$ 494,016,915	\$ 514,494,069	\$ 513,042,935	\$ 514,272,137	\$ 441,462,030

Note: City Colleges implemented GASB 84 in fiscal year 2021. Fiscal year 2020 was updated to reflect the effect of the implementation.

Source: City Colleges of Chicago Annual Comprehensive Financial Reports

City Colleges of Chicago
Community College District No. 508

Table B

Financial Trends
Changes in Net Position (Unaudited)
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 55,841,074	\$ 52,507,277	\$ 43,510,241	\$ 36,145,477	\$ 38,895,808	\$ 30,045,582	\$ 24,378,506	\$ 17,055,406	\$ 31,114,310	\$ 34,073,794
Other operating revenues	7,680,657	6,702,496	6,177,539	5,143,109	2,298,628	2,683,054	5,567,071	2,937,804	4,005,200	2,857,355
Total operating revenues	63,521,731	59,209,773	49,687,780	41,288,586	41,194,436	32,728,636	29,945,577	19,993,210	35,119,510	36,931,149
Operating expenses:										
Instructional salaries	90,918,944	83,858,803	89,214,382	88,524,100	91,069,112	90,179,547	91,156,656	97,386,526	106,651,138	115,735,013
Non-instructional salaries	123,980,168	123,024,189	104,875,488	109,912,039	112,315,513	111,071,138	118,865,175	131,025,489	146,984,598	160,635,383
Fringe benefits	150,741,188	176,176,135	159,033,078	155,017,642	177,342,268	191,085,401	151,824,451	134,974,988	96,891,272	152,971,697
Supplies	20,032,747	14,732,670	12,561,866	16,590,301	19,369,703	20,876,911	23,021,322	29,656,103	29,808,291	30,301,916
Professional development	1,304,104	742,743	933,234	1,080,524	670,323	191,859	558,721	1,272,013	1,792,506	1,699,609
Utilities	7,889,555	8,090,810	7,994,976	8,140,159	7,447,037	8,647,525	9,072,584	8,572,212	9,960,322	10,400,085
Contractual services	29,714,332	26,683,165	21,276,138	22,418,335	28,022,825	17,667,481	22,286,105	28,074,434	27,185,635	27,851,595
Depreciation and amortization	49,604,285	42,741,190	64,736,965	46,570,373	46,108,387	34,655,652	32,105,950	29,771,317	32,641,459	32,787,831
Financial aid (exclusive of scholarship allowances)	32,657,219	33,531,205	31,441,226	30,392,713	33,362,697	47,233,334	69,627,115	54,212,003	47,381,768	59,210,167
Other expenses	15,151,528	10,045,675	12,689,108	6,245,996	3,184,974	(266,064)	200,116	1,369,329	1,549,570	6,734,444
Total operating expenses	521,994,070	519,626,585	504,756,461	484,892,182	518,892,839	521,342,784	518,718,195	516,314,414	500,846,559	598,327,740
Operating loss	(458,472,339)	(460,416,812)	(455,068,681)	(443,603,596)	(477,698,403)	(488,614,148)	(488,772,618)	(496,321,204)	(465,727,049)	(561,396,591)
Non-operating revenues (expenses):										
State apportionment and equalization	10,653,563	16,737,354	77,554,415	47,565,890	45,538,109	45,952,397	47,185,162	47,405,311	48,776,261	49,354,755
Other state grants and contracts	113,032,192	144,823,351	146,689,797	139,865,030	169,183,060	185,805,080	137,039,661	128,242,262	136,019,437	140,770,793
Local grants and contracts	2,263,905	4,186,138	3,088,038	4,461,449	10,861,218	7,722,619	10,655,865	13,046,116	11,086,560	12,944,604
Local property taxes	125,659,171	123,263,682	125,366,633	125,547,962	130,359,887	135,789,947	141,347,110	153,197,663	158,528,510	169,739,413
Personal property replacement tax	11,637,706	16,422,533	12,122,670	13,490,094	14,586,627	20,323,479	43,942,972	45,857,431	27,632,747	18,529,912
Federal grants and contracts	84,341,753	80,082,538	74,028,272	72,002,237	71,494,722	116,062,253	139,623,169	114,230,563	85,404,472	97,060,654
Litigation settlement	-	-	730,338	-	-	-	16,600	-	4,352,777	617,446
Investment income	1,461,132	503,916	2,170,929	3,941,896	2,917,927	301,851	(1,468,428)	4,548,586	7,771,600	6,561,553
Building lease and interest payments on debt	(4,961,335)	(11,688,580)	(12,117,213)	(12,632,012)	(15,047,917)	(14,906,707)	(14,738,790)	(14,544,449)	(12,885,770)	(10,913,106)
Other non-operating revenue	1,846,475	6,075,845	8,438,747	586,271	(11,699,314)	80,806	579,532	(39,178)	(1,083,075)	2,029,708
Non-operating revenues, net	345,934,562	380,406,777	438,072,626	394,828,817	418,194,319	497,131,725	504,182,853	491,944,305	465,603,519	486,695,732
Income (loss) before capital appropriations and grants	(112,537,777)	(80,010,035)	(16,996,055)	(48,774,779)	(59,504,084)	8,517,577	15,410,235	(4,376,899)	(123,530)	(74,700,859)
Capital appropriations and grants	658,608	801,851	1,918,132	11,711,485	1,825,038	1,562,137	5,066,919	2,925,765	1,352,732	1,890,752
	<u>\$ (111,879,169)</u>	<u>\$ (79,208,184)</u>	<u>\$ (15,077,923)</u>	<u>\$ (37,063,294)</u>	<u>\$ (57,679,046)</u>	<u>\$ 10,079,714</u>	<u>\$ 20,477,154</u>	<u>\$ (1,451,134)</u>	<u>\$ 1,229,202</u>	<u>\$ (72,810,107)</u>

Note: City Colleges implemented GASB 84 in fiscal year 2021. Fiscal year 2020 was updated to reflect the implementation.

Source: City Colleges of Chicago Annual Comprehensive Financial Reports

**City Colleges of Chicago
Community College District No. 508**

Table C

**Revenue Capacity
Assessed and Estimated Value of Taxable Property (Unaudited)
Last Ten Fiscal Years**

Tax Year Levy	Class 2 Residential Property	Class 5 Commercial Property	Class 5 Industrial Property	Other Railroad Property	Total Equalized Assessed Valuation (1)	Total Equalized Assessed Valuation (2)	Total Direct Tax Rate	Total Estimated Fair Value (3)	Assessed Value as a Percentage of Estimated Fair Value
2015	\$ 43,871,767,527	\$ 24,955,908,048	\$ 1,943,080,901	\$ 148,390,582	\$ 70,919,147,058	\$ 70,924,421,349	0.177	\$ 212,773,264,047	33.33%
2016	45,774,355,574	26,093,545,448	1,964,171,087	148,006,500	73,980,078,609	73,984,605,433	0.169	221,953,816,299	33.33%
2017	47,154,589,038	27,405,102,153	2,002,796,882	156,007,870	76,718,495,943	76,722,182,440	0.164	230,166,547,320	33.33%
2018	53,179,494,934	30,824,287,901	2,091,437,327	181,450,474	86,276,670,636	86,286,411,094	0.147	258,859,233,282	33.33%
2019	53,727,795,420	31,715,562,586	2,138,147,273	185,020,498	87,766,525,777	87,776,056,332	0.149	263,328,168,996	33.33%
2020	54,854,403,410	32,130,756,913	2,286,713,081	197,280,051	89,469,153,455	89,478,355,786	0.151	268,435,067,358	33.33%
2021	60,824,820,535	33,323,094,513	2,518,278,663	197,672,375	96,863,866,086	96,868,463,441	0.145	290,605,390,323	33.33%
2022	60,373,070,968	33,802,396,747	2,437,209,993	230,199,162	96,842,876,870	96,847,230,931	0.155	290,541,692,793	33.33%
2023	62,166,577,392	34,735,205,347	2,450,607,648	242,697,870	99,595,088,257	99,601,789,704	0.158	298,805,369,112	33.33%
2024	-----Not available-----				-----		0.149	329,311,616,508	33.33%
2025	-----Not available-----				-----				

Note: Assessed value is computed by the Cook County Clerk's office at one-third estimated actual value. 2024 & 2025 Data is not available

Sources: Cook County Clerk's Offices

- (1) Source: Cook County Clerk's Office. Includes Cook County Valuation only
- (2) Source: Cook County Clerk's Office. Includes Cook & DuPage County Valuation
- (3) Tax rates are per \$100 of assessed value.

