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success



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

Palatine, Illinois

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

(With Independent Auditor's Report Thereon)

Prepared by:

Accounting Services Department

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

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COMMUNITY COLLEGE DISTRICT NO. 512
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December 19, 2025

Board of Trustees of William Rainey Harper College and
Citizens of William Rainey Harper Community College District No. 512:

The Annual Comprehensive Financial Report (ACFR) for William Rainey Harper College – Community College District Number 512 (the College), Counties of Cook, Kane, Lake, and McHenry, State of Illinois, for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the College. 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 the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included. This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis, which focuses on current activities, accounting changes, and currently known facts.

The College maintains its accounts and prepares its financial statements in accordance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), and the Illinois Community College Board (ICCB). The College's financial statements as presented in this report have been audited by Crowe LLP. Their report is included as part of the financial section.

College Background

In 1950, discussions began about creating a community college. By 1962, a community survey had been conducted, and in 1964, a feasibility study recommended that citizens take steps to propose a community college to local voters.

In 1966, a 200-acre site in Palatine was chosen, and the college was named William Rainey Harper College, in honor of the first President of the University of Chicago. That spring, voters approved a bond referendum to support the college, and in 1967, the first faculty were hired, and classes started for 1,725 students in temporary facilities. The college broke ground on six new buildings that same year.

By 1973, the Harper Educational Foundation was established to support scholarships and special projects. A successful 1975 funding referendum enabled the completion of the Palatine campus, with buildings G and H finished in 1977, as well as housing vocational shops and labs. The college's first president, Dr. Robert Lahti, resigned, and Dr. James McGrath became the second president in 1978.

That year, the college also began work on a new master plan, though a referendum to increase operating revenue failed, leading to budget cuts. By 1980, the campus had grown to 15 buildings, including new physical and vocational education facilities.

In 1982, Harper established a CAD/CAM training center, partnering with local high-tech firms. A tax increase was approved in 1985, marking the first increase in tax support for Harper's operations since it opened. In 1988, Dr.

Paul Thompson became the third president, and by 1990, the college developed a long-range vision called "Our Preferred Future," with input from over 1,000 college and community members.

In 1991, Harper established its Corporate Services department, now known as Harper College for Business. The college expanded its technology plan in the following years and opened new buildings to support liberal arts, communications, and technical programs.

In the early 2000's, Harper College continued to expand, opening the Avanté Center for Science, Health Careers, and Emerging Technologies, and creating the Harper Professional Center (HPC). By 2004, Harper was one of the largest community colleges in the country, serving over 37,000 students.

Dr. Robert L. Breuder, Harper's fourth president, led significant expansion efforts, including the construction of the Performing Arts Center and Wojcik Conference Center. The college also implemented a shared governance structure and published its first comprehensive strategic long-range plan.

In 2009, Dr. Kenneth Ender became the fifth president, and Harper embarked on new initiatives to improve student completion rates, create workforce partnerships, and promote equity. In 2015, the Harper Promise Scholarship Program was launched, offering local high school students the chance to attend Harper tuition-free based on academic performance and community service.

Dr. Avis Proctor became Harper's sixth president in 2019, making history as the first woman and first person of color to lead the institution. During her tenure, Harper has been recognized nationally for student success and equity initiatives and navigated the challenges of the COVID-19 pandemic by moving classes online and providing emergency financial support to students.

Harper College continues to grow and innovate, earning prestigious awards and recognition for its programs, including being named a semifinalist among the Top 20 Community Colleges in the nation for the 2025 Aspen Prize for Community College Excellence.

Profile of the College

William Rainey Harper College is one of forty-eight (48) community colleges in the State of Illinois that make up the Illinois Community College System. Harper College's credit full-time equivalent (FTE) enrollment for fiscal year 2025 is approximately 8,900. The College has 815 full-time employees, which includes 223 full-time Faculty.

Harper is a comprehensive community college that offers transfer curriculum, occupational training, adult enrichment classes, and a variety of other community services. The Harper Business Solutions department provides customized training throughout the district. The College offers certificates and associate degrees in a wide range of program areas.

The college district is located in the northwest suburbs of Chicago. The 200-acre campus is located in Palatine, with extension facilities at the Learning and Career Center in Prospect Heights, and the Harper Professional Center in Schaumburg.

The Illinois Community College Board (ICCB) is the coordinating board of Illinois community colleges. ICCB's mission is "To administer the Public Community College Act in a manner that maximizes the ability of the community colleges to serve their communities. To promote cooperation within the system and accommodate those State of Illinois initiatives that are appropriate for community colleges, to be accountable to the students, employers, lawmakers, and taxpayers of Illinois, and to provide high-quality, accessible, cost-effective educational opportunities for the individuals and communities they serve." It is the policy of Harper College not to discriminate

on the basis of race, color, religion, sex, age, marital status, national origin, ancestry, or physical or mental handicap or unfavorable discharge from the military in its educational programs, activities, or employment.

Accreditation

Harper College is accredited by the Higher Learning Commission, a regional accreditation agency recognized by the U.S. Department of Education.

College Philosophy and Mission

Mission Statement

Harper College enriches its diverse communities by providing quality, affordable, and accessible education. Harper College, in collaboration with its partners, inspires the transformation of individual lives, the workforce, and society.

Vision Statement

We will be an innovative and inclusive institution, the community's first choice, and a national leader for student success.

Philosophy Statement

We, at Harper College, believe that our charge is to facilitate active learning and foster the knowledge, critical thinking and life/work skills required for participation in our global society. We work with our community partners to enrich the intellectual, cultural and economic fabric of our district. We believe that excellence in education must occur in an ethical climate of integrity and respect. We hold that the strength of our society is rooted in our diversity and that it is through synergy that we achieve excellence.

Presidential Priorities

The President establishes priorities in consultation with the Board of Trustees that support the Strategic and Operational Plans of the College. Five goals were established for FY2025:

Goal 1: Ensure continued progress on student success measures focused on how students advance in their studies at Harper, as defined by the You Matter, We Care SOAR framework and monitored through the Institutional Effectiveness Measures (IEMs). The leading indicators below provide key data on progression to graduation and will be disaggregated to ensure the College is focused on closing equity gaps. These measures include:

- a. Fall to Spring Persistence
- b. Fall to Fall Persistence
- c. Part-Time Credit Accumulation (12 hours)
- d. Full-Time Credit Accumulation (24 hours)

Status: Completed

Measured progress on the stated leading indicators, with improvement achieved in all four of the measures. Additionally, 12 equity gaps were identified in these four measures, and gaps were reduced or remained constant for seven of these measures.

Goal 2: Establish additional measures that aid in improving the recruitment and retention of diverse faculty and staff and report progress via the IEMs.

- a. Implement the new recruitment plan.
- b. Strengthen practices that enhance the retention of faculty and staff from underrepresented groups.

Status: Completed

Continued to implement the new recruitment plan and launched the Search Committee handbook, with support from Human Resources, search committees are expected to use the handbook for guidance and consistency in our recruitment practices. Adopted a compensation philosophy in July 2024 that is applied to all positions impacted by our updated compensation approach. Employee retention continues to be an area of focus. Human Resources has implemented monthly new hire coffees to welcome and promote a sense of belonging in new employees. Additionally, a new employee resource group (ERG) has been created for immigrant employees (Voice of Immigrants Committed to Equity; VOICE). ERGs are open to all employees. We are also looking forward to the creation of campus affinity groups, where individuals can connect based on shared identities, interests, or experiences.

Goal 3: Execute recommendations that increase standards of risk management for the College.

- a. Continue to execute enrollment and marketing strategies that build on the increased enrollment experienced over the past fiscal year.
- b. Continue to improve institutional readiness for emergencies and cybersecurity threats.

Status: Completed

The College continued to execute enrollment and marketing strategies that build on the increased enrollment experienced over the past fiscal year. We revised the “living” Strategic Enrollment Plan to focus on expansion of dual credit transition post high school, increase the number of Math and English students with a high school GPA of 2.0 or lower who engage with the Academic Support Center, create an FYS course for returning adults to assist with transition to college, explore the purchase of an AI recruiter to expand reach and service to prospective students, increase the number of reenrolling students through a Harper Reconnect program, and improve Registration Rally awareness and support. Additionally, the College continues to improve institutional readiness for emergencies and cybersecurity threats with the completion of a Continuity of Operations Plan (COOP), the addition of 30 outdoor speakers to facilitate emergency communications, testing of emergency alert communications, conducted a Family Reunification exercise in which nearly 1,300 faculty, students and staff were relocated from Plum Grove Middle School to Building M. Cybersecurity efforts included completing 33 of 38 recommendations from the Gramm-Leach-Bliley Act (GLBA) assessment to improve cybersecurity posture at the College, deployed student security awareness training in addition to the annual employee cybersecurity training, conducted a Cyber Breach Functional Training Exercise (FTX) aligned with the Cybersecurity & Infrastructure Security Agency (CISA) best practices, and updated the Incident Response Plan and the Virus and Malware Response Plans to enhance our preparedness.

Goal 4: Execute the highest priority master planning projects.

- a. Complete construction documents and begin construction of the Canning Student Center.
- b. Complete construction documents and bidding for the Business and Social Sciences Building (Buildings I and J).

Status: Completed

Completed construction documents for the Canning Student Center and University Center in July 2024 and groundbreaking in November 2024. Completed construction documents and phased and anticipated bidding for the Business and Social Sciences Building and held groundbreaking in May 2025.

Goal 5: Execute an inclusive strategic planning process.

- a. Organize and execute an inclusive strategic planning process for the College focused on student, employee, facility and community needs.

Status: Completed

Engaged faculty, staff, students, the Board of Trustees, and community members in a strategic plan development process that included dialogue sessions, data summits, a survey, and a culminating Strategic Planning Conference. The inclusive planning process resulted in three strategic plan goals, approved by the Board of Trustees in June 2025:

1. Cultivate an inclusive and supportive community that prioritizes holistic well-being for everyone.
2. Provide innovative and responsive education that addresses the evolving needs of students, the workforce, and our community.
3. Achieve organizational excellence by centering on mission-aligned initiatives that improve operations, encourage experimentation, and advance sustainability, while upholding the College's core values.

Capital Project Priorities

Several Campus Master Plan project initiatives made significant progress in FY2025:

- Completed the Building B Central Steam Boiler Plant Upgrade Project within the project budget of \$6,546,000.
- Completed the Building E Film Studies Lab within the project budget of \$2,420,500.
- Completed the Building E HVAC Replacement Project within the project budget of \$610,600.
- Completed the Building E Toilet Room Upgrade Project within the project budget of \$885,400.
- Completed the Building H Welding Lab Renovation Project within the project budget of \$475,300.
- Completed the Building M Utility Piping Relocation and Building U Heating Hot Water Plant Replacement Project within the project budget of \$2,211,000.
- Completed the Building P Audio Lab Remodeling Project within the project budget of \$736,000.
- Completed the Building R Roofing System Replacement Project within the project budget of \$796,000.
- Completed the Building V Parking Lot and Salt Storage Project within the project budget of \$562,000.
- Completed the Building X Massage Therapy Renovation Project within the project budget of \$411,400.
- Completed the Building Y Data Center Upgrade Project within the project budget of \$569,000.
- Completed Buildings B, D, H, M and S Building Automation Systems (BAS) Upgrade Project within the project budget of \$695,000.
- Completed the Learning and Career Center Elevator Project within the project budget of \$995,000.
- Completed work on the Campus HVAC Improvement Project (CDB #810-032-030) within the project budget of \$1,725,902.
- Began work on the Canning Student Center and University Center Project (Building N, CDB #810-032-029). The project is scheduled to be completed in summer 2027 and is within the project budget of \$101,620,000.
- Began work on the new Business and Social Sciences Building (Building I). The project is scheduled to be completed in winter 2028 and is within the project budget of \$78,000,000.

- Began work on the Emergency Services Training Center (Building Q). The project is scheduled to be completed in Fall 2025 and is within the project budget of \$9,300,000.
- Began work on Phase II of the Buildings R, W, X, Y and Z Building Automation Systems (BAS) Upgrades Project. The project is scheduled to be completed in August 2025 and is within the project budget of \$1,341,065.
- Began work on the Building Y HVAC Upgrades, AHU-3 Fan Array. The project is scheduled to be completed in Fall 2025 and is within the project budget of \$692,734.
- Began work on the Buildings W, X, and Z Family/All-Gender Restrooms Project. The project is scheduled to be completed in Fall 2025 and is within the project budget of \$886,000.
- Began work on the Building X, X133, Phlebotomy Lab Improvement Project. The project is scheduled to be completed in Fall 2025 and is within the project budget of \$267,000.
- Began work on the Building Z Underpass Ceiling Repairs The project is scheduled to be completed in Fall 2025 and is within the project budget of \$299,233.
- Began work on the Building A HVAC/BAS Upgrades. The project is scheduled to be completed in Fall 2025 and is within the project budget of \$540,000.
- Began work on the Building H, H185 Classroom Improvements. The project is scheduled to be completed in Fall 2025 and is within the project budget of \$171,540.
- Completed the Contract Award for the Utility Tunnel Infrastructure Repairs (CDB #810-032-028) with construction scheduled to begin in summer of 2025.
- Began the programing for Athletic Field Improvements. Programing is scheduled to be completed in August 2025 with design development to begin in October 2025.
- Other significant capital improvements in FY2025 include Occupational Safety and Health Administration roof safety upgrades; eyewash station improvements; security improvements; roofing improvements, building envelop improvements; campus infrastructure improvements; indoor lighting level controllers; sidewalk repairs; parking lot maintenance; parking garage maintenance; traffic signage improvements; building HVAC Commissioning, and various classroom upgrades.

Financial Information

Internal Control

Management of the College is responsible for establishing and maintaining internal controls designed to protect the assets of the College, prevent loss from theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefit likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

Each year, including the fiscal year ended June 30, 2025, the College receives various reports from an independent certified public accountant reporting, among other things, whether instances of material weakness in the internal controls or material violation of applicable laws or regulations were noted during the audit. These reports are included in the Federal Financial Compliance section of this Annual Comprehensive Financial Report.

Budgeting Controls

The College maintains budgetary controls through an encumbrance accounting system. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees.

The level of budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) is 110% of the budgeted amounts for all funds. The College also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-authorized as part of the following year's budget.

Compensated Absences and New Accounting Guidance

GASB Statement No. 101, *Compensated Absences*, became effective for fiscal years beginning after December 15, 2023. GASB 101 requires the College to change how it recognizes and measures liabilities for leave time earned by employees. Recognition of a compensated absences liability is required for leave that accumulates, is compensation for services already rendered, and is more likely than not to be used or settled. The College gathered and analyzed all types of compensated absences to determine applicability to the new standards. Based on a probability assessment of whether earned leave time was more likely than not to be used, the College recorded a leave liability balance in its Statement of Net Position for Fiscal Year 2025. The implementation of GASB Statement No. 101 resulted in a reduction of the College's net position by \$5,123,404 and recognition of long-term obligations in the same amount as of July 1, 2024. See notes 1 and 5 in the Notes to Financial Statements for more information.

Prospects for the Future

Harper College will continue to implement initiatives that enhance the success of our students. This includes assessing the financial wellness of our students and working to provide resources and support for those with food and housing insecurities, transportation struggles and other barriers preventing academic engagement and success. The four-year strategic plan will provide focus as we strive to be an innovative and inclusive institution, the community's first choice and a national leader for student success.

Long-Term Financial Planning

The College devotes considerable time and resources to long range strategic and operational planning. The College is equally committed to long range financial planning. Each fall the Five-Year Financial Plan is updated, forecasting financial trends into the future.