City Colleges of Chicago
Community College District No. 508

Table D
Revenue Capacity
Property Tax Rates - Direct and Overlapping Governments (Unaudited)
Last Ten Levy Years

		Tax Levy Year									
Taxing Bodies (per \$100 of assessed valuation)	Legal Limit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>City Colleges of Chicago</u>											
Audit Fund	\$ 0.005	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.001	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
Tort Liability	N/A	0.001	0.009	0.009	0.005	0.005	0.005	0.006	0.011	0.007	0.007
Education Fund	0.175	0.126	0.124	0.120	0.109	0.110	0.112	0.107	0.107	0.121	0.115
Operations and Maintenance Fund	0.050	0.049	0.035	0.034	0.032	0.033	0.033	0.031	0.034	0.027	0.026
Total City Colleges of Chicago Rate		<u>\$ 0.177</u>	<u>\$ 0.169</u>	<u>\$ 0.164</u>	<u>\$ 0.147</u>	<u>\$ 0.149</u>	<u>\$ 0.151</u>	<u>\$ 0.144</u>	<u>\$ 0.152</u>	<u>\$ 0.155</u>	<u>\$ 0.148</u>
<u>Overlapping Rates</u>											
Chicago Board of Education		3.455	3.726	3.890	3.552	3.620	3.656	3.517	3.757	3.829	N/A
City of Chicago		1.806	1.880	1.894	1.812	1.893	1.886	1.838	1.914	1.884	N/A
Chicago Park District		0.382	0.368	0.358	0.330	0.362	0.329	0.311	0.323	0.318	N/A
Metropolitan Water Reclamation District		0.426	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	N/A
Cook County		0.552	0.533	0.496	0.489	0.454	0.453	0.446	0.431	0.386	N/A
Cook County Forest Preserve		0.069	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	N/A
South Cook County Mosquito Abatement		0.017	0.017	0.016	0.017	0.018	0.017	0.019	0.021	0.017	N/A
Total Overlapping Rate		<u>\$ 6.707</u>	<u>\$ 6.993</u>	<u>\$ 7.118</u>	<u>\$ 6.656</u>	<u>\$ 6.795</u>	<u>\$ 6.777</u>	<u>\$ 6.571</u>	<u>\$ 6.901</u>	<u>\$ 6.854</u>	<u>N/A</u>
Total Rate		<u>\$ 6.884</u>	<u>\$ 7.162</u>	<u>\$ 7.282</u>	<u>\$ 6.803</u>	<u>\$ 6.944</u>	<u>\$ 6.928</u>	<u>\$ 6.715</u>	<u>\$ 7.053</u>	<u>\$ 7.009</u>	<u>N/A</u>
<u>Tax Extensions (\$ thousands)</u>											
Audit Fund		\$ 384	\$ 684	\$ 684	\$ 558	\$ 538	\$ 426	\$ 432	\$ 185	\$ 456	\$ 471
Tort Liability		985	6,984	6,984	4,543	4,680	4,783	5,652	10,329	7,297	7,546
Education Fund		88,610	91,677	92,338	93,644	96,501	100,474	103,168	103,256	120,704	125,969
Operations and Maintenance Fund		34,911	25,612	25,613	27,934	28,775	29,411	29,820	33,377	27,173	28,097
		<u>\$ 124,890</u>	<u>\$ 124,957</u>	<u>\$ 125,619</u>	<u>\$ 126,679</u>	<u>\$ 130,494</u>	<u>\$ 135,094</u>	<u>\$ 139,072</u>	<u>\$ 147,147</u>	<u>\$ 155,630</u>	<u>\$ 162,084</u>

Source: Cook County Clerk's Office - 2024 Overlapping Rates and 2025 Data are not available.

N/A = Not Available

**City Colleges of Chicago
Community College District No. 508**

Table E

**Principal Property Taxpayers (Unaudited)
Prior Year and Nine Years Ago**

Taxpayer	2023			2014		
	Equalized Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation	Equalized Assessed Valuation (in thousands)	Rank	Percentage of Total Assessed Valuation
BRE 312 Owner LLC	\$ 762,520	1	0.77%	\$ 364,455	1	0.56%
Wanxiang Sterling Stetson Owner, LLC	373,271	2	0.37%	184,101	7	0.28%
110 North Wacker Titleholder LLC	369,316	3	0.37%	-	-	-
601 W Companies LLC	349,289	4	0.35%	241,081	2	0.37%
CBRE Suite 2530	349,246	5	0.35%	-	-	-
227 Monroe Street LLC	314,720	6	0.32%	187,461	6	0.29%
HCSC Blue Cross	312,645	7	0.31%	206,782	3	0.32%
River Point LLC	287,914	8	0.29%	-	-	-
300 LaSalle LLC	274,578	9	0.28%	183,764	8	0.28%
Merchandise Mart Properties, Inc.	266,932	10	0.27%	-	-	-
Water Tower Owner LLC	-	-	-	195,486	4	0.30%
JPMorgan Chase Bank NA	-	-	-	194,963	5	0.30%
3 FNP Owner LLC	-	-	-	182,084	9	0.28%
Mark Davids	-	-	-	181,210	10	0.28%
	<u>\$ 3,660,431</u>		<u>3.68%</u>	<u>\$ 2,121,387</u>		<u>3.27%</u>

Note: Every effort has been made to seek out and report the largest taxpayers; however, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Source: Cook County Assessor's Office – 2023 is latest data available.

Cook County Clerk's Office Taxable Assessed Value in thousands of dollars

**City Colleges of Chicago
Community College District No. 508**

Table F

**Revenue Capacity
Property Tax Levies and Collections (Unaudited)
Last Ten Levy Years**

Levy Year	Fiscal Year of Extension	Tax Levied (C)	Collected within the Fiscal Year of Extension (A)		Collections in Subsequent Years	Total Collections to Date (B)	
			Amount	Percentage of Tax Levy		Amount	Percentage of Levy
2015	2016	\$ 124,903,382	\$ 64,993,572	52.04%	\$ 56,963,242	\$ 121,956,814	97.64%
2016	2017	124,970,382	64,816,536	51.87%	56,911,652	121,728,188	97.41%
2017	2018	125,631,380	65,921,912	52.47%	56,501,241	122,423,153	97.45%
2018	2019	126,691,690	66,440,187	52.44%	56,826,333	123,266,520	97.30%
2019	2020	130,507,003	66,458,041	50.92%	60,744,229	127,202,270	97.47%
2020	2021	135,013,605	68,259,809	50.56%	64,283,413	132,543,222	98.17%
2021	2022	140,360,333	72,595,503	51.72%	66,566,137	139,161,640	99.15%
2022	2023	150,261,215	71,973,562	47.90%	76,901,022	148,874,584	99.08%
2023	2024	157,379,916	77,196,504	49.05%	76,318,889	153,515,393	97.54%
2024	2025	164,093,272	84,966,663	51.78%	-	84,966,663	51.78%

Notes: (A) The amount does not represent a full year's tax collection.