The Five-Year Financial Plan is presented in three sections as follows:

- Section One – Executive Summary and Financial Policies and Guidelines
- Sections Two – Five-Year Projections by Fund and Fund Groupings
- Sections Three – Additional Financial Driver Detail

The purpose of the Five-Year Financial Plan is to create a framework which allows the College and the Board of Trustees to examine the long-range financial implications of the many major financial decisions that have been made. The Five-Year Financial Plan is not intended to be a detailed line item budget for five years, but rather, it is intended to provide a "broad brush" overview of the financial position and the resulting impact of the financial decisions that must be made. The Five-Year Financial Plan is also intended to look prospectively at expenditures,

the means of financing those expenditures, and the financial position over a longer period of time than the traditional one-year budget.

Debt Administration

The statutory debt limit based on the property tax assessed valuation totals \$697.8 million. The current indebtedness totals \$212.3 million leaving a substantial margin for additional debt, as determined by the assessed valuation and the current property taxes. Current indebtedness is due to four outstanding series of bonds with varying maturity dates, with the last payment due in 2038.

Financial Guidelines

The Board guideline is to maintain a balanced budget across the Tax-Capped Funds, consisting of the Education Fund; the Operations and Maintenance Fund; the Audit Fund; and the Liability, Protection and Settlement Fund. The term *balanced budget* shall apply only to the Tax-Capped Funds.

Tuition is set by the Board, whose policy is to limit annual tuition and per credit hour fee increases to 5% of total tuition and fees or the Illinois statute limitation using the Higher Education Cost Adjustment (HECA) rate change as a guideline, as appropriate, to promote a balanced budget for Harper College and financial consistency for Harper students.

Fees are increased and/or added to make up for shortfalls in other revenue sources including state funding and property tax reductions due to Property Tax Appeal Board (PTAB) appeals.

It is the Board's policy to maintain the fund balance in the combined Tax Capped Funds between 40% and 60% of budgeted annual expenditures.

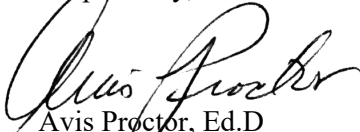
Other Information

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harper College for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 15th consecutive year Harper College has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government organization must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

State Statute requires an annual audit by independent certified public accountants. The accounting firm of Crowe LLP was selected by the College's Board of Trustees to conduct the fiscal year 2025 audit. The auditor's report on the financial statements and supplemental financial information is included in the financial section of this report. The auditor's opinion is unmodified for this year.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the Accounting Services staff of the College. Each member of this department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the Board of Trustees of the College, preparation of this report would not have been possible.

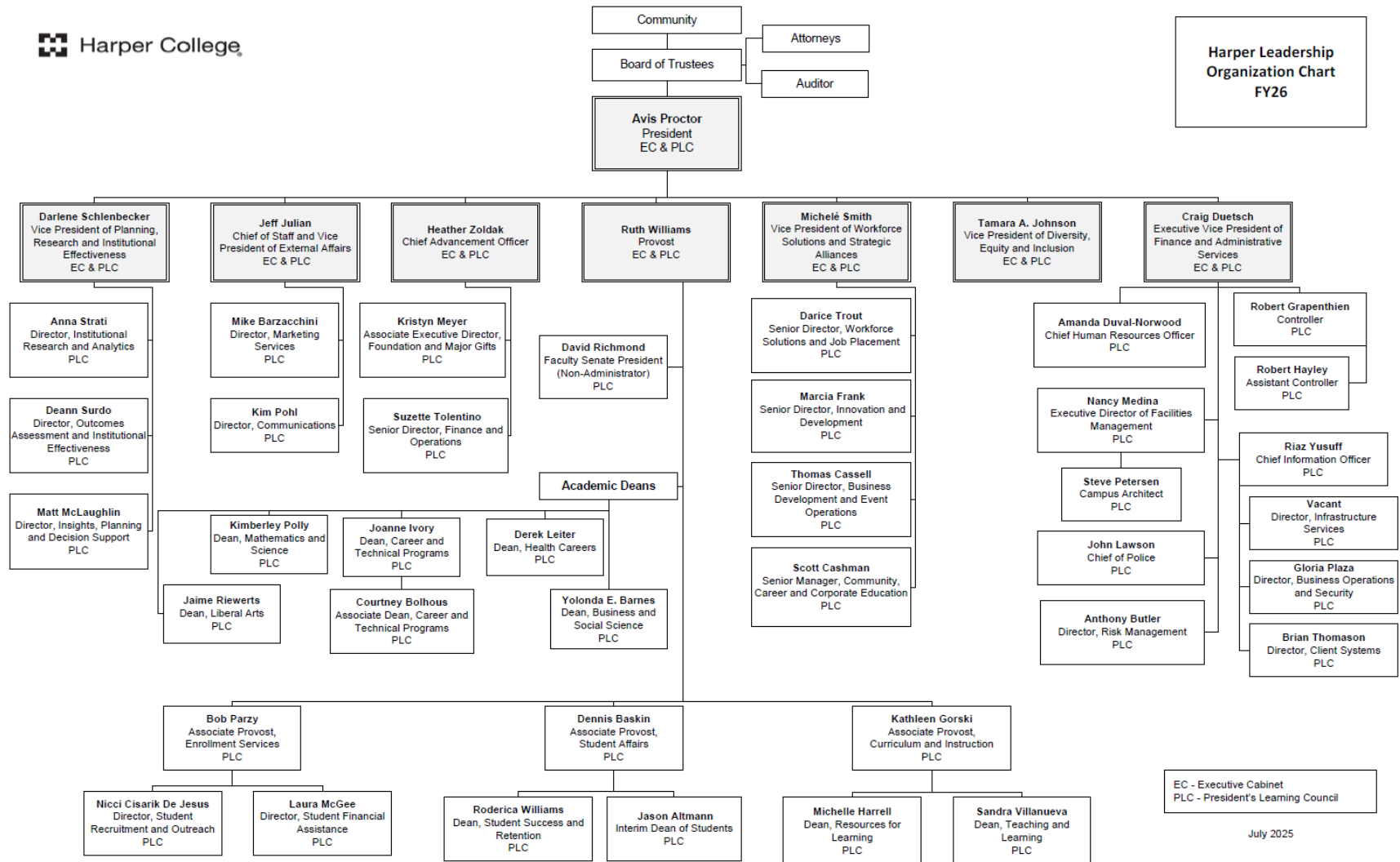
Respectfully,



Avis Proctor, Ed.D
President



Craig Duetsch
Executive VP of Finance and Administrative Services





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**William Rainey Harper College
Community College District No. 512
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE NUMBER 512

PRINCIPAL OFFICIALS
December 19, 2025

BOARD OF TRUSTEES

	<u>Position</u>	<u>Term Expiration</u>
William Kelley	Chair	2027
Walt Mundt	Vice Chair	2029
Dr. Nancy Robb	Secretary	2027
Diane Hill	Trustee	2027
Pat Stack	Trustee	2029
Eric Knox	Trustee	2031
James Meyer	Trustee	2031
Adekunbi Aransiola	Student Trustee	2026

OFFICERS OF THE COLLEGE

Avis Proctor, Ed.D	President
Heather Zoldak	Chief Advancement Officer
Craig Duetsch	Executive Vice President of Finance and Administrative Services
Ruth Williams, Ph.D	Provost
Jeff Julian	Chief of Staff and Vice President of External Affairs
Tamara Johnson, Ed.D	Vice President of Diversity, Equity and Inclusion
Darlene Schlenbecker	Vice President of Planning, Research and Institutional Effectiveness
Michel� Smith, Ph.D	Vice President of Workforce Solutions

OFFICIALS ISSUING THE REPORT

Craig Duetsch	Executive Vice President of Finance and Administrative Services
Bob Grapenthien, CPA	Controller

DEPARTMENT ISSUING THE REPORT

Bob Hayley, CPA	Assistant Controller
Anne Maurer	Manager, Budget and Accounting Services

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
William Rainey Harper College
Community College District No. 512

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of William Rainey Harper College, Community College District No. 512 (the "College"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 the College, 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.

We did not audit the financial statements of the William Rainey Harper College Education Foundation (the "Foundation"), which represents the College's entire discretely presented component unit as of and for the year ended June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the College, 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the College has adopted GASB Statement No. 101, *Compensated Absences* as of July 1, 2024. 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.

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 the College's ability to continue as a going concern for twelve 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the College's 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 the College's 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 and other Required Supplementary Information, as listed in the table of contents, 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 the College's basic financial statements. The Uniform Financial Statements identified as schedules 1 through 5 are presented for purposes of additional analysis and are 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 audits 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 Uniform Financial Statements identified as schedules 1 through 5 are 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, statistical section, special reports section information included in schedule 6, and residency verification for enrollment, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid, with the "C" being particularly large and the "LLP" being more compact.

Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

Purpose

This Management Discussion and Analysis (MD&A) provides a comprehensive review of the financial activities and performance of William Rainey Harper College – Community College District No. 512 (“the College”) for the fiscal year ended June 30, 2025. The William Rainey Harper College Educational Foundation (“the Foundation”) is included as a component unit; separate financial statements for the Foundation are available upon request from the Chief Advancement Officer.

This narrative is intended to offer stakeholders a clear and concise overview of the College’s financial position, operating results, and strategic direction. Readers are encouraged to consult the accompanying financial statements and notes for additional detail.

The financial statements are designed to emulate corporate presentation models whereby all of the College activities are consolidated into one total. The focus of the statement of net position is designed to be similar to bottom line results for the College; it combines and consolidates current financial resources with capital assets. The statement of revenues, expenses, and changes in net position focuses on both the gross and net costs of the College activities, which are supported mainly by local taxes and tuition revenues.

Highlights

Institutional Description

Founded in 1965 and serving the northwest suburbs of Chicago, Harper College is a comprehensive, two-year public institution dedicated to affordable, high-quality education, personal growth, and community enrichment. The College’s district encompasses 23 communities, covering approximately 200 square miles and serving an estimated population of 538,000. With about 30,000 businesses in the district, Harper College plays a vital role in workforce development and lifelong learning.

The College’s annual enrollment includes approximately 21,900 credit students and 4,600 continuing education students. The campus comprises 25 facilities totaling 1.7 million gross square feet. Following the 2018 referendum, Harper continues to invest in infrastructure and capital projects to support growth and future needs.

Accreditations

The College’s accreditation was reaffirmed by the Higher Learning Commission (HLC) in June 2018 for the maximum ten-year period. This regional accreditation ensures the College maintains rigorous academic standards, provides access to federal financial aid, and facilitates credit transferability. The HLC’s endorsement underscores Harper’s commitment to educational excellence and service to the community.

Enrollment

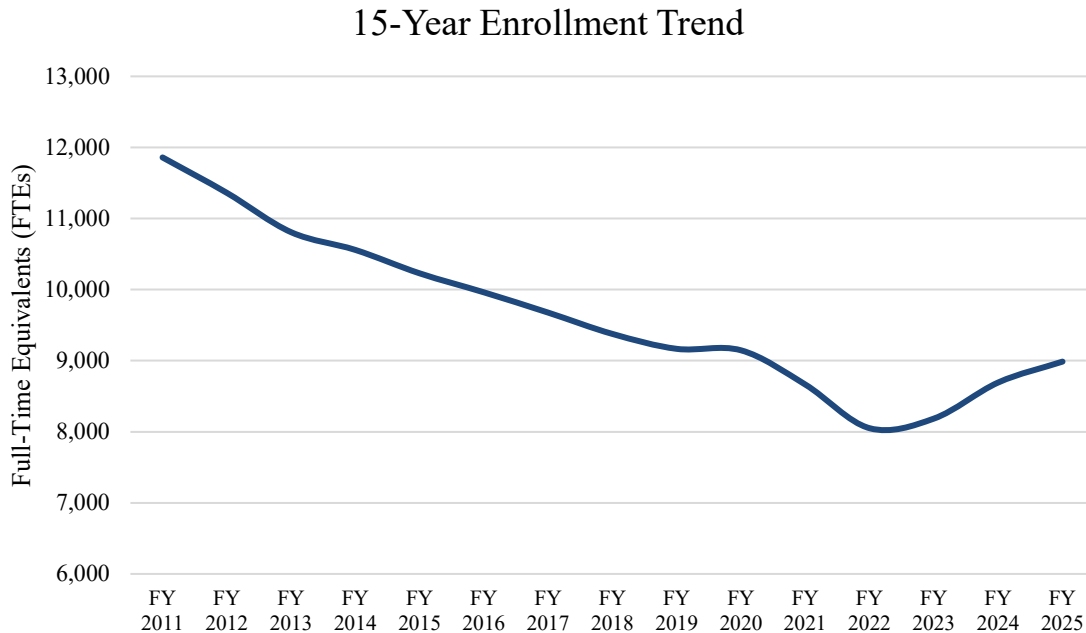
In 1967, Harper College opened with an enrollment of about 1,700 students. Today the College’s enrollment stands at approximately 26,500 students of all ages participating in credit, continuing education, customized, and extension courses at the Harper campus or at other district locations. The majority of Harper’s activities take place on the 200-acre campus in Palatine, Illinois. The College also utilizes the Learning and Career Center located in Prospect Heights, Illinois, and the Harper Professional Center in Schaumburg, Illinois.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

The College's enrollment has rebounded to pre-pandemic levels after a decade of declines. In fiscal year 2025, total credit hours increased by 3.4% to 269,609, up from 260,807 in fiscal year 2024. Full-time equivalents (FTEs) rose to 8,987, and headcount increased by 3.0% over the same period.

The chart below reflects credit full-time equivalents from fiscal years 2011 through 2025.



Statement of Net Position

The statement of net position presents the financial position of the College at the end of the fiscal year. It includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The difference between the total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources represents the College's "equity" and provides a measure of the financial health of the College. The change in net position is an indicator of whether the financial condition has improved or worsened during the year.

Assets and liabilities are measured using current market values, with the exception of capital assets. Capital assets are stated at historical cost, lowered by depreciation.

Summary of Net Position – Fiscal Year 2025 compared to Fiscal Year 2024

In fiscal year 2025, the College's total net position increased by \$26.8 million compared to the prior year. Total assets rose by \$10.0 million, reflecting strong financial performance and continued investment in campus infrastructure. Total liabilities decreased by \$9.3 million, primarily due to scheduled debt repayments and a \$7.1 million reduction in Other Post Employment Benefits (OPEB) liabilities.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

Capital assets, net of depreciation, increased by \$11.4 million, driven by major construction projects, including the Business and Social Sciences Building (completion anticipated in 2028), the Canning Student Center (2027), and the Emergency Services Training Center (2026).

Current liabilities increased by \$5.1 million, attributable to construction activities and unearned tuition from enrollment growth. Noncurrent liabilities declined by \$14.3 million, reflecting bond payments and OPEB reductions.

Summary of Net Position
June 30, 2025 and 2024

	2025	Restated 2024
Current assets	\$ 230,845,440	\$ 217,740,200
Noncurrent assets:		
Restricted cash and investments	193,099,313	204,937,491
Unrestricted cash and investments	22,769,832	25,449,437
Capital assets, net of depreciation	259,721,786	248,332,478
Total assets	706,436,371	696,459,606
Deferred outflows of resources	5,520,733	4,676,875
Total assets and deferred outflows of resources	711,957,104	701,136,481
Current liabilities	50,503,592	45,425,090
Noncurrent liabilities	255,800,796	270,145,146
Total liabilities	306,304,388	315,570,236
Deferred inflows of resources	80,270,124	87,031,984
Total liabilities and deferred inflows of resources	386,574,512	402,602,220
Net position:		
Net investment in capital assets	185,187,099	174,443,453
Restricted, expendable	23,499,813	29,753,127
Unrestricted	116,695,680	94,337,681
Total net position	\$ 325,382,592	\$ 298,534,261

Summary of Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position represents the operating results of the College, as well as the nonoperating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered nonoperating revenues according to accounting principles generally accepted in the United States.

The summary of the statement of revenues, expenses, and changes in net position for the years ended June 30, 2025, and 2024 is further detailed on the following page.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

Summary of Statement of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2025 and 2024

	2025	Restated 2024
Operating revenues:		
Tuition and fees, net	\$ 42,586,260	\$ 40,276,671
Government grants and contracts	6,848,903	7,342,821
Auxiliary	1,523,807	1,662,431
Other	1,566,591	1,519,754
Total operating revenues	52,525,561	50,801,677
Operating expenses	197,606,685	179,873,731
Operating loss	(145,081,124)	(129,072,054)
Nonoperating revenues and expenses:		
Property and other taxes	97,830,335	97,602,041
Government appropriations, grants, and contracts ¹	55,741,969	52,300,542
Investment income	15,170,558	16,703,079
Interest expense	(5,776,906)	(6,352,173)
Other	861,568	928,310
Total nonoperating revenues and expenses, net	163,827,524	161,181,799
Change in net position before capital contributions	18,746,400	32,109,745
Capital contributions	8,101,931	3,178,935
Change in net position	26,848,331	35,288,680
Net position, beginning of year	298,534,261	268,368,985
Cumulative effect of a change in accounting principle	-	(5,123,404)
Net position, end of year	\$ 325,382,592	\$ 298,534,261

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

Revenues

Total revenues were \$230.2 million and \$221.5 million in fiscal years 2025 and 2024, respectively.

Revenues – Fiscal Year 2025 compared to 2024

	2025	2024
Revenues		
Operating Revenues	\$ 52,525,561	\$ 50,801,677
Nonoperating Revenues	169,604,430	167,533,972
Capital Contributions	8,101,931	3,178,935
Total Revenues	<u>\$ 230,231,922</u>	<u>\$ 221,514,584</u>

Operating revenues increased by \$1.7 million due to an increase in student tuition and fees. The College approved a \$3 per credit hour tuition increase to help support the College's commitment to providing quality, affordable and accessible education. In-district tuition for the 2024-25 academic year increased 1.9% to \$138.50 per credit hour. Out-of-district, out-of-state, and international student tuition rates also increased by \$3 a credit hour. The tuition rate increase combined with the enrollment gains described earlier account for the favorable revenue increase.

	2025	2024
Operating Revenues		
Student tuition and fees, net	\$ 42,586,260	\$ 40,276,671
State and local government grants	5,422,462	4,941,985
Federal government grants	1,426,441	2,400,836
Auxiliary enterprises	1,523,807	1,662,431
Sales and services of educational departments	995,628	914,652
Other	570,963	605,102
Total Operating Revenues	<u>\$ 52,525,561</u>	<u>\$ 50,801,677</u>

Nonoperating revenues increased by \$2.1 million in total. Revenues from property taxes, the College's largest revenue source, decreased in fiscal year 2025 following a significant increase in property tax refund activity, which offset the inflationary property tax levy increase. Federal government grant activity increased \$5.0 million compared to the prior year due to an increase in PELL awards. Following several years of growing investment earnings, the College's investment returns decreased \$1.5 million when compared to the prior year due to declining rates. On-behalf payments for the College's retirement and OPEB plans increased \$0.5 million. The on-behalf contribution is detailed further in note 6 and 10 of the financial statements.

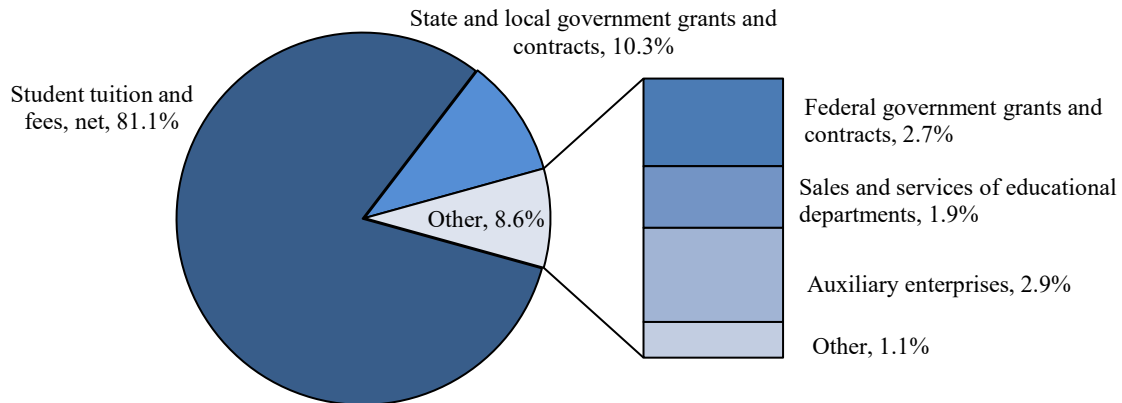
	2025	2024
Nonoperating revenues:		
Property taxes	\$ 96,525,907	\$ 97,602,041
State appropriations	10,233,741	10,138,793
State retirement on-behalf plan contribution (notes 6 & 10)	20,925,172	20,402,699
Personal property replacement tax	1,304,428	1,945,229
State and local government grants and contracts	3,943,579	4,184,663
Federal government grants and contracts	20,639,477	15,629,158
Gifts	327,983	312,226
Investment income, net of investment expense	15,170,558	16,703,079
Other	533,585	616,084
Total Nonoperating Revenues	<u>\$ 169,604,430</u>	<u>\$ 167,533,972</u>

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

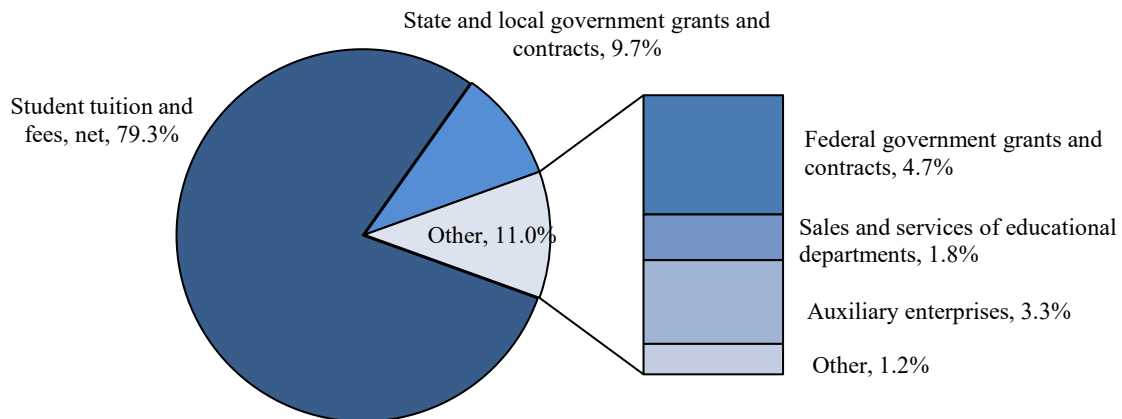
Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

The following are graphic illustrations of operating revenues by type:

FY 2025 Operating Revenues



FY 2024 Operating Revenues



WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

Expenses

Total expenses were \$203.4 million and \$186.2 million in fiscal years 2025 and 2024, respectively.

	2025	2024
Expenses		
Operating Expenses	\$ 197,606,685	\$ 179,873,731
Nonoperating Expenses (Interest Expense)	5,776,906	6,352,173
Total Expenses	<u>\$ 203,383,591</u>	<u>\$ 186,225,904</u>

Expenses – Fiscal Year 2025 compared to 2024

Operating expenses increased by \$17.7 million in fiscal year 2025 when compared to fiscal year 2024. Salary increases of \$5.6 million resulted from bargaining contract raises of 4%-5% for unionized employees, alongside increases for our non-union groups. Additionally, the cost of employee benefits increased \$2.4 million, further contributing to the overall labor expense growth. Student scholarships and grant support increased \$2.3 million.

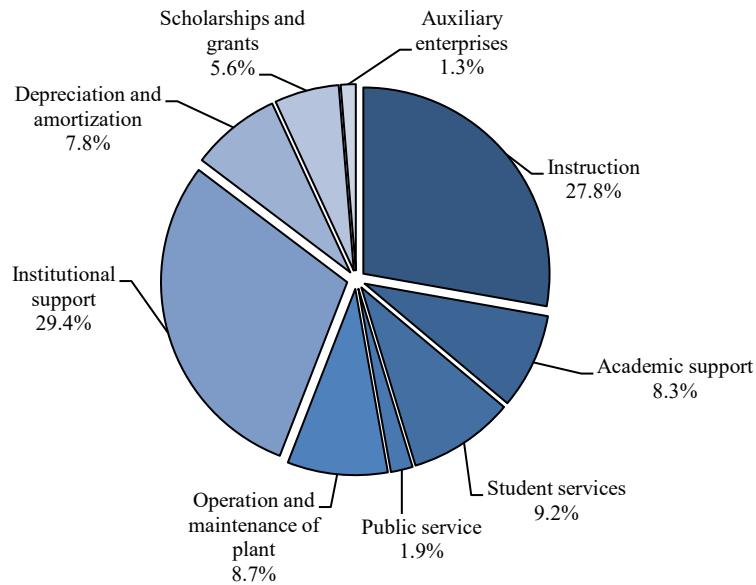
	2025	2024
Operating Expenses:		
Instruction	\$ 54,942,130	\$ 49,994,052
Academic support	16,360,006	16,041,694
Student services	18,202,665	15,817,627
Public services	3,835,915	3,525,941
Operation and maintenance	17,245,519	15,662,188
Institutional	58,174,441	53,274,276
Scholarships and grants	11,093,818	8,843,752
Auxiliary enterprises	2,407,284	2,097,264
Depreciation	15,344,907	14,616,937
Total Operating Expenses	<u>\$ 197,606,685</u>	<u>\$ 179,873,731</u>

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

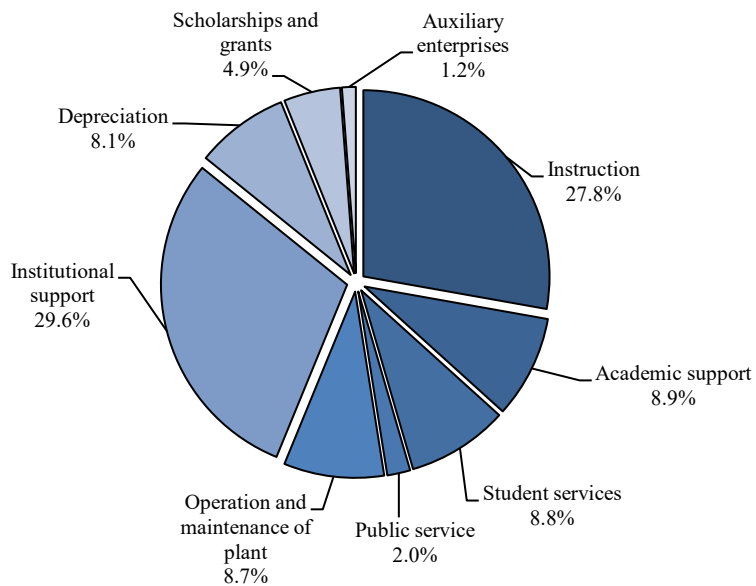
Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

The following are graphic illustrations of operating expenses by type and function:

FY 2025 Operating Expenses



FY 2024 Operating Expenses



WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

The College continues to manage its resources and planned expenses within a framework of long-range planning and budgeting. Salaries and benefits represent roughly two-thirds of total expenses for fiscal years 2025 and 2024. Salary costs are determinable for at least the year for all unionized employee groups at the College, because of negotiated contracts. As in most organizations, the College faces the challenge of funding escalating health care costs. The College has programs in place to mitigate the rising costs.

Retirement contributions made by the State on behalf of the College increased by approximately \$0.5 million, determined entirely by the State and its actuaries. On behalf payments have no net impact on the College's financial statements as they are presented as revenue and expense in equal amounts. The offsetting expense is allocated among the functional expenses.

Capital Assets

	Year ended June 30,	
	2025	2024
Land and land improvements	\$ 4,326,007	\$ 4,326,007
Buildings and improvements	414,207,132	417,315,552
Equipment	34,987,465	28,302,693
Construction in progress	39,944,832	22,549,731
Art Collection	1,848,035	1,848,035
Subscriptions	6,845,842	5,594,610
Subtotal	502,159,313	479,936,628
Less: accumulated depreciation	(242,437,527)	(231,604,150)
Net capital assets	<u>\$ 259,721,786</u>	<u>\$ 248,332,478</u>

Net Capital Assets – Fiscal Year 2025 Compared to 2024

As of June 30, 2025, the College had net capital assets of \$259.7 million, an increase of \$11.4 million from 2024. The increase was due to major construction projects in progress on campus, including three new buildings, renovations, and other infrastructure improvements. More detailed information on capital assets is provided in Note 4 to the basic financial statements.

Debt Administration

Long-term debt obligations decreased by \$12.0 million due to existing debt payments made in the fiscal year. More detailed information on debt obligations is provided in Note 5 to the basic financial statements.

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments received and made during the year. This statement also helps users assess the College's ability to generate net cash flows, its ability to meet its obligations as they become due, and its need for external financing.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis
Year Ended June 30, 2025
(Unaudited)

The primary cash receipts from operating activities consist of tuition and fee revenues. The largest source of cash is local taxes. Local taxes, along with the State appropriation, are classified as nonoperating sources by accounting standards even though the College's budget depends on this to continue the current level of operations. Cash outlays include payment of wages, benefits, services, supplies, scholarships and major construction. Overall, net cash and cash equivalents increased by \$63.0 million due to investments maturing to support the major construction activities occurring on campus.

Current Issues

The College's management believes it will continue its strong financial position into the future. The major external validation of this strength is Moody's Investors Service. Moody's reaffirmed its highest credit rating (Aaa) for the College in February 2025, with a stable outlook. This rating looks at the overall financial health of which net position is a major component. The higher the rating the lower the cost to issue bonds. The lower the cost to issue bonds, the lower the cost to taxpayers in future periods. This aids in obtaining capital funding at the most competitive rates.

The College has a practice of issuing smaller general obligation limited bonds on an every other year schedule. It is our intention to continue this practice and issue general obligation limited bonds in the spring of 2027 in an amount similar to our series 2025 limited bonds (see note 5 for more detail).

Going forward, the College will continue its prudent attention to spending and balanced budgets to prevent the erosion of the College's current financial position.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512
Business-Type Activities
Statement of Net Position as of June 30, 2025

Assets	2025
Current assets:	
Cash and cash equivalents (note 2)	\$ 64,579,148
Accounts receivable, net (note 3)	63,154,327
Investments (note 2)	102,742,697
Prepaid expenses and other assets	369,268
Total current assets	<u>230,845,440</u>
Noncurrent assets:	
Restricted cash and cash equivalents (note 2)	193,099,313
Other long-term investments (note 2)	22,769,832
Capital assets, not being depreciated (note 4)	46,118,874
Capital assets, net of accumulated depreciation/amortization (note 4)	213,602,912
Total noncurrent assets	<u>475,590,931</u>
Total assets	<u>706,436,371</u>
Deferred outflows of resources	
Deferred outflows of resources related to OPEB plans (note 10)	4,650,627
Deferred loss on debt refunding (note 5)	870,106
Total deferred outflows of resources	<u>5,520,733</u>
Liabilities	
Current liabilities:	
Accounts payable and other liabilities	9,256,505
Reserve for property tax refunds	2,561,869
Accrued payroll	3,439,009
Deposits held for others	154,613
Unearned tuition and other revenue	13,784,890
Worker's compensation claims liability (note 9)	252,544
Current portion of long-term obligations (note 5)	20,123,290
Current portion of Other Post Employment Benefits (note 10)	930,872
Total current liabilities	<u>50,503,592</u>
Noncurrent liabilities:	
Long-term obligations (note 5)	224,312,244
Unearned revenue	461,299
Other Post Employment Benefits (note 10)	31,027,253
Total noncurrent liabilities	<u>255,800,796</u>
Total liabilities	<u>306,304,388</u>
Deferred inflows of resources	
Deferred inflows of resources related to OPEB plans (note 10)	25,882,709
Deferred inflows - service concession arrangement (note 11)	3,132,598
Deferred inflows - property taxes	51,254,817
Total deferred inflows of resources	<u>80,270,124</u>
Net Position	
Net investment in capital assets	185,187,099
Restricted:	
Debt service	15,562,828
Capital projects	7,936,985
Unrestricted	116,695,680
Total net position	<u>\$ 325,382,592</u>
See accompanying notes to financial statements.	