(B) The total amount collected to date is net of refunds.

(C) Beginning levy year 2021, the tax levied amounts include levy adjustment made by Cook County per PA 102-0519 recapturing property tax refunds.

Source: City Colleges of Chicago and Cook County Treasurer's Tax Records, Office of the County Clerk, and Dupage County Collector

**City Colleges of Chicago
Community College District No. 508**

Table G

**Revenue Capacity
Enrollment, Tuition and Fee Rates, Credit Hours, Tuition and Fee Revenues Generated (Unaudited)
Last Ten Fiscal Years**

Fiscal Year	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses	In-District Tuition & Fees per Semester Hr	Out-of-District Tuition & Fees per Semester Hr	Out of State Tuition & Fees per Semester Hr	VI - F-1 Visa Students Fees per Semester Hr	Total Semester Credit Hours Generated	Tuition & Fees Revenue	Less: Scholarships and Allowances	Tuition & Fees Revenue (Net)
2016	26,410	57,372	39,017	\$ 133.36	\$ 353.16	\$ 359.73	\$ 624.68	983,907.0	\$ 105,005,157	\$ (49,164,083)	\$ 55,841,074
2017	24,200	51,772	34,559	133.36	353.16	359.73	624.68	904,038.0	99,177,882	(46,670,605)	52,507,277
2018	23,825	50,436	32,958	133.36	353.16	359.73	624.68	821,349.0	94,772,150	(51,261,909)	43,510,241
2019	23,147	50,558	28,927	146.00	384.00	481.00	481.00	791,761.5	92,474,466	(56,328,989)	36,145,477
2020	21,481	46,522	25,329	146.00	384.00	481.00	481.00	750,937.0	85,769,182	(46,873,374)	38,895,808
2021	18,632	40,988	29,222	146.00	384.00	481.00	481.00	653,576.0	76,746,431	(46,700,849)	30,045,582
2022	16,937	38,359	18,616	146.00	384.00	481.00	481.00	596,893.5	73,363,188	(48,984,682)	24,378,506
2023	17,720	40,134	24,037	146.00	384.00	481.00	481.00	619,501.0	76,655,210	(59,599,804)	17,055,406
2024	19,245	43,891	24,360	153.00	403.00	505.00	505.00	743,663.0	83,407,037	(52,292,727)	31,114,310
2025	21,485	48,602	26,848	157.00	414.00	518.00	518.00	743,663.0	96,221,577	(62,147,783)	34,073,794

Source: City Colleges of Chicago Annual Comprehensive Financial Report

**City Colleges of Chicago
Community College District No. 508**

Table H
Debt Capacity
Ratios of General Bonded Debt Outstanding (*Unaudited*)
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Premiums (Discounts)	Leased Asset Obligations	Subscription-based Information Technology Arrangements Liability	Total Outstanding Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	\$ 245,995,000	\$ 5,094,656	\$ -	\$ -	\$ 251,089,656	0.12%	\$ 92.29
2017	241,830,000	4,103,132	-	-	245,933,132	0.11%	90.92
2018	315,560,000	10,427,163	-	-	325,987,163	0.14%	120.00
2019	311,010,000	9,435,797	-	-	320,445,797	0.12%	118.42
2020	306,235,000	8,562,847	-	-	314,797,847	0.12%	116.85
2021	301,220,000	7,794,437	-	-	309,014,437	0.12%	114.48
2022	295,955,000	7,116,153	8,302,808	-	311,373,961	0.11%	115.47
2023	290,425,000	6,514,507	9,260,975	2,839,709	309,040,191	0.11%	115.96
2024	264,520,000	26,977,330	10,029,919	5,364,905	306,892,154	0.10%	115.18
2025	264,405,000	24,677,340	9,251,245	4,624,225	302,957,810	0.09%	111.33

Note: Details of City Colleges' outstanding bonded debt can be found in the notes to the financial statements.

Sources: Per capita is based on the population obtained from the US Census Bureau (USCB) and the total outstanding debt. The census is conducted decennially at the start of each decade.

**City Colleges of Chicago
Community College District No. 508**

Table I

**Debt Capacity
Direct and Overlapping Long-Term Debt (Unaudited)
(\$000s)**

	As of June 30, 2025		
	Net Direct Long-Term Debt (1)	Estimated Percentage Applicable (2)	Share of Overlapping Debt
Direct Debt			
City Colleges of Chicago	\$ 302,957	100.00%	\$ 302,957
Estimated General Obligation Overlapping Debt			
City of Chicago General Obligation Bonds (2)	\$ 5,756,924	100.00%	\$ 5,756,924
Chicago Board of Education (3)	9,083,805	100.00%	9,083,805
Chicago Park District (4)	831,335	100.00%	831,335
Metropolitan Water Reclamation District of Greater Chicago (5)	2,653,451	50.92%	1,351,137
Cook County (6)	2,769,786	50.03%	1,385,724
Cook County Forest Preserve District (7)	75,290	50.03%	37,668
Total Estimated Overlapping Long-Term Debt			18,446,593
Direct and Estimated Overlapping Long-Term Debt			<u>\$ 18,749,550</u>

City Colleges Direct Debt includes long-term liabilities of leased assets and subscription based technology arrangements.

(1) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County

(2) *Source: City of Chicago*

(3) *Source: Board of Education*

(4) *Source: Chicago Park District*

(5) *Source: Metropolitan Water Reclamation District of Greater Chicago*

(6) *Source: Cook County*

(7) *Source: Cook County Forest Preserve District*

**City Colleges of Chicago
Community College District No. 508**

Table J

**Demographic and Economic Information
Demographic and Economic Statistics *(Unaudited)*
Last Ten Fiscal Years**

Fiscal Year	(A) Population	Personal Income <i>(in thousands)</i>	(B) Per Capita Personal Income	(C) Unemployment Rate
2016	2,704,965 *	\$ 154,656,374 *	\$ 57,175	6.50%
2017	2,716,462 *	161,474,651 *	59,443	5.40%
2018	2,705,988 *	171,657,055 *	63,436	4.40%
2019	2,693,959 *	175,931,686 *	65,306	4.10%
2020	2,699,347 *	188,778,832 *	69,935	12.00%
2021	2,696,561 *	198,350,937 *	73,557	7.60%
2022	2,665,064 *	194,141,917 *	72,847	5.30%
2023	2,664,454 *	207,659,551 *	77,937	4.70%
2024	2,721,326 *	-----Data Not Available-----		5.50%
2025	2,611,867 *	-----Data Not Available-----		

Sources: **A)** US Census Bureau (USCB) data.census.gov. The census is conducted decennially at the start of each decade.

B) 2016 - 2025 Data from the Bureau of Economic Analysis (BEA). These rates are for Cook County. 2024 and 2025 data is not available.

C) Illinois Workforce Info Center Website

*Estimated

**City Colleges of Chicago
Community College District No. 508**

Table K

**Demographic and Economic Information
Principal Employers (Unaudited)
Last Ten Fiscal Years**

Employer	Fiscal Year 2025			Fiscal Year 2024			Fiscal Year 2023			Fiscal Year 2022			Fiscal Year 2021		
	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment
U.S. Government	1	52,157	1.90%	1	52,315	1.96%	1	52,315	1.96%	1	52,316	1.94%	1	52,357	1.91%
Chicago Public Schools	2	44,786	1.63%	2	43,286	1.62%	2	41,469	1.56%	2	40,119	1.49%	2	38,637	1.41%
Amazon.com Inc.	3	33,247	1.21%	5	30,100	1.13%	4	28,994	1.09%	4	27,050	1.00%	9	16,610	0.60%
City of Chicago	4	32,465	1.18%	4	30,918	1.16%	3	30,216	1.13%	3	31,020	1.15%	3	30,928	1.13%
Advocate Health Care	5	30,751	1.12%	3	38,679	1.45%	5	26,841	1.01%	5	25,906	0.96%	4	26,335	0.96%
Northwestern Memorial Healthcare	6	29,434	1.07%	6	25,386	0.95%	6	24,120	0.91%	6	24,053	0.89%	6	21,999	0.80%
University of Chicago	7	22,287	0.81%	7	22,395	0.84%	7	21,618	0.81%	8	20,781	0.77%	7	18,732	0.68%
Endeavor Health	8	21,134	0.77%	8	20,251	0.76%	-	-	-	-	-	-	-	-	-
Cook County	9	20,323	0.74%	9	19,797	0.74%	8	19,263	0.72%	7	22,074	0.82%	5	22,074	0.80%
United Airlines Holdings Inc.	10	18,000	0.66%	-	-	-	-	-	-	-	-	-	-	-	-
Walgreens Boots Alliance Inc.	-	-	-	-	-	-	9	17,344	0.65%	10	16,817	0.62%	-	-	-
Amita Health	-	-	-	-	-	-	-	-	-	-	-	-	10	14,282	0.52%
Walmart Inc.	-	-	-	10	17,400	0.65%	10	17,300	0.65%	9	18,500	0.69%	8	16,711	0.61%
		<u>304,584</u>	<u>11.09%</u>		<u>300,527</u>	<u>11.28%</u>		<u>279,480</u>	<u>10.49%</u>		<u>278,636</u>	<u>10.33%</u>		<u>258,665</u>	<u>9.42%</u>

Employer	Fiscal Year 2020			Fiscal Year 2019			Fiscal Year 2018			Fiscal Year 2017			Fiscal Year 2016		
	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of Chicago Area Employment
U.S. Government	1	45,736	1.70%	1	41,500	1.53%	1	41,500	1.53%	1	42,663	1.58%	1	42,887	1.58%
Chicago Public Schools	2	37,731	1.40%	2	36,415	1.35%	2	35,447	1.30%	2	35,862	1.33%	2	37,406	1.37%
City of Chicago	3	31,621	1.17%	3	31,854	1.18%	3	31,160	1.15%	3	30,754	1.14%	3	30,276	1.11%
Advocate Health Care	4	25,917	0.96%	6	19,513	0.72%	5	19,049	0.70%	5	18,930	0.70%	5	18,308	0.67%
Cook County	5	22,438	0.83%	4	22,438	0.83%	4	21,316	0.78%	4	20,716	0.77%	4	21,795	0.80%
Northwestern Memorial Healthcare	6	21,264	0.79%	5	19,886	0.73%	6	16,667	0.61%	7	15,747	0.58%	7	15,317	0.56%
Amita Health	7	20,046	0.74%	8	16,231	0.60%	-	-	-	-	-	-	-	-	-
University of Chicago	8	18,276	0.68%	7	17,345	0.64%	7	16,583	0.61%	6	16,374	0.61%	6	16,197	0.60%
Amazon.com Inc.	9	14,610	0.54%	10	14,018	0.52%	10	13,240	0.49%	-	-	-	-	-	-
United Airlines Holdings Inc.	10	14,520	0.54%	9	14,582	0.54%	-	-	-	9	15,157	0.56%	10	14,000	0.51%
JP Morgan Chase	-	-	-	-	-	-	8	15,701	0.58%	8	15,229	0.56%	9	14,158	0.52%
State of Illinois	-	-	-	-	-	-	9	14,690	0.54%	10	13,524	0.50%	8	15,136	0.56%
		<u>252,159</u>	<u>9.36%</u>		<u>233,782</u>	<u>8.64%</u>		<u>225,353</u>	<u>8.30%</u>		<u>224,956</u>	<u>8.32%</u>		<u>225,480</u>	<u>8.29%</u>

**City Colleges of Chicago
Community College District No. 508**

Table L

**Demographic and Economic Information
Employee Data *(Unaudited)*
Last Three Fiscal Years**

Functional Job Type	Full-time FTE			Part-time FTE			Total FTE		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Faculty	558	565	577	1,044	1,004	1,038	1,602	1,569	1,615
Professional/Technical Staff	327	374	391	30	35	37	357	409	428
Administrators	310	369	392	-	-	-	310	369	392
Clerical	216	228	229	12	10	13	228	238	242
Front-Line Direct Support (Custodial/Maintenance/Security)	233	232	237	178	151	165	411	383	402
Academic Support/Direct Student-Facing Personnel	375	425	452	237	193	200	612	618	652
Student Workers	-	-	-	23	24	24	23	24	24
Totals	2,019	2,193	2,278	1,524	1,417	1,477	3,543	3,610	3,755

Data Source: City Colleges of Chicago Budget Department FY2023 - FY2025 Budget Data - Full-Time Equivalent by Position (FTE).

**City Colleges of Chicago
Community College District No. 508**

Table M

**Demographic and Economic Information
Student Enrollment Demographic Statistics
Student Enrollment Credit Hours by Category *(Unaudited)*
Last Ten Fiscal Years**

Fiscal Year	Total	Baccalaureate	Occupational			Remedial Development	Adult Basic Secondary Education
			Business	Technical	Health		
2025	743,663.0	380,793.0	53,069.0	43,200.5	35,005.0	31,163.0	200,432.5
2024	678,077.5	342,744.0	44,879.5	37,677.0	32,271.0	33,181.0	187,325.0
2023	619,501.0	321,748.0	38,747.0	32,381.0	28,652.0	34,764.0	163,209.0
2022	596,893.5	314,615.0	35,686.5	25,767.0	28,062.5	33,624.0	159,138.5
2021	653,576.0	357,564.5	36,886.0	25,821.0	25,340.5	34,407.0	173,557.0
2020	750,937.0	396,941.0	40,124.0	30,744.5	29,389.0	49,979.0	203,759.5
2019	791,761.5	427,442.0	34,142.0	37,525.5	28,703.0	51,409.0	212,540.0
2018	821,349.0	447,130.0	33,480.0	38,827.5	28,755.0	51,423.0	221,733.5
2017	904,038.0	455,404.0	33,621.0	56,363.5	25,955.0	59,925.0	272,769.5
2016	983,907.0	489,438.0	36,204.0	59,245.5	32,958.5	72,423.0	293,638.0

Data Source: College records

**City Colleges of Chicago
Community College District No. 508**

Table N
Operating Information
Capital Assets Statistics (Unaudited)
Last Ten Fiscal Years