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities

Statement of Revenues, Expenses, and Changes in Net Position for the Fiscal Year Ended June 30, 2025

	<u>2025</u>
Operating revenues:	
Student tuition and fees, net of scholarships and allowances of \$13,692,490	\$ 42,586,260
State and local government grants and contracts	5,422,462
Federal government grants and contracts	1,426,441
Sales and services of educational departments	995,628
Auxiliary enterprises	1,523,807
Other	<u>570,963</u>
Total operating revenues	<u>52,525,561</u>
Operating expenses:	
Educational and general:	
Instruction	54,942,130
Academic support	16,360,006
Student services	18,202,665
Public service	3,835,915
Operation and maintenance of plant	17,245,519
Institutional support	58,174,441
Scholarships and grants	11,093,818
Auxiliary enterprises	2,407,284
Depreciation and amortization	<u>15,344,907</u>
Total operating expenses	<u>197,606,685</u>
Operating loss	<u>(145,081,124)</u>
Nonoperating revenues (expenses):	
Property taxes	96,525,907
State appropriations	10,233,741
State retirement & OPEB on-behalf plan contributions (notes 6 & 10)	20,925,172
Personal property replacement tax	1,304,428
State and local government grants and contracts	3,943,579
Federal government grants and contracts	20,639,477
Gifts	327,983
Investment income, net of investment expense	15,170,558
Interest expense	(5,776,906)
Other	<u>533,585</u>
Total nonoperating income	<u>163,827,524</u>
Change in net position before capital contributions	<u>18,746,400</u>
Capital contributions	<u>8,101,931</u>
Change in net position after capital contributions	<u>26,848,331</u>
Net position at beginning of year, as previously reported	303,657,665
Cumulative effect of a change in accounting principle	<u>(5,123,404)</u>
Net position at beginning of year, as restated	<u>298,534,261</u>
Net position at end of year	<u><u>\$ 325,382,592</u></u>

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities
Statement of Cash Flows for the Fiscal Year Ended June 30, 2025

	<u>2025</u>
Cash flows from operating activities:	
Student tuition and fees	\$ 43,244,171
Student aid	6,562,500
Sales and services of educational departments	995,628
Payments to suppliers	(62,908,302)
Payments to employees	(105,508,234)
Auxiliary enterprises	1,674,454
Other	49,748
Net cash used in operating activities	<u>(115,890,035)</u>
Cash flows from noncapital financing activities:	
Property taxes	97,952,782
State appropriations	10,233,741
Personal property replacement taxes	1,304,428
Receipts of student scholarships and other allowances	13,692,490
Disbursements of student scholarships and other allowances	(13,692,490)
Contributions and gifts	327,983
Government grants and contracts	24,583,056
Net cash provided by noncapital financing activities	<u>134,401,990</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(17,856,324)
Proceeds from sale of bonds	5,052,873
Bond issuance costs	(96,669)
Principal paid on long-term obligations	(16,345,006)
Interest paid on long-term obligations	(6,800,284)
Net cash used in capital and related financing activities	<u>(36,045,410)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	906,220,350
Purchase of investments	(840,778,117)
Interest on investments	15,067,376
Net cash provided by (used in) investing activities	<u>80,509,609</u>
Net increase (decrease) in cash and cash equivalents	62,976,154
Cash and cash equivalents at the beginning of year	<u>194,702,307</u>
Cash and cash equivalents at the end of year	<u><u>\$ 257,678,461</u></u>

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities
Statement of Cash Flows for the Fiscal Year Ended June 30, 2025

	<u>2025</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (145,081,124)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	15,344,907
Loss on disposal of capital assets	1,228,393
On-behalf contributions to state retirement system	29,145,277
On-behalf contributions to state OPEB	(8,220,105)
Changes in net position:	
Receivables, net:	
Student	(375,098)
Federal, State, and other	(286,403)
Other	150,647
Prepaid expenses	(74,984)
Accounts payable and other liabilities	(981,208)
Accrued payroll and compensated absences	1,493,915
Deposits held for others	(1,054,800)
Unearned tuition and other revenue	1,033,009
Other post employment benefits	(8,929,313)
Other liabilities	716,852
Net cash used in operating activities	<u><u>\$ (115,890,035)</u></u>

See accompanying notes to financial statements.

Noncash activities:

During the year ended June 30, 2025, the College received \$8,101,931 in capital contributions from the Illinois Community Development Board.

The gross financed value of subscriptions is \$1,358,364.

At June 30, 2025, capital assets totaling \$6,987,483 were included in accounts payable and other liabilities.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512
Component Unit – William Rainey Harper College Educational Foundation
Statement of Financial Position as of June 30, 2025

Assets	2025
Cash	\$ 2,812,055
Pledges receivable, net	1,071,035
Investments	51,145,863
Total assets	\$ 55,028,953
Liabilities	
Accounts payable	\$ 149,668
Total liabilities	149,668
Net Assets	
Without donor restrictions	6,110,452
Without donor restrictions - board designated operating reserve	1,517,430
Without donor restrictions - board designated endowment	29,733,275
Total without donor restrictions	37,361,157
With donor restrictions	17,518,128
Total net assets	54,879,285
Total liabilities and net assets	\$ 55,028,953

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Component Unit – William Rainey Harper College Educational Foundation
Statement of Activities for the Fiscal Year Ended June 30, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Contributions	\$ 117,816	\$ 1,501,556	\$ 1,619,372
In-kind contributions	8,884	—	8,884
Fundraising events	179,827	5,500	185,327
Interest income	323,363	—	323,363
Investment gain (loss)	3,162,535	1,284,737	4,447,272
Net assets released from restrictions	1,175,230	(1,175,230)	—
	<u>4,967,655</u>	<u>1,616,563</u>	<u>6,584,218</u>
Expenses:			
Program	3,310,545	—	3,310,545
Management and general	270,502	—	270,502
Costs of direct benefits to donors	49,444	—	49,444
Fundraising	294,339	—	294,339
	<u>3,924,830</u>	<u>—</u>	<u>3,924,830</u>
Transfer from affiliate - William Rainey Harper College	<u>644,462</u>	<u>—</u>	<u>644,462</u>
Change in net assets	1,687,287	1,616,563	3,303,850
Net assets at beginning of year	<u>35,673,870</u>	<u>15,901,565</u>	<u>51,575,435</u>
Net assets at end of year	\$ <u><u>37,361,157</u></u>	\$ <u><u>17,518,128</u></u>	\$ <u><u>54,879,285</u></u>

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies

The accounting policies of William Rainey Harper College – Community College District No. 512 (the College) conform to U.S. generally accepted accounting principles applicable to government units and Illinois Community Colleges. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing accounting and financial reporting principles. The authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB *Fiscal Management Manual*. The following is a summary of the more significant policies.

(a) Reporting Entity

The financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The William Rainey Harper College Educational Foundation (the Foundation) is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation's board is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted by donors to the activities of the College. Because these restricted resources can only be used by or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is ASC 958 Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements.

Complete financial statements for the Foundation can be obtained from Harper College Educational Foundation, 1200 West Algonquin Road, Palatine, IL 60067 or 847-925-6182.

In addition, the College is not aware of any entity whose elected officials are financially accountable for the operations of the College, which would result in the College being considered a component unit of such entity.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(b) Financial Statement Presentation and Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra agency transactions have been eliminated.

Non-exchange transactions, in which the College 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 the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

(c) Cash Equivalents

The College considers funds invested through Illinois School District Liquid Asset Fund (ISDLAF) and investments less than 90 days as cash equivalents.

(d) Investments

Investments are reported at fair value using the market approach. Money markets and cash equivalents are reported at cost or amortized cost. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses, and changes in net position.

(e) Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets are classified as noncurrent assets in the statements of net position.

(f) Capital Assets

Capital assets are reported at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The College's capitalization policy on renovations to buildings, infrastructure, land improvements, and subscriptions includes projects greater than \$100,000.

Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 10 to 20 years for building improvements, 15 to 20 years for land improvements, and 3 to 10 years for equipment.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(g) *Premiums, Discounts, Issuance Costs, and Deferred Amounts on Refundings*

Bond premiums and discounts are recorded 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 or discount. The deferred gain or loss amount on a refunding is shown as a deferred inflow or outflow. Bond issuance costs are expensed at the time of issuance.

(h) *Unearned Revenue*

Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

(i) *Property Taxes*

The College's property taxes are levied each calendar year on all taxable real property located in the District. The College's District includes property located in Cook, Kane, Lake and McHenry counties, with over 93% of the property taxes coming from Cook County. The County Assessor is responsible for assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the State. Reassessment is on a three-year schedule established by the County Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, generally on March 1st and August 1st of each year. The first installment is an estimated bill and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if 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 collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

In accordance with the College's Board resolution, 50% of property taxes extended for calendar year 2023 and 50% of property taxes extended for calendar year 2024 are intended to finance the College's fiscal year 2025 budget, and accordingly, have been recorded as revenue for the year ended June 30, 2025. The remaining revenue related to the 2024 tax year extension has been classified as a deferred inflow and will be recorded as revenue in fiscal year 2026. The College records real property taxes at 99.75% of the 2024 extended levy, based upon collection histories. A reserve of \$2,561,869 has been recorded for the net amount of property tax refunds at June 30, 2025.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(j) *Compensated Absences*

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 resulted in a reduction of the College's net position by \$5,123,404 and recognition of long-term obligations in the same amount as of July 1, 2024. The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Employees are allowed to carry over a limited number of vacation days from year-to-year. Administrators who retire may elect to have unused sick leave credited towards years of service in SURS' pension plan or receive a prorated lump sum payment of accumulated unused sick leave.

(k) *Noncurrent Liabilities*

Noncurrent liabilities include (1) principal amounts of bonds payable, greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; (3) other postemployment benefits and (4) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

(l) *Net Position*

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of accumulated depreciation and debt related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Restricted net position includes resources which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted Net Position – 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 the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(m) Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) federal and state awards for student financial aid.

Nonoperating revenues – Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and Federal appropriations, and (4) gifts and contributions, and investment income.

(n) Classification of Expenses

The College classifies all expenses as operating in the statement of revenues, expenses, and changes in net position, except for interest expense and losses on disposal of capital assets which are classified as nonoperating.

(o) Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

(p) Pensions

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

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity (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 (the College) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The College recognizes its proportionate share of the State's pension expense related to the College's employees as nonoperating revenue and pension expense, with the expense further allocated to the related function by employees.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

(q) *Other Post Employment Benefits*

For purposes of measuring the College's Postemployment Benefits Other Than Pensions ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Illinois Department of Central Management Services Community College Health Insurance Security Fund ("CCHISF") and additions to/deductions from the CCHISF Plan's fiduciary net position have been determined on the same basis as they are reported by the CCHISF Plan. For this purpose, the CCHISF Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

(r) *Component Unit*

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. The Foundation's financial statements are presented on the accrual basis of accounting and have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board may impose stipulations on these assets for a specific purpose or future use.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Foundation pursuant to those restrictions or are required to be maintained in perpetuity by the Foundation.

Contributions and other revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction.

All contributions and special event revenue are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation recognizes contributions and special event revenue when an unconditional promise to give cash, securities, other assets, services or space, is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized as revenue until the conditions on which they depend have been met.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in more than one year are initially reported at fair value determined using the discounted present value of estimated future cash flows technique based on a risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

The Foundation recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated assets are recorded in the financial statements as assets and revenue at their estimated fair market value on the dates the assets are contributed.

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged when feasible. Costs that cannot be directly charged (salaries and wages and rent expense) are allocated based on time and effort.

Investments are measured at fair value. The net asset value (NAV) reported by the investment manager of funds within the Commonfund Group (Commonfund) is used as a practical expedient to estimate the fair value of the Foundation's interest therein.

(s) *New Accounting Pronouncements*

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This statement provides clarifications to the following previously issued statements:

- Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*
- Statement No. 87, *Leases*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

The effective date of this Statement is staggered. Portions were implemented during the years ended June 30, 2022, 2023, 2024, and 2025 with no material impact.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for decision-making and accountability. This Statement was adopted in the current year with no material impact.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(1) Summary of Significant Accounting Policies (Continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. This Statement was adopted in the current year requiring a prior period adjustment of net position. Please see note 5 for more detailed information.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement was adopted in the current year with no material impact.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement aims to improve the effectiveness of the financial reporting model in providing information that is essential for decision-making and assessing accountability. Key changes include revisions to the Management's Discussion and Analysis (MD&A), presentation of governmental fund financial statements, and proprietary fund operating statements. This Statement is effective for the College's fiscal year ending June 30, 2026. Management is currently evaluating the impact of this Statement on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement establishes disclosure requirements for specific types of capital assets, including lease assets, subscription-based IT arrangements, and intangible assets, as well as capital assets held for sale. The goal is to enhance transparency and comparability in capital asset reporting. This Statement is effective for the College's fiscal year ending June 30, 2026. Management is currently evaluating the impact of this Statement on its financial statements.

(2) Deposits and Investments

Cash and investments consisted of the following as of June 30, 2025:

Demand deposits	\$ 7,050,014
Savings Deposit Account	9,622,642
Certificates of deposit	76,482,671
Government securities commons and collective trust funds	209,448,907
Illinois School District Liquid Asset Fund Plus (government investment pool)	66,450,802
The Illinois Funds (government investment pool)	14,135,954
Total	<u>\$ 383,190,990</u>

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the College's deposits may not be returned. The College's investment policy requires that time deposits in excess of Federal Depository Insurance Corporation (FDIC) insurable limits at a single financial institution be secured by collateral or private insurance. As of June 30, 2025 there was no custodial credit risk for the time deposits as they were either insured or collateralized with investments held by the College or its agent in the College's name. The College also has bank demand deposits where collateral is updated daily based on the prior days ending balance. As of June 30, 2025 the demand deposits were fully insured or collateralized.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(2) Deposits and Investments (Continued)

Interest Rate Risk – Investments – Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The College’s 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.

As of June 30, 2025, the maturities for the College’s fixed-income investments are as follows:

	Reported value	Investment maturities (in years)		
		Less than 1	1 to 5	6 to 10
Certificate of deposit	\$ 76,482,671	\$ 67,793,991	\$ 8,688,680	\$ -
Savings Deposit Account	9,622,642	9,622,642	-	-
Government securities commons and collective trust funds	209,448,907	195,367,755	14,081,152	-
Illinois School District Liquid Asset Fund Plus (government investment pool)	66,450,802	66,450,802	-	-
The Illinois Funds (government investment pool)	14,135,954	14,135,954	-	-
Total	<u>\$ 376,140,976</u>	<u>\$ 353,371,144</u>	<u>\$ 22,769,832</u>	<u>\$ -</u>

Credit Risk – Investments – Credit risk is the risk that the College will not recover its investments due to the ability of the counterparty to fulfill its obligation. Illinois statutes authorize the 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, securities issued by The Illinois Funds, investments in the Illinois School District Liquid Asset Fund, and certain repurchase agreements.

The Illinois Funds is a Local Government Investment Pool (LGIP) created by the Illinois State Legislature and is managed by the Illinois State Treasurer’s Office. The Illinois School District Liquid Asset Fund was formed by the Illinois Association of School Boards, the Illinois Association of School Administrators and the Illinois Association of School Business Officials in accordance with the laws of the State of Illinois. For both funds the fair value of their positions in the pool are the same as the value of the pool shares.

The College is also authorized to invest in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if such obligations are rated at the time of purchase within the three highest classifications established by two or more standard rating services, the obligations mature within 180 days, no more than 1/3 of the total average balances from all funds available at the end of each month is invested in such obligations at any time and such purchases do not exceed 10% of a corporation’s outstanding obligations. Investments may be made only in banks, which are insured by the Federal Deposit Insurance Corporation (FDIC).

The College’s investment policy does not further limit its investment choices.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(2) Deposits and Investments (Continued)

As of June 30, 2025, the College had the following fixed income investments, which are rated by Standard & Poor's (S&P):

	2025	
	Reported value	S&P Rating
Government securities commons and collective trust funds	\$ 209,448,907	AA+ and AAA
Illinois School District Liquid Asset Fund Plus (government investment pool)	66,450,802	AAA
The Illinois Funds (government investment pool)	14,135,954	AAA*
Total	<u>\$ 290,035,662</u>	

*The Illinois Funds have a AAA Fitch rating

Concentration of Credit Risk – Investments – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College's investment policy does not limit the amount the College may invest in any one issuer. The College is considered to have a concentration of credit risk if its investment in any one single issue is greater than 5% of the total fixed income investments. At June 30, 2025, the College did not have a concentration of credit risk.

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurement as of June 30, 2025:

- Depository Trust Company Certificate of Deposits of \$11,346,471 were valued using Level 2 inputs.
- U.S. agency securities \$1,003,615 were valued using Level 2 inputs.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(3) Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of Illinois. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Accounts receivable consisted of the following at June 30, 2025:

Property taxes	\$ 50,014,264
Student tuition and fees	16,200,951
Auxiliary enterprises and other operating activities	1,492,565
Accrued interest	2,087,531
Federal, state, and private grants and contracts	<u>2,130,213</u>
	71,925,524
Less allowance for doubtful accounts	<u>8,771,197</u>
Net accounts receivable	<u><u>\$ 63,154,327</u></u>

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(4) Capital Assets

Following are the changes in capital assets for the year ended June 30, 2025:

	July 1, 2024	Additions	Deletions	June 30, 2025
Capital assets not being depreciated:				
Land and land improvements	\$ 4,326,007	\$ -	\$ -	\$ 4,326,007
Art Collection	1,848,035	-	-	1,848,035
Construction in progress	22,549,731	24,314,707	(6,919,606)	39,944,832
Total capital assets not being depreciated	28,723,773	24,314,707	(6,919,606)	46,118,874
Capital assets being depreciated/amortized:				
Buildings and building improvements	417,315,552	2,381,222	(5,489,642)	414,207,132
Equipment	28,302,693	6,827,921	(143,149)	34,987,465
Subscriptions	5,594,610	1,358,364	(107,132)	6,845,842
Total capital assets being depreciated/amortized	451,212,855	10,567,507	(5,739,923)	456,040,439
Less accumulated depreciation/amortization:				
Buildings and building improvements	204,985,226	12,398,266	(4,261,249)	213,122,243
Equipment	24,722,785	1,422,249	(143,149)	26,001,885
Subscriptions	1,896,139	1,524,392	(107,132)	3,313,399
Total accumulated depreciation/amortization	231,604,150	15,344,907	(4,511,530)	242,437,527
Total capital assets being depreciated/amortized, net	219,608,705	(4,777,400)	(1,228,393)	213,602,912
Total capital assets, net	\$ 248,332,478	\$ 19,537,307	\$ (8,147,999)	\$ 259,721,786

The College has committed an additional \$145,456,567 for the completion of the capital projects included in construction in progress above.

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Notes to Financial Statements
Year Ended June 30, 2025

(5) Long-Term Obligations

The following is a summary of the College's bond, compensated absences, and subscription-based information technology arrangement transactions for the year ended June 30, 2025:

	(Restated) Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Current Portion
\$103,450,000 G.O Refunding Bonds, 2017B series, due in annual installments through December 1, 2028 bearing interest at 1.3% - 2.4%	\$ 57,870,000	\$ -	\$ 10,145,000	\$ 47,725,000	\$ 10,775,000
\$163,280,000 G.O Limited tax bonds, 2020 series, due in annual installments through December 15, 2038 bearing interest at 2.4% - 4.0%	159,880,000	-	1,845,000	158,035,000	2,100,000
\$4,995,000 G.O Limited tax bonds, 2023 series, due in annual installments through December 1, 2025 bearing interest at 5.0%	4,380,000	-	2,680,000	1,700,000	1,700,000
\$4,880,000 G.O Limited tax bonds, 2025 series, due in annual installments through December 1, 2027 bearing interest at 5.0%	-	4,880,000	-	4,880,000	1,025,000
Compensated absences	7,903,871	725,225	-	8,629,096	2,844,653
Subscriptions	3,615,620	1,358,364	1,675,006	3,298,978	1,678,637
Unamortized premium/discount	22,741,032	172,873	2,746,445	20,167,460	-
Total	<u>\$ 256,390,523</u>	<u>\$ 7,136,462</u>	<u>\$ 19,091,451</u>	<u>\$ 244,435,534</u>	<u>\$ 20,123,290</u>

The beginning balance of compensated absences has been restated for the implementation of GASB Statement No. 101, *Compensated Absences*. Changes in compensated absences are presented net.

At June 30, 2025, the annual cash flow requirements of bond principal and interest were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2026	\$ 15,600,000	\$ 7,680,929	\$ 23,280,929
2027	16,695,000	6,830,513	23,525,513
2028	15,750,000	6,043,288	21,793,288
2029	15,820,000	5,279,813	21,099,813
2030	16,905,000	4,559,613	21,464,613
2031-2035	74,795,000	14,135,488	88,930,488
2036-2039	56,775,000	2,818,066	59,593,066
Total	<u>\$ 212,340,000</u>	<u>\$ 47,347,710</u>	<u>\$ 259,687,710</u>

The difference between the principal amount above (\$212,340,000) and the total balance as of June 30, 2025 from the previous table (\$244,435,534) is the unamortized premium remaining on the bonds as of year end (\$20,167,460), subscription liabilities (\$3,298,978) and compensated absences (\$8,629,096).

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Notes to Financial Statements
Year Ended June 30, 2025

(5) Long-Term Obligations (Continued)

General Obligation Refunding Bonds – Series 2017B

On December 6, 2017, the College issued \$103,450,000 in Series 2017B bonds with an average interest rate of 1.9% to advance refund \$117,835,000 of outstanding 2009A Series bonds with an average interest rate of 3.5%. The net proceeds of \$121,665,354 (after payment of \$558,451 in underwriting fees, insurance, and other issuance costs) 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 2009A Series bonds. As a result, the 2009A Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,571,012. This difference, reported in the accompanying financial statements as a deferred outflow, is being amortized through the year 2028 using the effective-interest method. The College completed the advance refunding to reduce its total debt service payments over ten years by \$19,622,196 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$16,226,651. The total principal outstanding on the defeased Series 2009A bonds is \$61,230,000 as of June 30, 2025.

Bond issue date	December 6, 2017
Current portion	\$10,775,000
Long-term portion	\$36,950,000
Interest rates	1.3% - 2.4%
Final payment date	December 1, 2028
Payment dates	June 1 and December 1

General Obligation Limited Bonds – Series 2020

On October 29, 2020 the College issued referendum Series 2020 bonds in the amount of \$163,280,000. Proceeds of the bonds will be used to pay (a) the costs to acquire real property, build and equip new buildings, build and equip additions to, and alter, equip, repair, and renovate, existing buildings of the College, and (b) costs associated with the issuance of the bonds.

Bond issue date	October 29, 2020
Current portion	\$2,100,000
Long-term portion	\$155,935,000
Interest rates	2.38% - 4.00%
Final payment date	December 15, 2038
Payment dates	June 15 and December 15

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Notes to Financial Statements
Year Ended June 30, 2025

(5) Long-Term Obligations (Continued)

General Obligation Limited Bonds – Series 2023

On March 2, 2023 the College issued Series 2023 bonds in the amount of \$4,995,000. The bonds were used to pay debt certificates issued on December 13, 2022 in the amount of \$5,000,000. The proceeds of the bonds are unrestricted.

Bond issue date	March 2, 2023
Current portion	\$1,700,000
Long-term portion	\$0
Interest rates	5.0%
Final payment date	December 1, 2025
Payment dates	June 1 and December 1

General Obligation Limited Bonds – Series 2025

On February 25, 2025 the College issued Series 2025 bonds in the amount of \$4,880,000. The bonds were used to pay debt certificates issued on February 25, 2025 in the amount of \$4,900,000. The proceeds of the bonds are unrestricted.

Bond issue date	February 25, 2025
Current portion	\$1,025,000
Long-term portion	\$3,855,000
Interest rates	5.0%
Final payment date	December 1, 2027
Payment dates	June 1 and December 1

Subscription-Based Information Technology Arrangements (SBITAs)

The College has entered into subscription-based contracts to use vendor-provided information technology with noncancelable terms ranging from one to four years. These contracts require the College to make fixed payments for the right to use software.

Future subscription payments at June 30, 2025 are as follows:

Year ended June 30:	Principal	Interest
2026	\$ 1,678,637	\$ 89,205
2027	1,239,305	39,304
2028	381,036	4,925
Total payments	<u>\$ 3,298,978</u>	<u>\$ 133,434</u>

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans

State Universities Retirement System of Illinois (SURS)

Plan Description. The College contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit 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 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 (ACFR) 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.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible 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 the Financial Section of SURS ACFR.

Contributions. The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members 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 which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2024 and fiscal year 2025, respectively, was 12.53% and 11.98% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters 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). There were no such liabilities for the College at year-end.

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans (Continued)

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

Net Pension Liability. The net pension liability (NPL) was measured as of June 30, 2024. At June 30, 2024, SURS defined benefit plan reported a NPL of \$30,230,907,727.

College Proportionate Share of Net Pension Liability. The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State's net pension liability associated with the College was \$417,939,579 or 1.3825%. The College's proportionate share changed by (0.0589%) from 1.4414% since the last measurement date on June 30, 2023. This amount is not recognized in the College's financial statements. The net pension liability and total pension liability as of June 30, 2024 was determined based on the June 30, 2023 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2023.

Defined Benefit Pension Expense. For the year ending June 30, 2024, SURS defined benefit plan reported a collective net pension expense of \$1,996,285,670.

College Proportionate Share of Defined Benefit Pension Expense. The College's proportionate share of collective pension expense is recognized as nonoperating revenue with a matching operating expense (compensation and benefits) in the College's financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023. As a result, the College recognized revenue and pension expense of \$27,598,470 for the fiscal year ended June 30, 2025.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. Deferred outflows of resources represent a consumption of net assets that applies to future periods. Conversely, deferred inflows of resources represent an acquisition of net assets that applies to future periods and represent an acquisition of net assets.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources for fiscal year 2025 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 305,114,071	\$ -
Changes in assumption	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>

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans (Continued)

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

Fiscal Year Ending	Net Deferred Outflows (Inflows) of Resources
2026	\$ 126,531,380
2027	756,545,086
2028	(49,545,529)
2029	(72,184,762)
Total	<u>\$ 761,346,175</u>

College Deferral of Fiscal Year 2025 Pension Contributions.

The College paid \$95,493 in federal, trust or grant contributions for the fiscal year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024. However, the amount is immaterial to the financial statements and has not been recognized as a deferred outflow of resources.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from June 30, 2020 – 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in table on the following page.

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans (Continued)

Asset Class	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return
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		
US 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%, which is a decrease of 0.02% from the prior year rate of 6.37%, 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 were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under 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.

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

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans (Continued)

Additional information regarding the SURS basic financial statements, including the Plan Net Position, can be found in the SURS Annual Comprehensive Financial Report by accessing the website at www.SURS.org.

General Information about the Pension Plan

Plan Description. The College contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of 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 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. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided. A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448 enacted effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. 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 defined benefit pension plans or the RSP. 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. All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

Forfeitures. Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense. For the year ended June 30, 2024, the State's contributions to the RSP on behalf of individual employers totaled \$96,741,887. Of this amount, \$89,857,115 was funded via an appropriation from the State and \$6,884,772 was funded from previously forfeited contributions.

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Notes to Financial Statements
Year Ended June 30, 2025

(6) Retirement Plans (Continued)

Employer Proportionate Share of Defined Contribution Pension Expense. The employer proportionate share of collective defined contribution pension expense 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 of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2024. The College's share of pensionable contributions was 1.5989%. As a result, the College recognized revenue and defined contribution pension expense of \$1,546,807 from this special funding situation during the year ended June 30, 2025, of which \$110,081 constituted forfeitures.

(a) *Deferred Compensation Programs*

The College offers both a 403(b) and a 457(b) program to eligible employees. The programs are not defined contribution plans, as the College acts as a conduit for the benefit of employees and their personal contributions.

(7) Contingencies

The College is involved in litigation and other claims that have arisen in the normal course of business. It is the opinion of management that the outcome of these matters will not have a material adverse effect on the financial position or results of operations of the College.

(8) Risk Management

The College is exposed to various risks of loss related to torts, property damage, and general business risks. The College carries commercial insurance coverage related to these potential risks and believes coverage is adequate to cover such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

(9) Worker's Compensation Claims Liability

The College utilizes the services of Cannon Cochran Management Services Inc. (CCMSI) for administering their self-insured Worker's Compensation program. This program provides coverage for employer required worker's compensation coverage in the State of Illinois. For claims in excess of \$250,000 the College has a stop loss policy.

On the following page is a reconciliation of changes in the liability for worker's compensation costs for last fiscal year. The liability is based on deposits net of charges for this past fiscal year. CCMSI has been administering this program since January 2004. This liability is included in the current liabilities on the statement of net position.

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Notes to Financial Statements
Year Ended June 30, 2025

(9) Worker's Compensation Claims Liability (Continued)

Liability for worker's compensation claims at June 30, 2023	\$ 282,709
Claims incurred	64,452
Claims paid	<u>(277,884)</u>
Liability for worker's compensation claims at June 30, 2024	69,277
Claims incurred	280,028
Claims paid	<u>(96,761)</u>
Liability for worker's compensation claims at June 30, 2025	<u><u>\$ 252,544</u></u>

(10) Other Post Employment Benefits

(a) *State of Illinois Department of Central Management Services Community College Health Insurance Security Fund ("CCHISF")*

Plan description. The CCHISF is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CCHISF is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CCHISF were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

All members receiving benefits from the State Universities Retirement System ("SURS") who have been full-time employees of a community college district or an association of a community college who have paid the required active member CCHISF contributions prior to retirement are eligible to participate in CCHISF. Survivors of an annuitant or benefit recipient eligible for CCHISF coverage are also eligible for coverage under CCHISF. CCHISF issues a publicly available report that can be obtained at <https://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/CMS/CCHISP/FY24-CMS-CCHISF-Fin-Alloc-Sched-Full.pdf>

Benefits provided. CCHISF health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CCHISF is defined in the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

Contributions. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.75% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.75% of the salary paid to its full-time employees who participate in the plan. Beginning July 1, 2024 and through June 30, 2026, the contribution rate shall be a percentage of salary to be determined by the Department of Central Management Services, which in each fiscal year shall not exceed a 0.1 percentage point increase in the amount of salary actually required to be contributed for the previous fiscal year. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF. The College and the State each contributed to the OPEB plan \$601,036 for the year ended June 30, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2024, the College reported a liability of \$21,857,329 for its proportionate share of the collective net OPEB liability. This liability reflects a reduction for State OPEB support.