Capital Asset Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464	\$ 51,376,464
Construction in progress	88,290,037	41,526,514	58,259,377	5,906,563	6,320,470	5,657,131	11,761,874	19,351,965	24,359,260	31,439,342
Lease assets	-	-	-	-	-	-	12,198,706	11,782,941	11,531,129	11,531,129
Subscription-based assets	-	-	-	-	-	-	3,565,179	3,944,314	8,086,235	8,945,938
Equipment	52,985,078	63,800,500	64,058,673	64,301,331	64,817,510	64,817,510	64,876,508	65,968,604	66,442,871	68,133,803
Software	62,395,481	69,966,816	72,588,654	42,553,643	42,883,798	47,878,119	48,303,665	48,322,415	51,771,424	52,563,709
Buildings and improvements	1,097,180,326	1,083,419,269	1,091,365,536	1,192,565,831	1,103,821,256	1,105,655,491	1,108,439,948	1,112,426,513	1,114,554,360	1,119,818,394
Total Capital Assets	1,352,227,386	1,310,089,563	1,337,648,704	1,356,703,832	1,269,219,498	1,275,384,715	1,300,522,344	1,313,173,216	1,328,121,743	1,343,808,779
Less Accumulated depreciation and amortization	(380,512,960)	(358,250,800)	(419,672,387)	(435,368,507)	(431,067,638)	(464,903,109)	(498,403,198)	(526,634,029)	(556,290,335)	(584,764,973)
Net Capital Assets	<u>\$ 971,714,426</u>	<u>\$ 951,838,763</u>	<u>\$ 917,976,317</u>	<u>\$ 921,335,325</u>	<u>\$ 838,151,860</u>	<u>\$ 810,481,606</u>	<u>\$ 802,119,146</u>	<u>\$ 786,539,187</u>	<u>\$ 771,831,408</u>	<u>\$ 759,043,806</u>
Bond Obligations	<u>\$ 245,995,000</u>	<u>\$ 241,830,000</u>	<u>\$ 315,560,000</u>	<u>\$ 311,010,000</u>	<u>\$ 306,235,000</u>	<u>\$ 301,220,000</u>	<u>\$ 295,955,000</u>	<u>\$ 290,425,000</u>	<u>\$ 264,520,000</u>	<u>\$ 264,405,000</u>

Data Sources: Summary of Capital Assets Schedule, (See Note 4)
and prior-year Annual Comprehensive Financial Reports

**City Colleges of Chicago
Community College District No. 508**

Table O
Operating Information
Miscellaneous Statistics (*Unaudited*)

City Colleges of Chicago - Founded 1911

<u>Accreditation by the Higher Learning Commission</u>	<u>Most Recent Accreditation</u>	<u>Next Review</u>
Daley	2021-22	2031-32
Harold Washington	2018-19	2028-29
Kennedy-King	2015-16	2025-26
Malcolm X	2017-18	2027-28
Olive-Harvey	2020-21	2030-31
Truman	2019-20	2029-30
Wright	2020-21	2029-30
Current gross square footage		4,265,154
Size of district		227.4 square miles
Counties served		Cook and DuPage
Population of district		2,746,388
Number of faculty		1,615
Number of professional / technical staff		428
Number of administrators		392
Number of clerical staff		242
Number of custodial / maintenance staff		402
Number of academic support staff		652
Number of student/work study staff		24
Degrees and certificates awarded (fiscal year 2025)		9,118

**City Colleges of Chicago
Community College District No. 508**

Table P

**Operating Information
Community College State Funding
Last Ten Fiscal Years**

Fiscal Year	State Funding to All State Community Colleges	ICCB Funding to the District
2016	\$ 74,142,300	\$ 14,370,863
2017	114,525,000	22,463,354
2018	409,595,700 *	80,276,413 *
2019	257,111,600	47,594,594
2020	269,222,284	45,566,809
2021	269,222,286	44,107,140
2022	264,957,888	43,064,265
2023	278,178,400	45,531,354
2024	301,876,696	46,793,997
2025	307,818,006	47,480,798

Source: *Illinois Community College Board*

**Amounts include the appropriations from Illinois
Senate Bill 6 passed on July 6, 2017.*

City Colleges of Chicago
Community College District No. 508

Table Q

Operating Information
Revenues and Expenditures by Campus (Unaudited)
Fiscal Year Ended June 30, 2025

	Daley	Harold Washington	Kennedy-King	Malcolm X	Olive-Harvey	Truman	Wright	District Office	Total
Revenues:									
Local Tax Revenue	\$ 30,327,187	\$ 30,834,804	\$ 15,564,578	\$ 30,570,828	\$ 14,866,191	\$ 32,492,888	\$ 33,612,850	\$ -	\$ 188,269,326
All Other Local Revenue	101,111	-	-	-	1,402,042	5,005,710	52,230	325,172	6,886,265
ICCB Grants	582,795	-	242,451	456,801	280,990	714,168	560,328	51,180,478	54,018,011
All Other State Revenue	14,492,492	16,465,181	15,844,201	26,681,136	13,237,355	16,472,862	16,837,495	16,076,814	136,107,536
Federal Revenue	8,140,546	15,046,691	10,355,858	27,508,185	8,794,263	10,818,264	14,412,900	1,983,947	97,060,654
Student Tuition and Fees	14,937,508	14,983,674	8,114,516	18,764,376	7,407,331	15,826,554	16,187,617	-	96,221,576
All Other Revenue	151,266	696,565	667,422	1,265,243	2,456,900	313,550	1,107,416	13,185,550	19,843,912
Total Revenue before Capital Appropriations	68,732,905	78,026,915	50,789,026	105,246,569	48,445,072	81,643,996	82,770,836	82,751,961	598,407,280
Capital Appropriations	47,462	58,659	36,367	417,346	181,390	996,323	153,205	-	1,890,752
Total Revenue	<u>\$ 68,780,367</u>	<u>\$ 78,085,574</u>	<u>\$ 50,825,393</u>	<u>\$ 105,663,915</u>	<u>\$ 48,626,462</u>	<u>\$ 82,640,319</u>	<u>\$ 82,924,041</u>	<u>\$ 82,751,961</u>	<u>\$ 600,298,032</u>
Expenditures by program									
Instruction	\$ 19,997,568	\$ 30,723,902	\$ 18,532,833	\$ 36,365,725	\$ 16,503,899	\$ 26,840,702	\$ 27,652,786	\$ 3,300,155	\$ 179,917,570
Academic Support	2,304,052	5,076,613	6,212,036	12,210,628	6,072,194	6,489,195	5,979,256	7,322,164	51,666,138
Student Services	8,587,236	10,465,701	9,035,576	9,533,086	5,757,064	11,795,756	10,526,879	7,743,169	73,444,467
Public Service/Continuing Education	812,115	-	760,894	392,045	435,632	244,533	303,064	2,831,548	5,779,831
Auxiliary Services	1,050,464	203,242	3,432,304	1,582,991	1,502,456	2,211,454	435,271	7,379,894	17,798,076
Operations and Maintenance	11,761,723	6,194,690	17,795,755	17,230,671	10,265,207	11,034,909	11,444,592	16,245,411	101,972,958
Institutional Support	5,104,327	4,487,290	7,187,560	8,812,220	5,107,705	6,797,611	3,841,357	83,024,292	124,362,362
Scholarships, Grants, Waivers	9,077,917	17,282,922	10,723,900	29,260,366	9,473,563	10,653,818	19,754,791	11,939,459	118,166,736
Total Expenditures	<u>\$ 58,695,402</u>	<u>\$ 74,434,360</u>	<u>\$ 73,680,858</u>	<u>\$ 115,387,732</u>	<u>\$ 55,117,720</u>	<u>\$ 76,067,978</u>	<u>\$ 79,937,996</u>	<u>\$ 139,786,092</u>	<u>\$ 673,108,138</u>

This schedule presents revenues and expenditures for each college.