College's proportionate share of the collective net OPEB liability	\$ 21,857,329
State's proportionate share that is associated with the College	<u>21,851,501</u>
Total	<u>\$ 43,708,830</u>

The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023 and measured as of June 30, 2024. The College's proportion of the collective net OPEB liability was based on the College's fiscal year 2024 contributions to the OPEB plan relative to the fiscal year 2024 contributions of all participating entities. At June 30, 2024, the College's proportion was 3.286%, which was an increase of 0.107% from its proportion measured as of June 30, 2023 (3.179%). The College's proportion of the net OPEB liability that includes the state's proportionate share associated with the College was 6.57%, which is a 0.21% increase from 6.36% in the prior year.

For the year ended June 30, 2025, the College recognized a negative OPEB expense of \$8,224,286. The College's proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the College's financial statements. The basis of allocation used is the actual OPEB expense for contributing entities. As a result, the College recognized a negative on-behalf revenue and a negative OPEB expense of \$8,220,105.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

At June 30, 2025, the College reported deferred outflows and inflows of resources related to the CCHISF OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 277,097	\$ 6,585,508
Changes in assumptions	161,627	15,880,671
Net difference between projected and actual earnings on plan investments	-	10,837
Changes in proportionate and differences between College contributions and proportionate share for contributions	2,591,430	2,329,520
College contributions subsequent to the measurement date	601,036	-
Total	<u>\$ 3,631,190</u>	<u>\$ 24,806,536</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$601,036 resulting from College contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year ended June 30,	
2026	\$ (8,384,420)
2027	(7,180,762)
2028	(5,588,952)
2029	(308,738)
2030	(313,510)
Total	<u>\$ (21,776,382)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on age and service and ranges from 12.75% at less than 1 year of service to 3.50% at 34 or more years of service for employees under 50 and ranges from 12.00% at less than 1 year of service to 3.00% at 34 or more years of service for employees over 50. Salary increase includes a 3.00% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare cost trend rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trends rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

WILLIAM RAINEY HARPER COLLEGE
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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. Disabled Annuitants: Pub-2010 Disabled Retiree Mortality Table. Pre-Retirement: Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables are adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2020.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

Discount rate. Projected benefit payments were discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023. The increase in the single discount rate, from 3.86 percent to 3.97 percent, caused the total OPEB liability to decrease by approximately \$6.3 million as of June 30, 2024.

During the plan year ending June 30, 2024, the trust earned \$277,000 in interest and due to a significant benefit payable, the market value of assets at June 30, 2024, is a negative \$103.6 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

Sensitivity of the College's proportionate share of the collective net OPEB liability to changes in the discount rate. The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.97%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher (4.97%) or lower (2.97%) than the current rate:

1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
\$ 23,103,658	\$ 21,857,329	\$ 19,472,285

WILLIAM RAINEY HARPER COLLEGE
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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

Sensitivity of the College's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates. The following presents the College's proportionate share of the collective net OPEB liability, as well as what the College's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate trend rate of 4.25% in 2041.

1% Decrease	Healthcare Cost Trends Rates	1% Increase
(b)	Assumption (a)	(c)
\$ 19,000,681	\$ 21,857,329	\$ 23,747,623

(a) Current healthcare trend rates -

Pre-Medicare per capita costs: 9.02% in 2025, 8.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2041.

Post-Medicare per capita costs: based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031, decreasing ratably to an ultimate trend rate of 4.25% in 2041.

(b) One percentage point decrease in current healthcare trend rates -

Pre-Medicare per capita costs: 8.02% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041.

Post-Medicare per capita costs: based on actual increase in 2025, 14.00% in 2026 to 2030, 6.00% in 2031, decreasing ratably to an ultimate rate of 3.25% in 2041.

(c) One percentage point increase in current healthcare trend rates -

Pre-Medicare per capita costs: 10.02% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041.

Post-Medicare per capita costs: based on actual increase in 2025, 16.00% in 2026 to 2030, 8.00% in 2031, decreasing ratably to an ultimate rate of 5.25% in 2041.

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CCHISF financial report.

(b) *Harper OPEB Plan*

Plan description and benefits provided: The Harper OPEB Plan ("Plan") is a single-employer defined benefit OPEB plan administered by the College. The plan provides the continuation of health care benefits and life insurance to employees who retire from the College. Employees who terminate after reaching retirement eligibility in the plan are eligible to receive reimbursement for medical and dental insurance. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the College and is the basis for the OPEB obligation accounted for under GASB 75. Benefit provisions and contributions are established and can be amended by the Board. A separate report on the OPEB plan is not issued, and there are no assets accumulated in a GASB-compliant trust.

Active Membership: As of July 1, 2024, membership consisted of:

Active	340
Inactives currently receiving benefit payments	78
Total	<u>418</u>

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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

Contributions: The College follows a pay-as-you go funding policy. This means the College pays the costs of the benefits as they become due. The costs are equal to the benefits distributed or claimed in the year. The College is not required to, and currently does not, advance fund the cost of benefits that will become due and payable in the future. The plan members do not have a required contribution.

Total OPEB Liability: The College's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total OPEB liability, after considering the sharing of benefit-related costs with inactive members, was determined by an actuarial valuation performed as of July 1, 2024.

Actuarial Valuation Date	July 1, 2024
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A – No Assets
Assumptions	
Inflation	2.50%
Salary Scale	0.00%
Rate of Return	N/A – No Assets
Healthcare Cost Trend Rates	8.00% in fiscal 2025 trending to 5.00% in fiscal 2045 and onward
Mortality Tables	Mortality rates were based on the Pub-2010 Public Retirement Plans Teachers mortality table projected generationally with Scale MP-2021 for the faculty members and Pub-2010 Public Retirement Plans General mortality table projected generationally with IRS 2024 Adjusted Scale MP-2021 for the others.

The discount rate changed from 3.86% to 3.97% for determining the 2025 total OPEB liability. The medical trend rate table was updated for fiscal 2025. The mortality improvement scale was changed from Scale MP-2021 to the IRS 2024 Adjusted Scale MP-2024. The retirement rates were updated to the rates used in the June 30, 2024 Pension Actuarial Valuation report for the SURS. The withdrawal rates were updated to the rates used in the June 30, 2024 Pension Actuarial Valuation report for the SURS. The disability rates were updated to the rates used in the June 30, 2024 Pension Actuarial Valuation report for the SURS.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.97% for determining the 2025 OPEB liability and 3.86% for determining the 2024 OPEB liability. Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average S&P municipal bond 20 year high grade rate index as of the measurement date. Rates were taken from the Bond Buyer 20-Bond GO index as of the measurement date.

WILLIAM RAINEY HARPER COLLEGE
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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

Changes in Total OPEB Liability:

	Fiscal Year 2025
Valuation date	July 1, 2024
Measurement date	June 30, 2024
Change in total OPEB liability (TOL)	
TOL, beginning of year	\$ 10,265,491
Service cost	265,809
Interest cost	388,542
Change in Benefits	-
Difference Between Expected and Actual Experience	(279,415)
Benefits paid	(930,872)
Changes in assumptions	391,241
TOL, end of year	<u>\$ 10,100,796</u>
Change in plan fiduciary net position (FNP)	
FNP, beginning of year	\$ -
Employer contributions	930,872
Benefits paid	(930,872)
TOL, end of year	<u>\$ -</u>

Rate Sensitivity: The following analysis presents the sensitivity of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the College calculated using the discount rate of 3.97% as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 10,993,841	\$ 10,100,796	\$ 9,305,148

The table below presents the total OPEB liability of the College calculated using the healthcare rate of 8.00% to 5.00% as well as what the College's total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Healthcare Cost Trends Rates Assumption	1% Increase
Total OPEB liability	\$ 9,290,303	\$ 10,100,796	\$ 11,044,313

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Notes to Financial Statements
Year Ended June 30, 2025

(10) Other Post Employment Benefits (Continued)

OPEB Expense/Income and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended June 30, 2025, the College recognized OPEB expense of \$551,263. At year end, the College is reporting the following deferred inflows/outflows of resources related to the plan.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 333,853
Changes in assumptions	343,449	742,320
Employer contributions subsequent to the measurement date	675,988	-
Total	<u>\$ 1,019,437</u>	<u>\$ 1,076,173</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$675,988 resulting from College contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the College's OPEB expense as follows:

Year ended June 30,	
2026	\$ (193,580)
2027	(194,693)
2028	(194,692)
2029	(187,818)
2030	10,101
Thereafter	27,958
Total	<u>\$ (732,724)</u>

The combined total of OPEB negative expense recognized during the year related to the CCHISF and Harper OPEB Plan is \$7,673,023.

WILLIAM RAINEY HARPER COLLEGE
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Notes to Financial Statements
Year Ended June 30, 2025

11) Service Concession Arrangement with the Palatine Park District

During fiscal year 2017 the College entered into a Service Concession Arrangement (“SCA”), as defined by GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* with the Palatine Park District. The Park District agreed to provide a capital contribution of up to \$9,000,000 to help renovate and construct the Health and Recreation Center. The Park District began operating the aquatic center facility when it was completed in August of 2018. As of June 30, 2025, the Park District has been billed and paid the capital contribution amount in full, which has been recorded as a deferred inflow of resources. The SCA deferred inflow of resources will be recognized as revenue over the life of the arrangement as shown below.

<u>Year ended June 30,</u>	<u>Revenue Recognized</u>
2026	\$ 958,802
2027	986,586
2028	1,015,176
2029	172,034
Total	<u>\$ 3,132,598</u>

(12) Tax Abatements

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The College is affected by Cook County’s Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities within the College area have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the College and the other impacted taxing districts than would have been generated if the development had not occurred. The College’s tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending June 30, 2025, the College’s share of the abatement granted to the Class 6b properties was approximately \$2,600,000.

WILLIAM RAINEY HARPER COLLEGE
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Exhibit 1

Required Supplementary Information
Defined Benefit Pension Plan
Schedule of the College's Proportionate Share of the Collective Net Pension Liability
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
College's proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonemployer contributing entities' proportion share Of the net pension liability associate with the College	<u>\$ 417,939,579</u>	<u>\$ 424,405,622</u>	<u>\$ 405,599,014</u>	<u>\$ 410,958,703</u>	<u>\$ 441,082,227</u>	<u>\$ 418,709,918</u>	<u>\$ 406,754,472</u>	<u>\$ 382,165,628</u>	<u>\$ 392,587,711</u>	<u>\$ 355,304,533</u>
Total (b) + (c)	<u>\$ 417,939,579</u>	<u>\$ 424,405,622</u>	<u>\$ 405,599,014</u>	<u>\$ 410,958,703</u>	<u>\$ 441,082,227</u>	<u>\$ 418,709,918</u>	<u>\$ 406,754,472</u>	<u>\$ 382,165,628</u>	<u>\$ 392,587,711</u>	<u>\$ 355,304,533</u>
College's covered payroll	\$ 60,477,543	\$ 55,288,797	\$ 55,010,579	\$ 52,039,748	\$ 53,597,782	\$ 52,763,602	\$ 52,930,488	\$ 53,021,094	\$ 54,689,129	\$ 54,387,841
College's proportion of collective net pension liability as a percentage of its covered payroll	691.07%	767.62%	737.31%	789.70%	822.95%	793.56%	768.47%	720.78%	717.85%	653.28%
SURS plan net position as a percentage of total pension liability	44.60%	44.06%	43.65%	45.45%	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%

Note: 2021 figures revised by State University Retirement System in April, 2022.

WILLIAM RAINEY HARPER COLLEGE
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Exhibit 2

Required Supplementary Information
Defined Benefit Pension Plan
Schedule of College Contributions
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal, trust, grant, and other contribution	\$ 95,493	\$ 105,804	\$ 84,345	\$ 65,098	\$ 67,582	\$ 91,571	\$ 110,953	\$ 120,590	\$ 105,265	\$ 86,601
Contribution in relation to required contribution	95,493	105,804	84,345	65,098	67,582	91,571	110,953	120,590	105,265	86,601
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College covered payroll	\$ 826,917	\$ 905,144	\$ 762,744	\$ 632,814	\$ 604,585	\$ 825,384	\$ 1,001,572	\$ 1,112,377	\$ 987,952	\$ 782,840
Contributions as a percentage of covered payroll	11.55%	11.69%	11.06%	10.29%	11.18%	11.09%	11.08%	10.84%	10.65%	11.06%

WILLIAM RAINEY HARPER COLLEGE
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Required Supplementary Information
Schedule of College's Proportionate Share of the Collective Net OPEB Liability
State of Illinois Department of Central Management Services
Community College's Health Insurance Security Fund
Last 10 Fiscal Years *

	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the collective net OPEB liability	3.29%	3.18%	3.28%	3.17%	3.26%	3.24%	3.26%	3.21%	3.10%
College's proportionate share of the collective net OPEB liability	\$ 21,857,329	\$ 22,455,245	\$ 22,444,294	\$ 55,101,003	\$ 59,371,164	\$ 61,214,886	\$ 61,403,588	\$ 58,618,119	\$ 56,471,534
State's proportionate share of the net OPEB liability associated with the College	<u>21,851,501</u>	<u>22,461,402</u>	<u>22,453,573</u>	<u>55,103,168</u>	<u>59,330,894</u>	<u>61,188,712</u>	<u>61,364,945</u>	<u>57,878,963</u>	<u>58,876,824</u>
Total	<u>\$ 43,708,830</u>	<u>\$ 44,916,647</u>	<u>\$ 44,897,867</u>	<u>\$ 110,204,171</u>	<u>\$ 118,702,058</u>	<u>\$ 122,403,598</u>	<u>\$ 122,768,533</u>	<u>\$ 116,497,082</u>	<u>\$ 115,348,358</u>
College's covered payroll	\$ 70,710,095	\$ 69,790,779	\$ 65,783,487	\$ 61,838,200	\$ 59,038,800	\$ 59,911,200	\$ 58,192,600	\$ 56,885,800	\$ 55,773,800
College's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	30.91%	32.18%	34.12%	89.11%	100.56%	102.18%	105.52%	103.05%	101.25%
Plan fiduciary net position as a percentage of the total OPEB liability	-17.87%	-17.87%	-22.03%	-6.38%	-5.07%	-4.13%	-3.54%	-2.87%	Not Available

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for as many years as available.

Notes to Schedule:

The discount rate was updated from 2.85% as of June 30, 2016 to 3.56% as of June 30, 2017.
The discount rate was updated from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.
The discount rate was updated from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.
The discount rate was updated from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020.
The discount rate was updated from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021.
The discount rate was updated from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.
The discount rate was updated from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.
The discount rate was updated from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

WILLIAM RAINEY HARPER COLLEGE
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Required Supplementary Information
Schedule of the College's Contributions
State of Illinois Department of Central Management Services
Community College's Health Insurance Security Fund
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 601,036	\$ 522,427	\$ 314,439	\$ 309,191	\$ 295,194	\$ 299,556	\$ 290,963	\$ 284,429	\$ 278,869	\$ 281,223
Contributions in relation to the statutorily required contribution	(601,036)	(522,427)	(314,439)	(309,191)	(295,194)	(299,556)	(290,963)	(284,429)	(278,869)	(281,223)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 70,710,095	\$ 69,790,779	\$ 65,783,487	\$ 61,838,200	\$ 59,038,800	\$ 59,911,200	\$ 58,192,600	\$ 56,885,800	\$ 55,773,800	\$ 56,244,600
Contributions as a percentage of covered payroll	0.9%	0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

WILLIAM RAINEY HARPER COLLEGE
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Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Harper OPEB Plan
Last 10 Fiscal Years*

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 265,809	\$ 260,562	\$ 480,826	\$ 494,953	\$ 483,759	\$ 437,821	\$ 608,313	\$ 667,128
Interest	388,542	381,950	260,972	270,721	413,657	446,054	410,377	330,599
Difference between expected and actual experience	(279,415)	-	(156,391)	-	(230,518)	-	120,438	-
Changes in plan provisions	-	-	-	-	-	-	(1,199,550)	-
Assumption changes	391,241	(27,121)	(1,229,081)	(48,103)	682,362	334,219	(408,798)	9,744
Benefit payments	(930,872)	(880,569)	(853,714)	(888,738)	(970,090)	(972,309)	(918,558)	(489,330)
Net change in total OPEB liability	(164,695)	(265,178)	(1,497,388)	(171,167)	379,170	245,785	(1,387,778)	518,141
Total OPEB liability beginning of year	10,265,491	10,530,669	12,028,057	12,199,224	11,820,054	11,574,269	12,962,047	12,443,906
Total OPEB liability end of year	<u>\$ 10,100,796</u>	<u>\$ 10,265,491</u>	<u>\$ 10,530,669</u>	<u>\$ 12,028,057</u>	<u>\$ 12,199,224</u>	<u>\$ 11,820,054</u>	<u>\$ 11,574,269</u>	<u>\$ 12,962,047</u>
Covered-employee payroll	\$ 32,712,388	\$ 35,678,704	\$ 34,306,447	\$ 53,476,234	\$ 53,476,234	\$ 52,037,213	\$ 53,559,828	\$ 47,293,376
Total OPEB Liability as a percentage of covered-employee payroll	30.88%	28.77%	30.70%	22.49%	22.81%	22.71%	21.61%	27.41%

* The amounts presented for each fiscal year were determined as of the prior fiscal year-end. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is compiled, information is presented for as many years as available.

Notes to Schedule:

The discount rate was updated from 2.71% as of June 30, 2016 to 3.13% as of June 30, 2017.

The discount rate was updated from 3.13% as of June 30, 2017 to 3.87% as of June 30, 2018.

The discount rate was updated from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The discount rate was updated from 3.87% as of June 30, 2019 to 2.21% as of June 30, 2020.

The discount rate was updated from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

The discount rate was updated from 2.16% as of June 30, 2021 to 3.69% as of June 30, 2022.

The discount rate was updated from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

The discount rate was updated from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

Pub-2010 Public Retirement Plans Teachers mortality table projected generationally with ScaleMP-2021 for the faculty members and Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021 for the others

Health Care and Contribution Trend Rates included a 8.00% medical rate and a dental rate of 3.00%.

Withdrawal rates have been updated to those used in the latest available SURS Pension Actuarial Valuation report.

Retirement rates have been updated to those used in the latest available SURS Pension Actuarial Valuation report.

Disability rates have been updated to those used in the latest available SURS Pension Actuarial Valuation report.

There are no fiduciary assets in the Harper OPEB Plan.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Required Supplementary Information
Defined Benefit Pension Plan
Year Ended June 30, 2025

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. However, until a full 10-year trend is compiled, the University/College will only present available information measured in accordance with the requirements of Statement No. 68.

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. Change in the overall assumed salary increase rates, ranging from 3.15 percent to 15.00 percent based on years of service, while maintaining the underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. 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 is 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, non-academic positions, 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 non-academic 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 are assumed 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.
- Plan election. For new non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For new academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for 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.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

JUNE 30, 2025

STATISTICAL SECTION

This section of the William Rainey Harper College's Annual Comprehensive Financial Report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the College's overall economic condition.

Financial Trends

Tabular information is presented to demonstrate changes in the College's financial position over time.

Revenue Capacity

These tables contain information to assist the reader in understanding and assessing the College's ability to generate its two most significant revenue sources - real estate taxes and tuition.

Debt Capacity

Data are shown to disclose the College's current level of outstanding debt and to indicate the College's ability to issue additional debt.

Demographic and Economic Information

These tables offer information about the socioeconomic environment within which the College operates. Data are provided to facilitate comparisons of financial statements information over time.

Operating Information

Non-financial information about the College's operations and resources is provided in these tables to facilitate the reader's use of the College's financial statement information to understand and assess the College economic condition.

Sources: Unless otherwise noted, the information in these tables is derived from the College's Annual Financial Reports and Fact Books for the relevant years.

TABLE 1
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

FINANCIAL TRENDS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Position										
Net investment in capital assets	\$ 185,187,099	\$ 174,443,453	\$ 166,134,345	\$ 161,996,550	\$ 157,613,382	\$ 158,319,802	\$ 159,703,637	\$ 154,625,077	\$ 145,170,610	\$ 150,568,393
Restricted										
Working cash	-	-	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000
Capital projects	7,936,985	5,840,705	5,068,145	9,747,532	7,856,522	6,515,896	5,857,646	-	-	-
Debt service	15,562,828	14,232,422	11,560,002	3,147,310	5,785,850	10,248,920	8,443,761	14,363,949	13,138,897	11,643,898
Other	-	-	-	-	-	-	-	-	5,252,295	7,879,491
Unrestricted	116,695,680	109,141,085	75,926,493	59,609,587	50,210,284	33,779,186	27,288,968	27,608,143	83,840,386	73,295,310
Total Net Position	<u>\$325,382,592</u>	<u>\$303,657,665</u>	<u>\$268,368,985</u>	<u>\$244,180,979</u>	<u>\$231,146,038</u>	<u>\$218,543,804</u>	<u>\$ 210,974,012</u>	<u>\$ 206,277,169</u>	<u>\$ 257,082,188</u>	<u>\$ 253,067,092</u>

Note: The College implemented GASB Statement 75 in fiscal year 2018 resulting in a reduction in beginning net position of \$64,625,551.
The College implemented GASB Statement 101 in fiscal year 2025 resulting in a reduction in beginning net position of \$5,123,404.

Source: College Records

TABLE 2

WILLIAM RAINEY HARPER COLLEGE, COMMUNITY COLLEGE DISTRICT NUMBER 512

FINANCIAL TRENDS

CHANGES IN NET POSITION - LAST TEN FISCAL YEARS

JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenues										
Student tuition and fees, net	\$ 42,586,260	\$ 40,276,671	\$ 41,438,352	\$ 37,931,788	\$ 39,214,653	\$ 41,494,837	\$ 39,635,009	\$ 38,866,081	\$ 40,574,390	\$ 39,848,544
State and local government grants and contracts	5,422,462	4,941,985	5,495,058	2,592,522	2,931,083	3,064,151	2,404,862	4,216,208	21,783	1,263,454
Federal government grants and contracts	1,426,441	2,400,836	1,003,953	514,443	680,402	982,606	1,477,044	1,393,940	1,679,208	1,801,080
Sales and services of educational departments	995,628	914,652	812,397	780,396	610,294	1,539,510	1,348,191	1,206,308	1,196,903	1,283,580
Auxiliary enterprises	1,523,807	1,662,431	1,063,707	1,037,105	959,085	697,063	938,099	861,406	904,074	1,001,238
Other	570,963	605,102	619,266	544,905	228,473	498,185	631,118	405,755	597,262	760,933
Total operating revenues	52,525,561	50,801,677	50,432,733	43,401,159	44,623,990	48,276,352	46,434,323	46,949,698	44,973,620	45,958,829
Operating Expenses										
Instruction	54,942,130	49,994,052	46,711,340	58,392,949	60,698,273	60,046,710	57,554,978	58,889,756	56,219,056	53,132,902
Academic support	16,360,006	16,041,694	15,184,988	13,796,541	14,930,324	15,420,840	14,293,842	13,672,996	12,724,491	12,152,224
Student services	18,202,665	15,817,627	14,983,497	17,678,806	20,284,307	20,085,457	20,057,389	20,691,908	18,474,710	16,989,833
Public service	3,835,915	3,525,941	3,578,719	5,240,249	4,443,493	5,848,302	6,898,650	7,297,440	6,909,302	6,269,631
Operation and maintenance of plant	17,245,519	15,662,188	14,153,972	14,592,472	16,611,099	17,349,815	17,491,443	17,419,499	16,095,691	15,636,782
Institutional support	58,174,441	53,274,276	50,979,259	52,583,221	58,390,139	60,967,561	56,450,846	49,283,682	44,060,356	46,769,604
Scholarships and grants	11,093,818	8,843,752	8,053,523	22,596,209	13,223,453	7,070,852	5,520,155	5,469,218	4,686,807	4,796,657
Auxiliary enterprises	2,407,284	2,097,264	2,062,271	1,825,490	1,475,351	1,951,311	2,164,282	1,173,540	1,092,702	1,050,543
Depreciation	15,344,907	14,616,937	14,558,217	13,618,859	13,659,347	14,056,243	12,527,028	9,989,926	9,848,555	8,315,736
Total operating expenses	197,606,685	179,873,731	170,265,786	200,324,796	203,715,786	202,797,091	192,958,613	183,887,965	170,111,670	165,113,912
Operating income (Loss)	(145,081,124)	(129,072,054)	(119,833,053)	(156,923,637)	(159,091,796)	(154,520,739)	(146,524,290)	(136,938,267)	(125,138,050)	(119,155,083)
Nonoperating revenues (expenses)										
Property taxes	96,525,907	97,602,041	92,405,515	88,107,411	85,784,253	82,928,590	80,000,872	77,085,753	75,696,330	75,288,071
State appropriations	10,233,741	10,138,793	9,463,161	9,121,825	8,522,545	8,344,915	7,478,490	11,309,392	3,053,360	1,992,338
State retirement & OPEB on-behalf plan contributions	20,925,172	20,402,699	18,657,686	34,370,102	49,850,868	47,870,293	43,870,609	41,367,731	38,799,701	30,112,638
Personal property replacement tax	1,304,428	1,945,229	3,228,170	3,093,396	1,430,685	1,026,836	949,644	853,383	1,036,684	938,634
State and local government grants and contracts	3,943,579	4,184,663	3,439,010	4,383,091	3,474,953	3,804,702	4,246,734	4,622,817	1,212,671	1,176,539
Federal government grants and contracts	20,639,477	15,629,158	13,283,079	35,316,958	27,605,798	18,127,144	14,701,082	14,906,500	13,798,743	14,052,172
Gifts	327,983	312,226	383,525	209,070	290,744	275,842	247,489	386,653	418,283	452,237
Investment income, net of investment expense	15,170,558	16,703,079	8,149,505	1,421	515,386	3,097,885	3,637,575	2,166,254	1,098,489	708,274
Interest expense	(5,776,906)	(6,352,173)	(6,873,025)	(7,236,892)	(6,191,600)	(3,781,518)	(4,289,903)	(2,273,955)	(6,315,371)	(7,166,209)
Other	533,585	616,084	510,124	237,185	213,184	269,017	378,541	334,271	354,256	334,306
Total non-operating revenues (expenses)	163,827,524	161,181,799	142,646,750	167,603,567	171,496,816	161,963,706	151,221,133	150,758,799	129,153,146	117,889,000
Change in net position before capital contributions	18,746,400	32,109,745	22,813,697	10,679,930	12,405,020	7,442,967	4,696,843	13,820,532	4,015,096	(1,266,083)
Capital contributions	8,101,931	3,178,935	1,374,309	2,355,011	197,214	126,825	-	-	-	607,521
Change in net position after capital contributions	\$ 26,848,331	\$ 35,288,680	\$ 24,188,006	\$ 13,034,941	\$ 12,602,234	\$ 7,569,792	\$ 4,696,843	\$ 13,820,532	\$ 4,015,096	\$ (658,562)

Source: College Records

TABLE 3
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN LEVY YEARS

Levy Year	County	Residential Property	Commercial Property	Industrial Property	Farm Property	Mineral Property	Railroad Property	Detail Not Available	Total Taxable Assessed Value	Blended Direct Tax Rate
2024	Kane	\$ 88,935,220	\$ 1,370,474	\$ -	\$ 900,930	\$ -	\$ -	n/a	\$ 91,206,624	0.4277
	McHenry	186,856,026	6,867,511	25,042	8,545,832	-	682,207	n/a	202,976,618	0.4277
	Cook*	-	-	-	-	-	-	22,488,495,503	22,488,495,503	0.4277
	Lake	1,322,683,883	124,896,787	29,978,044	9,196,787	-	2,575,575	n/a	1,489,331,076	0.4277
2023	Kane	79,495,763	1,248,309	-	809,055	-	-	n/a	81,553,127	0.4116
	McHenry	167,721,432	6,808,482	17,279	6,435,737	-	719,264	n/a	181,702,194	0.4116
	Cook	14,832,102,609	5,029,388,512	2,727,507,083	1,137,250	-	16,531,687	n/a	22,606,667,141	0.4116
	Lake	1,214,634,872	109,766,828	28,704,196	7,375,473	-	2,629,317	n/a	1,363,110,686	0.4116
2022	Kane	71,235,409	1,177,712	-	708,429	-	-	n/a	73,121,550	0.4598
	McHenry	168,021,909	6,244,681	15,595	6,793,458	-	665,368	n/a	181,741,011	0.4598
	Cook	14,410,865,300	4,855,233,781	2,636,659,347	1,157,809	-	15,349,899	n/a	21,919,266,136	0.4598
	Lake	1,147,129,698	110,909,894	26,754,427	8,102,368	-	2,455,187	n/a	1,295,351,574	0.4598
2021	Kane	66,868,986	1,048,919	-	656,947	-	-	n/a	68,574,852	0.4522
	McHenry	157,619,212	4,567,183	14,528	5,766,048	-	606,599	n/a	168,573,570	0.4522
	Cook	11,608,014,059	4,752,515,990	2,370,056,580	1,064,473	-	13,631,646	n/a	18,745,282,748	0.4522
	Lake	1,111,306,805	110,380,283	26,299,437	8,079,888	-	2,140,252	n/a	1,258,206,665	0.4522
2020	Kane	64,968,738	996,404	-	641,625	-	-	n/a	66,606,767	0.4078
	McHenry	155,037,479	4,688,996	14,014	4,484,648	-	557,491	n/a	164,782,628	0.4078
	Cook	12,589,198,696	5,103,418,861	2,529,857,344	1,363,474	-	13,631,646	n/a	20,237,470,021	0.4078
	Lake	1,107,165,812	113,577,555	25,983,065	8,139,645	-	2,140,252	n/a	1,257,006,329	0.4078
2019	Kane	61,501,461	945,893	-	706,248	-	-	n/a	63,153,602	0.4017
	McHenry	166,424,272	4,614,739	13,413	4,120,613	-	534,791	n/a	175,707,828	0.4017
	Cook	12,676,260,614	4,935,246,501	2,330,432,148	1,258,562	-	13,050,089	n/a	19,956,247,914	0.4017
	Lake	1,125,981,701	114,369,740	25,633,877	8,558,548	-	2,072,099	n/a	1,276,615,965	0.4017
2018	Kane	56,468,828	885,871	-	680,342	-	-	n/a	58,035,041	0.4379
	McHenry	157,425,643	4,649,627	12,391	3,840,898	-	489,986	n/a	166,418,545	0.4379
	Cook	11,291,299,797	4,102,933,171	1,981,154,907	1,188,729	-	12,219,983	n/a	17,388,796,587	0.4379
	Lake	1,120,769,586	111,639,327	25,318,012	9,271,442	-	1,925,972	n/a	1,268,924,339	0.4379
2017	Kane	52,750,710	832,150	-	592,107	-	-	n/a	54,174,967	0.4221
	McHenry	149,707,013	4,254,372	11,673	3,657,298	-	456,108	n/a	158,086,464	0.4221
	Cook	11,518,949,605	4,195,587,384	1,964,277,082	1,201,795	-	11,489,565	n/a	17,691,505,431	0.4221
	Lake	1,107,666,967	111,901,377	24,828,503	8,866,077	-	1,799,286	n/a	1,255,062,210	0.4221
2016	Kane	46,425,766	1,014,090	-	626,719	-	-	n/a	48,066,575	0.4148
	McHenry	141,578,519	4,236,733	10,948	3,459,370	-	447,084	n/a	149,732,654	0.4148
	Cook	11,509,184,990	4,043,467,959	1,935,092,047	1,249,511	-	11,916,679	n/a	17,500,911,186	0.4148
	Lake	1,070,492,521	113,017,962	24,117,645	8,362,147	-	1,843,495	n/a	1,217,833,770	0.4148
2015	Kane	39,438,698	1,047,624	-	598,812	-	-	n/a	41,085,134	0.4600
	McHenry	133,190,446	3,948,075	10,268	3,074,833	-	439,421	n/a	140,663,043	0.4600
	Cook	9,540,899,139	3,771,214,456	1,805,395,207	990,659	-	11,429,786	n/a	15,129,929,247	0.4600
	Lake	1,013,957,073	111,129,310	23,090,082	8,319,897	-	1,779,197	n/a	1,158,275,559	0.4600