SPECIAL REPORTS SECTION

State Required Reports Section

City Colleges of Chicago
Community College District No. 508
All Funds Summary
Uniform Financial Statement #1
Fiscal Year Ended June 30, 2025

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Trust & Agency Fund	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	GASB 34/35 Adjustment	Total
Fund Balance: June 30, 2024	\$ 99,209,621	\$ 4,897,370	\$ 14,724,526	\$ (1,722,615)	\$ (15,649,485)	\$ (2,368,426)	\$ 67,013,532	\$ 958,955	\$ 93,317	\$ 2,307,128	\$ 243	\$ 344,807,971	\$ 514,272,137
Revenues:													
Local Tax Revenue	\$ 140,538,752	\$ 27,677,437	\$ -	\$ 11,955,250	\$ -	\$ -	\$ -	\$ -	\$ 457,212	\$ 7,640,675	\$ -	\$ -	\$ 188,269,326
All Other Local Revenue	-	-	-	-	-	6,886,265	-	-	-	-	-	1,890,752	8,777,017
ICCB Grants	50,924,296	-	-	-	-	3,093,715	-	-	-	-	-	-	54,018,011
All Other State Revenue	87,779	-	-	-	-	136,019,757	-	-	-	-	-	-	136,107,536
Federal Revenue	72,643	-	-	-	-	96,988,011	-	-	-	-	-	-	97,060,654
Student Tuition and Fees	90,268,265	-	-	-	5,953,311	-	-	-	-	-	-	-	96,221,576
All Other Revenue	7,286,003	1,890,546	2,872,281	387,121	1,857,517	5,221,422	-	295,516	-	-	228	33,278	19,843,912
Total Revenues	289,177,738	29,567,983	2,872,281	12,342,371	7,810,828	248,209,170	-	295,516	457,212	7,640,675	228	1,924,030	600,298,032
Expenses													
Instruction	126,463,365	-	-	-	190,146	53,109,155	-	-	-	-	-	154,904	179,917,570
Academic Support	28,402,998	-	-	-	500	23,834,909	-	-	-	-	-	(572,269)	51,666,138
Student Services	45,238,665	3,420	-	-	17,041	28,307,165	-	343,942	-	-	-	(465,766)	73,444,467
Public Service/Continuing Education	640,995	-	-	-	1,269,275	3,820,260	-	-	-	-	-	49,301	5,779,831
Auxiliary Services	7,615,359	-	-	-	5,917,949	4,263,720	-	-	-	-	-	1,048	17,798,076
Operations and Maintenance	13,280,524	33,820,812	11,351,239	13,328,096	-	11,786,543	-	-	-	-	-	18,405,744	101,972,958
Institutional Support	81,676,066	3,000	12,769,409	-	577,246	23,247,575	-	-	428,000	8,970,652	-	(3,309,586)	124,362,362
Scholarships, Grants, Waivers	13,335,852	-	-	-	-	104,830,884	-	-	-	-	-	-	118,166,736
Total Expenses	316,653,824	33,827,232	24,120,648	13,328,096	7,972,157	253,200,211	-	343,942	428,000	8,970,652	-	14,263,376	673,108,138
Net Transfers	11,140,000	-	-	-	-	-	(11,140,000)	-	-	-	-	-	-
Fund Balance: June 30, 2025	\$ 82,873,535	\$ 638,121	\$ (6,523,841)	\$ (2,708,340)	\$ (15,810,814)	\$ (7,359,467)	\$ 55,873,532	\$ 910,529	\$ 122,529	\$ 977,151	\$ 471	\$ 332,468,625	\$ 441,462,031

* The Investment in Plant Fund and the Long-Term Debt Fund Summaries were consolidated into the GASB 34/35 Adjustment Fund Summary.

City Colleges of Chicago
Community College District No. 508
Summary of Fixed Assets and Debt
Uniform Financial Statement #2
Fiscal Year Ended June 30, 2025

	Capital Assets July 1, 2024	Additions	Deletions and Transfers	Capital Assets June 30, 2025
Fixed Assets				
Land	\$ 51,376,464	\$ -	\$ -	\$ 51,376,464
Construction in progress	24,359,260	16,846,459	(9,766,377)	31,439,342
Buildings and improvements	1,114,554,360	8,670,219	(3,406,185)	1,119,818,394
Lease assets	11,531,129	-	-	11,531,129
Subscription-based assets	8,086,235	1,954,004	(1,094,301)	8,945,938
Equipment	66,442,871	1,690,932	-	68,133,803
Software	51,771,424	792,285	-	52,563,709
Accumulated depreciation and amortization	(556,290,335)	(32,787,830)	4,313,192	(584,764,973)
Net Fixed Assets	<u><u>\$ 771,831,408</u></u>	<u><u>\$ (2,833,931)</u></u>	<u><u>\$ (9,953,671)</u></u>	<u><u>\$ 759,043,806</u></u>
	Long-Term Debt July 1, 2024	Additions	Deletions and Transfers	Long-Term Debt June 30, 2025
Fixed Debt				
Bonds payable	\$ 264,520,000	\$ -	\$ (115,000)	\$ 264,405,000
Total Fixed Debt	<u><u>\$ 264,520,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (115,000)</u></u>	<u><u>\$ 264,405,000</u></u>

City Colleges of Chicago
Community College District No. 508
Operating Funds Revenues and Expenditures
Uniform Financial Statement #3
Fiscal Year Ended June 30, 2025

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE			
Local Government Revenue			
Local Taxes	\$ 133,964,089	\$ 27,677,437	\$ 161,641,526
Personal Property Replacement Tax	6,574,663	-	6,574,663
TOTAL LOCAL GOVERNMENT	140,538,752	27,677,437	168,216,189
State Government			
ICCB Base Operating Grant	34,152,955	-	34,152,955
ICCB Equalization Grants	15,201,800	-	15,201,800
ICCB Career and Technical Education	1,561,216	-	1,561,216
Other (Include other ICCB grants not listed above)	96,104	-	96,104
TOTAL STATE GOVERNMENT	51,012,075	-	51,012,075
Federal Government			
Department of Education	72,643	-	72,643
TOTAL FEDERAL GOVERNMENT	72,643	-	72,643
Student Tuition and Fees			
Tuition	90,454,507	-	90,454,507
Fees	(186,242)	-	(186,242)
TOTAL TUITION AND FEES	90,268,265	-	90,268,265
Other Sources			
Sales and Service Fees	53,572	-	53,572
Facilities Revenue	-	1,889,698	1,889,698
Investment Revenue	6,172,299	848	6,173,147
Other	1,060,132	-	1,060,132
TOTAL OTHER REVENUE	7,286,003	1,890,546	9,176,549
TOTAL REVENUE	\$ 289,177,738	\$ 29,567,983	\$ 318,745,721
OPERATING EXPENDITURES BY PROGRAM			
Instruction	\$ 126,463,365	\$ -	\$ 126,463,365
Academic Support	28,402,998	-	28,402,998
Student Services	45,238,665	3,420	45,242,085
Public Service/Continuing Education	640,995	-	640,995
Auxiliary Services	7,615,359	-	7,615,359
Operations and Maintenance	13,280,524	33,820,812	47,101,336
Institutional Support	81,676,066	3,000	81,679,066
Scholarships, Grants, Waivers	13,335,852	-	13,335,852
TOTAL EXPENDITURES	\$ 316,653,824	\$ 33,827,232	\$ 350,481,056
OPERATING EXPENDITURES BY OBJECT			
Salaries	\$ 230,569,216	\$ 16,997,875	\$ 247,567,091
Employee Benefits	37,085,269	3,267,878	40,353,147
Contractual Services	10,671,110	2,278,276	12,949,386
General Materials and Supplies	17,039,809	1,015,146	18,054,955
Professional Development	1,154,239	-	1,154,239
Fixed Charges	555,083	1,093,465	1,648,548
Utilities	1,225,493	9,174,592	10,400,085
Capital Outlay	11,799	-	11,799
Other	4,967,514	-	4,967,514
Student Grants & Scholarships	13,374,292	-	13,374,292
TOTAL EXPENDITURES	316,653,824	33,827,232	350,481,056
Plus Non-Operating Items			
Transfers in from Non-Operating Funds	11,140,000	-	11,140,000
ADJUSTED EXPENDITURES	\$ 327,793,824	\$ 33,827,232	\$ 361,621,056

**City Colleges of Chicago
Community College District No. 508
Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement #4
Fiscal Year Ended June 30, 2025**

REVENUE BY SOURCE	
TOTAL LOCAL GOVERNMENT	\$ 6,886,265
State Government	
ICCB - Adult Education	3,093,715
SURS - On Behalf	102,114,742
Other	33,905,015
TOTAL STATE GOVERNMENT	139,113,472
Federal Government	
Department of Education	80,663,878
Other	16,324,133
TOTAL FEDERAL GOVERNMENT	96,988,011
Other Sources	
Other	5,221,422
TOTAL OTHER SOURCES	5,221,422
TOTAL RESTRICTED PURPOSES FUND REVENUES	\$ 248,209,170
EXPENDITURES BY PROGRAM	
Instruction	\$ 53,109,155
Academic Support	23,834,909
Student Services	28,307,165
Public Service/Continuing Education	3,820,260
Auxiliary Services	4,263,720
Operations and Maintenance	11,786,543
Institutional Support	23,247,575
Scholarships, Grants and Waivers	104,830,884
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 253,200,211
EXPENDITURES BY OBJECT	
Salaries	\$ 23,731,495
Employee Benefits	106,593,808
Contractual Services	4,507,687
General Materials and Supplies	6,669,105
Professional Development	543,920
Fixed Charges	71
Capital Outlay	1,985,023
Scholarships, Grants, Waivers	107,403,553
Other	1,765,549
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	\$ 253,200,211

**City Colleges of Chicago
Community College District No. 508
Current Funds* Expenditures by Activity
Uniform Financial Statement #5
Fiscal Year Ended June 30, 2025**

INSTRUCTION	
Instructional Programs	\$ 179,762,666
Total Instruction	<u>179,762,666</u>
ACADEMIC SUPPORT	
Library Center	5,887,084
Instructional Materials Center	440,104
Educational Media Services	2,500
Academic Computing Support	3,140,939
Academic Administration and Planning	29,390,673
Other	13,377,107
Total Academic Support	<u>52,238,407</u>
STUDENT SERVICES SUPPORT	
Admissions and Records	13,125,571
Counseling and Career Services	19,170,645
Financial Aid Administration	6,357,443
Other	34,912,632
Total Student Services Support	<u>73,566,291</u>
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	655,464
Customized Training (Instructional)	526,045
Community Services	1,883,076
Other	2,665,945
Total Public Service/Continuing Education	<u>5,730,530</u>
AUXILIARY SERVICES	<u>17,797,028</u>
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	16,225,963
Custodial Services	11,692,872
Grounds	392,069
Campus Security	15,019,444
Transportation	16,986
Utilities	9,174,592
Administration	3,100,551
Other	3,265,402
Total Operations and Maintenance of Plant	<u>58,887,879</u>
INSTITUTIONAL SUPPORT	
Executive Management	14,357,524
Fiscal Operations	28,192,782
Community Relations	9,855,117
Administrative Support Services	58,680,647
Board of Trustees	476,979
General Institutional	22,073,443
Institutional Research	1,129,899
Administrative Data Processing	13,493,617
Other Institutional Support	(22,217,467)
Total Institutional Support	<u>126,042,539</u>
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>118,166,736</u>
TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 632,192,076</u></u>

* Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit and Liability, Protection and Settlement Funds


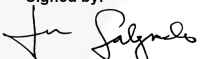
Schedule 6

**CITY COLLEGES OF CHICAGO
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 508**

**FISCAL YEAR 2026 CERTIFICATION OF PER CAPITA COST
FOR FISCAL YEAR ENDED JUNE 30, 2025**

All Fiscal Year 2025 Noncapital Audited Operating Expenditures are from the following funds:

Education Fund	\$	316,653,824
Operations and Maintenance Fund		33,827,232
Operations and Maintenance Fund (Restricted)		24,120,648
Bond and Interest Fund		13,328,096
Restricted Purposes Fund		151,085,469
Audit Fund		428,000
Liability, Protection and Settlement Fund		8,970,652
Total noncapital expenditures	\$	548,413,921
Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	\$	22,903,421
Total costs included (line 10 plus line 11)	\$	<u>571,317,342</u>
Total certified semester credit hours for fiscal year 2025		743,663.0
Per capita cost	\$	768.25

Approved:	<div>Signed by:</div>  <div>D40946A8681946A...</div> <div>Maribel Rodriguez, Chief Financial Officer</div>	<div>11/13/2025 7:33:46 PM CST</div> <div>Date</div>
Approved:	<div>Signed by:</div>  <div>F72280413173445...</div> <div>Juan Salgado, Chancellor</div>	<div>11/14/2025 3:44:49 PM CST</div> <div>Date</div>

**Independent Accountant's Report on the Schedule of Enrollment Data
and Other Bases on Which Claims are Filed**

RSM US LLP

Board of Trustees of
City Colleges of Chicago
Community College District No. 508

We have examined the accompanying Schedule of Enrollment Data and Other Bases on Which Claims are Filed (the Schedule) of City Colleges of Chicago, Community College District No. 508 (City Colleges) for the year ended June 30, 2025. City Colleges' management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule presented is in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Schedule is presented in accordance with the provisions of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects.

Other Information

Management is responsible for the other information that accompanies the Schedule. The other information comprises the Student Residency Verification Process and Summary of Assessed Valuations, but does not include the Schedule and our independent accountant's report thereon. Our opinion on the Schedule does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our examination of the Schedule, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Schedule, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

This report is intended solely for the information and use of the Board of Trustees, management of City Colleges and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Chicago, Illinois
November 19, 2025

City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases on Which Claims are Filed
Year ended June 30, 2025

Total Semester Credit Hours by Term
(In-District and Out-of-District Reimbursable)

Categories	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate Transfer	45,925.0	269.0	165,342.0	237.0	168,358.0	662.0	379,625.0	1,168.0
Business Occupational	6,177.0	258.0	22,445.0	42.0	24,006.0	141.0	52,628.0	441.0
Technical Occupational	4,490.0	249.0	19,263.0	591.0	17,820.5	787.0	41,573.5	1,627.0
Health Occupational	4,210.0	-	14,947.5	384.0	15,355.5	108.0	34,513.0	492.0
Remedial/Developmental	2,710.0	-	16,259.0	36.0	12,050.0	108.0	31,019.0	144.0
Adult Basic/Secondary Education	43,731.5	3,759.0	66,497.5	10,339.0	76,048.5	57.0	186,277.5	14,155.0
Total	107,243.5	4,535.0	304,754.0	11,629.0	313,638.5	1,863.0	725,636.0	18,027.0

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2025

Categories	Unrestricted			Restricted		
	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference
Baccalaureate Transfer	379,625.0	379,625.0	-	1,168.0	1,168.0	-
Business Occupational	52,628.0	52,628.0	-	441.0	441.0	-
Technical Occupational	41,573.5	41,573.5	-	1,627.0	1,627.0	-
Health Occupational	34,513.0	34,513.0	-	492.0	492.0	-
Remedial/Developmental	31,019.0	31,019.0	-	144.0	144.0	-
Adult Basic/Secondary Education	186,277.5	186,277.5	-	14,155.0	14,155.0	-
Total	725,636.0	725,636.0	-	18,027.0	18,027.0	-

Summary of Certified Dual Credit and Dual Enrollment Hours for the Year Ended June 30, 2025

	Unrestricted		Restricted	
	Dual Credit	Dual Enrollment	Dual Credit	Dual Enrollment
Reimbursable Semester Credit Hours (All Terms)	42,243.0	19,967.0	382.0	232.0

	Attending In-District	Attending Out-of-District on Chargeback or Cooperative/ Contractual Agreement	Total
Unrestricted in-district resident hours	698,004.0		
Restricted in-district resident hours	16,828.0		
Semester credit hours (all terms)	714,832.0	1,336.5	716,168.5

	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference
In-district resident	714,832.0	714,832.0	-
Out-of-district (chargeback/contractual agreement)	1,336.5	1,336.5	-
Total	716,168.5	716,168.5	-

Student Residency Verification Process (Unexamined)

Due to the District's campuses being publicly supported and chartered within the Community College District No. 508 (the City of Chicago), residents of Chicago "in-district" students pay a lower tuition rate for college credit courses. Those eligible for the resident status tuition rate, as of the date of arrival in Chicago, are:

- Minors whose parents or legal guardians live in Chicago.
- Adults or emancipated minors who live in Chicago (and have not moved to the city for the sole purpose of attending a post-secondary educational institution).
- Students who live out of district may qualify for in-district tuition if they work more than 35 hours per week in the City of Chicago. Proof of full-time employment must be shown at registration.

Any student at any time may be required to submit proof of Chicago residency through a voter registration card, driver's license, state identification card, utility bills, or other appropriate documentation. The District may require an affidavit from the parent or guardian of the minor student, or from adult or emancipated minor students themselves.

Non-resident tuition and fees will be charged to:

- Students residing outside Chicago or occupying a Chicago dwelling for purposes of attending a post-secondary educational institution.
- All international students holding student I-20 visas.

Summary of Assessed Valuations (Unexamined)

<u>Tax Levy Year</u>	<u>Equalized Assessed Valuation</u>
2024	\$ 109,770,538,836
2023	99,601,789,704
2022	96,847,230,931
2021	96,868,463,441
2020	89,478,355,786
2019	87,776,056,332
2018	86,286,411,094
2017	76,722,182,440
2016	73,984,605,433
2015	70,924,421,349

State Grant Compliance Section

Independent Auditor's Report on Audit of Grant Program Financial Statements

Board of Trustees of
City Colleges of Chicago
Community College District No. 508

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of net position and statement of revenues, expenses and changes in net position (financial statements) of the State Adult Education and Family Literacy Grants (State Basic and State Performance) (the Grant Program) of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Grant Program, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibilities under those standards and guidelines are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City Colleges and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statements of the grant program of City Colleges are intended to present the financial position and changes in financial position of City Colleges that are attributable to the transactions of the Grant Program. They do not purport to, and do not, present fairly the financial position of City Colleges, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of City Colleges' internal control over financial reporting of the Grant Program 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 City Colleges' 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 City Colleges' internal control over financial reporting and compliance.

RSM VS LLP

Chicago, Illinois
November 19, 2025

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Grant Program Financial Statements
Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Trustees of
City Colleges of Chicago
Community College District No. 508

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, the financial statements of the State Adult Education and Family Literacy Grants (State Basic and State Performance) (the Grant Program) of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

RSM US LLP

Chicago, Illinois
November 19, 2025

Grant Program Financial Statements

**City Colleges of Chicago
Community College District No. 508
State Adult Education and Family Literacy Grant Program**

**Statement of Net Position
June 30, 2025**

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Assets			
Due from City Colleges	\$ 7,581	\$ 9,002	\$ 16,583
Total assets	<u>7,581</u>	<u>9,002</u>	<u>16,583</u>
Liabilities and Net Position			
Accrued payroll	<u>7,581</u>	<u>9,002</u>	<u>16,583</u>
Total Liabilities	<u>7,581</u>	<u>9,002</u>	<u>16,583</u>
Net Position	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 7,581</u>	<u>\$ 9,002</u>	<u>\$ 16,583</u>

**Statement of Revenues, Expenses
and Changes in Net Position
Year ended June 30, 2025**

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Revenue			
State Sources	<u>\$ 1,652,045</u>	<u>\$ 1,441,670</u>	<u>\$ 3,093,715</u>
Expenses By Program			
Instruction	1,071,142	747,454	1,818,596
Guidance Services	92,034	166,760	258,794
Assessment and Testing	<u>251,745</u>	<u>-</u>	<u>251,745</u>
Subtotal Instructional and Student Services	<u>1,414,921</u>	<u>914,214</u>	<u>2,329,135</u>
Program Support			
Improvement of Instructional Services	-	111,835	111,835
General Administration	-	63,708	63,708
Data and Information Services	98,244	234,611	332,855
Approved Indirect Cost	<u>138,880</u>	<u>117,302</u>	<u>256,182</u>
Subtotal Program Support	<u>237,124</u>	<u>527,456</u>	<u>764,580</u>
Total Expenses	<u>1,652,045</u>	<u>1,441,670</u>	<u>3,093,715</u>
Excess of Revenue Over Expenses			
Net Position - July 1, 2024	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

see accompanying notes to grant program financial statements

Notes to Grant Program Financial Statements

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2025

1. PROGRAM DESCRIPTIONS

City Colleges of Chicago is responsible for administering the following programs in accordance with “Policy Guidelines for Restricted Grant Expenditures and Reporting” set forth by ICCB in its Fiscal Management Manual. Program funds are accounted for in the City Colleges of Chicago’s current restricted fund.

A. State Adult Education and Family Literacy Grants

The ICCB awards funding to eligible applicants to develop, implement and improve adult education and literacy activities. The provider must use the grant to establish or operate programs that provide services or instruction in one or more of the following categories:

- Adult education and literacy services (including workplace)
- Family literacy services
- English literacy programs

The ICCB provides funding for Adult Education and Family Literacy from State and Federal sources in fiscal year 2025. State funds include two categories: (1) State Basic and (2) State Performance. Federal funds include one category in fiscal year 2025, (1) Federal Basic. Funding is allocated through a competitive process. The funding source determines the applicable statutory regulations, policies, and guidelines including allowable costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Reporting

These grant program financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Expenses are reported when services are rendered, or when goods are received.

Grant revenues are reported in these grant program financial statements when allowable grant expenses are made. Expenses are allowable if they comply with “Policy Guidelines for Restricted Grant Expenditures and Reporting” set for in the ICCB Fiscal Management Manual.

The grant funds shall be expended or obligated prior to June 30 each year, the last day of the fiscal year. Grant funds should be accounted for in the same period as in the credit hour claiming process. Unexpended funds shall be returned to ICCB by October 15 following the end of the fiscal year. The State Adult Education and Family Literacy programs were fully expended within the grant period.

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2025

A. Basis of Reporting *(Continued)*

These grant program financial statements cover only the State Adult Education and Family Literacy grants. It is not intended to, and does not, present the financial position or results of operations of City Colleges of Chicago in its entirety.

B. Cash held by City Colleges of Chicago

To facilitate sound management, substantially all grant program cash for the State Adult Education and Family Literacy program is pooled with City Colleges.

C. Due from City Colleges

A receivable is recorded for the funds to be received from the ICCB on June 30, 2025, for reimbursement of the allowable expenditures incurred during the fiscal year.

D. Accrued Payroll

Accrued payroll is all forms of compensation owed to employees that have not yet been paid to them and is a liability of City Colleges. The key components of accrued payroll are salaries, wages, and payroll taxes.

E. Uses of Estimates

The preparation of the grant program financial statements in conformity with accounting principles generally accepted in the United States of America requires sound management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates and assumptions.

Please contact us if you would like additional copies of the Annual Comprehensive Financial Report for the year ended June 30, 2025: <https://www.ccc.edu/departments/annual-finance-and-budget-reports/>

For further information or to learn about our education, operational and employment opportunities, please visit the CCC website at <http://www.ccc.edu>.

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