Source: College Records

*Estimated

TABLE 4

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

PROPERTY TAX RATES¹
LAST TEN LEVY YEARS

Fund	Levy Year									
	2024*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Education	\$ 0.2550	\$ 0.2531	\$ 0.2467	\$ 0.2708	\$ 0.2455	\$ 0.2397	\$ 0.2664	\$ 0.2509	\$ 0.2432	\$ 0.2577
Operations and Maintenance	0.0668	0.0538	0.0545	0.0629	0.0568	0.0569	0.0641	0.0642	0.0661	0.0944
Liability, Protection and Settlement	0.0001	0.0001	0.0000	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Audit	0.0001	0.0001	0.0000	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Bond and Interest/Non Capped	0.1027	0.1002	0.1015	0.1167	0.1063	0.1058	0.1120	0.1096	0.1063	0.1136
Levy Adjustment PA 102-0519	0.0075	0.0048	0.0071	0.0062	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	\$ 0.4322	\$ 0.4121	\$ 0.4098	\$ 0.4568	\$ 0.4088	\$ 0.4026	\$ 0.4427	\$ 0.4249	\$ 0.4158	\$ 0.4659

Source: College Records

¹The direct tax rates per \$100 of equalized assessed value reported for the College are those of Cook County, as it comprises approximately 93% of the college's district.

*Estimated

TABLE 5
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512
REVENUE CAPACITY
ASSESSED VALUATIONS AND TAX EXTENSIONS
GOVERNMENTAL FUND TYPES
LAST TEN LEVY YEARS

Taxes Extended								
Levy Year	Education Purposes	Operations and Maintenance Purposes (Unrestricted)	Operations and Maintenance (Restricted) Fund	Bond & Interest Fund	Audit Fund	Liability, Protection and Settlement Fund	Total	
2024	\$ 62,372,164	\$ 16,337,373	\$ -	\$ 25,064,529	\$ 20,326	\$ 20,326	\$ 103,814,718	
2023	62,316,853	13,256,195	-	24,617,178	19,573	19,573	100,229,372	
2022	58,876,023	12,998,335	-	24,170,511	232	232	96,045,333	
2021	55,007,186	12,773,872	-	23,634,335	19,387	19,387	91,454,167	
2020	53,254,853	12,316,525	-	22,984,943	18,843	18,843	88,594,007	
2019	51,378,877	12,195,060	-	22,623,573	18,838	18,838	86,235,186	
2018	49,779,576	12,005,199	-	20,865,493	17,789	17,789	82,685,846	
2017	47,790,496	12,244,875	-	20,809,248	18,013	18,013	80,880,645	
2016	45,920,503	12,481,501	-	20,006,430	17,735	17,735	78,443,904	
2015	41,960,211	15,357,235	-	18,416,477	15,454	15,454	75,764,831	

Assessed Valuation					
Levy Year	Cook County	Kane County	Lake County	McHenry County	Total Assessed Valuation
2024	\$ 22,488,495,503	\$ 91,206,624	\$ 1,489,331,076	\$ 202,976,618	\$ 24,272,009,821
2023	22,606,667,141	81,553,127	1,363,110,686	181,702,194	24,233,033,148
2022	21,919,266,136	73,121,550	1,295,351,574	181,741,011	23,469,480,271
2021	18,745,282,748	68,574,852	1,258,206,665	168,573,570	20,240,637,835
2020	20,237,470,021	66,606,767	1,257,006,329	164,782,628	21,725,865,745
2019	19,956,247,914	63,153,602	1,276,615,965	175,707,828	21,471,725,309
2018	17,388,796,587	58,035,041	1,268,924,339	166,418,545	18,882,174,512
2017	17,691,505,431	54,174,967	1,255,062,210	158,086,464	19,158,829,072
2016	17,500,911,186	48,066,575	1,217,833,770	149,732,654	18,916,544,185
2015	15,129,929,247	41,085,134	1,158,275,559	140,663,043	16,469,952,983

Source: College Records

TABLE 6
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512
REVENUE CAPACITY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND EIGHT YEARS AGO

2023 (1)				2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Simon Property Group	\$ 224,166,910	1	0.88%	Simon Property Group	\$ 222,239,372	1	1.32%
CHI3 LLC & Equinix	94,776,040	2	0.37%	AT & T	100,210,728	2	0.59%
David Gelinis	91,526,272	3	0.36%	Wal-Mart	54,882,436	3	0.33%
CO Prologis	89,906,142	4	0.35%	Streets of Woodfield	54,827,476	4	0.33%
Terrance Evans	85,016,997	5	0.33%	Manulife Financial	54,245,226	5	0.32%
Maribel Salinas	79,945,170	6	0.31%	Crane & Norcross	52,491,986	6	0.31%
Digital Realty Trust	76,382,860	7	0.30%	Motorola Inc.	45,756,677	7	0.27%
Digital Elk Grove 2	72,125,696	8	0.28%	ZNA Real Estate Dept	41,828,501	8	0.25%
Arlington Park Racetrack	67,471,777	9	0.26%	KBS Woodfield Preserve	41,567,060	9	0.25%
David Friedman	66,801,190	10	0.26%	Bre DDR Woodfield Village	38,344,507	10	0.23%
Total	<u>\$ 948,119,054</u>		<u>3.70%</u>		<u>\$ 706,393,969</u>		<u>4.20%</u>

(1) Most recent available

Source: Cook, Kane, Lake and McHenry County Clerk's Office

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations may not be included.

TABLE 7

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN LEVY YEARS

Levy Year	Taxes Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 103,814,718	\$ 51,254,816	49.37%	\$ -	\$ 51,254,816	49.37%
2023	100,229,372	49,749,437	49.64%	48,821,812	98,571,249	98.35%
2022	96,045,333	47,826,056	49.80%	48,054,127	95,880,183	99.83%
2021	91,454,167	45,431,271	49.68%	45,847,879	91,279,150	99.81%
2020	88,594,007	44,186,261	49.88%	43,288,184	87,474,445	98.74%
2019	86,235,186	43,009,798	49.87%	42,743,389	85,753,187	99.44%
2018	82,685,846	41,239,566	49.88%	40,828,906	82,068,472	99.25%
2017	80,880,645	40,339,221	49.87%	40,255,701	80,594,922	99.65%
2016	78,443,904	39,123,897	49.87%	39,156,711	78,280,608	99.79%
2015	75,764,831	37,587,308	49.61%	38,020,850	75,608,158	99.79%

Source: College Records

TABLE 8

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS CLAIMED AND TUITION AND FEE REVENUE
LAST TEN FISCAL YEARS

Fiscal Year	Fall Term Enrollment		Tuition and Fee Rates			Total Credit Hours Claimed	Tuition and Fee Revenue Net of Allowances
	FTE Credit Courses	Headcount Credit Courses	In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour		
2025	7,705	14,322	\$ 157.50	\$ 414.50	\$ 490.00	235,237.5	\$ 42,586,260
2024	7,457	13,688	155.50	412.50	488.00	227,054.5	40,276,671
2023	7,093	12,949	152.50	409.50	485.00	212,466.5	41,438,352
2022*	7,079	12,735	152.50	409.50	485.00	206,357.5	37,931,788
2021*	7,434	12,741	152.50	409.50	485.00	226,570.0	39,214,653
2020	8,002	14,332	152.50	409.50	485.00	247,345.0	41,494,837
2019	8,023	14,212	148.75	405.75	481.25	245,659.0	39,635,009
2018	8,245	14,446	142.50	399.50	475.00	252,091.5	38,866,081
2017	8,475	14,924	135.25	392.25	467.75	260,227.0	40,574,390
2016	8,754	15,319	129.75	386.75	462.25	265,447.5	39,848,544

*2021 and 2022 certified reimbursable credit hours were revised in 2023.

Source: College Records

TABLE 9
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	General Obligation Alternate Revenue Bonds	General Obligation Refunding Bonds	General Obligation Limited Tax Bonds	Unamortized Premium	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Population Estimate	Total Outstanding Debt Per Capita
2025	\$ 158,035,000	\$ -	\$ 47,725,000	\$ 6,580,000	\$ 20,167,459	\$ 232,507,459	\$ 72,816,029,463	0.32%	537,989	432.18
2024	159,880,000	-	57,870,000	4,380,000	22,741,032	244,871,032	72,699,099,444	0.34%	542,215	451.61
2023	161,395,000	-	67,505,000	6,860,000	25,499,888	261,259,888	72,699,099,444	0.36%	528,355	494.48
2022	162,745,000	-	76,505,000	4,280,000	28,059,580	271,589,580	70,408,440,813	0.41%	530,885	511.58
2021	163,280,000	-	84,890,000	6,600,000	30,795,330	285,565,330	60,721,913,505	0.47%	534,497	534.27
2020	-	-	99,010,000	4,570,000	15,046,697	118,626,697	64,415,175,927	0.18%	534,497	221.94
2019	-	-	110,900,000	6,885,000	17,064,515	134,849,515	56,646,523,536	0.24%	534,497	252.29
2018	7,530,000	-	114,840,000	4,525,000	18,693,367	145,588,367	57,476,487,216	0.25%	534,984	272.14
2017	132,095,000	-	14,485,000	6,675,000	2,432,252	155,687,252	56,749,632,555	0.27%	534,984	291.01
2016	137,520,000	-	17,110,000	4,180,000	3,116,272	161,926,272	49,409,858,949	0.33%	534,984	302.67

Source: College Records

TABLE 10

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	General Obligation Alternate Revenue Bonds	General Obligation Refunding Bonds	General Obligation Limited Tax Bonds	Unamortized Premium	Total Outstanding Debt	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Total Net Outstanding Debt Per Capita
2025	\$ 158,035,000	\$ -	\$ 47,725,000	\$ 6,580,000	\$ 20,167,459	\$ 232,507,459	\$ 15,562,828	\$ 216,944,631	0.30%	\$ 403.25
2024	159,880,000	-	57,870,000	4,380,000	22,741,032	244,871,032	14,232,422	230,638,610	0.32%	425.36
2023	161,395,000	-	67,505,000	6,860,000	25,499,888	261,259,888	11,560,002	249,699,886	0.40%	472.60
2022	162,745,000	-	76,505,000	4,280,000	28,059,580	271,589,580	9,747,533	261,842,047	0.39%	493.22
2021	163,280,000	-	84,890,000	6,600,000	30,795,330	285,565,330	7,856,522	277,708,808	0.43%	519.57
2020	-	-	99,010,000	4,570,000	15,046,697	118,626,697	10,248,920	108,377,777	0.17%	202.77
2019	-	-	110,900,000	6,885,000	17,064,515	134,849,515	8,443,761	126,405,754	0.22%	236.49
2018	7,530,000	-	114,840,000	4,525,000	18,693,367	145,588,367	14,363,949	131,224,418	0.23%	245.29
2017	132,095,000	-	14,485,000	6,675,000	2,432,252	155,687,252	13,138,897	142,548,355	0.25%	266.45
2016	137,520,000	-	17,110,000	4,180,000	3,116,272	161,926,272	11,643,899	150,282,373	0.30%	280.91

Source: College records

Note: Details of the College's outstanding debt can be found in the notes to the financial statements.

TABLE 11
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512
DEBT CAPACITY
DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2025

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable	College Share of Direct and Overlapping Debt
Direct bonded debt:			
William Rainey Harper College	\$ 232,507,459	100.00%	\$ 232,507,459
Overlapping bonded debt:		As of December 2, 2024	
Cook County	\$ 2,080,433,820	11.37%	\$ 236,545,325
Cook County Forest Preserve District	52,085,000	11.37%	5,922,065
Metropolitan Water Reclamation District	2,340,721,774	11.01%	257,713,467
Kane County Forest Preserve District	79,890,000	0.43%	343,527
Lake County Forest Preserve District	167,195,000	4.47%	7,473,617
McHenry County Conservation District	37,600,000	1.63%	612,880
Village of Arlington Heights	59,705,000	100.00%	59,705,000
Village of Barrington	17,484,000	96.26%	16,830,098
Village of Buffalo Grove	45,377,545	21.67%	9,833,314
Village of Carpentersville	20,544,000	8.68%	1,783,219
City of Des Plaines	4,935,000	16.06%	792,561
Village of Elk Grove Village	91,150,000	78.35%	71,416,025
Village of Hanover Park	7,545,000	22.74%	1,715,733
Village of Hoffman Estates	85,612,090	77.31%	66,186,707
Village of Lake Barrington	305,000	96.04%	292,922
Village of Mount Prospect	92,620,000	99.68%	92,323,616
Village of Northbrook	97,536,000	0.89%	868,070
Village of Palatine	25,905,000	100.00%	25,905,000
City of Prospect Heights	3,585,000	97.14%	3,482,469
City of Rolling Meadows	16,115,000	100.00%	16,115,000
Village of Roselle	11,425,000	13.60%	1,553,800
Village of Schaumburg	248,520,000	96.36%	239,473,872
Village of Wheeling	20,125,000	99.57%	20,038,463
Arlington Heights Park District	5,455,000	100.00%	5,455,000
Barrington Park District	23,115,000	96.60%	22,329,090
Buffalo Grove Park District	9,974,000	25.45%	2,538,383
Des Plaines Park District	3,249,000	1.55%	50,360
Elk Grove Park District	1,415,000	99.79%	1,412,029
Hanover Park Park District	503,200	15.73%	79,153
Hoffman Estates Park District	3,595,999	76.16%	2,738,671
Mount Prospect Park District	7,484,685	99.77%	7,467,470
Northbrook Park District	11,735,000	0.86%	100,921
Palatine Park District	1,550,000	100.00%	1,550,000
Roselle Park District	5,050,635	9.31%	470,214
Schaumburg Park District	5,123,875	96.33%	4,935,829
Wheeling Park District	1,600,000	94.37%	1,509,920
Poplar Creek Public Library District	7,530,000	4.95%	372,735
East Dundee & Countryside Fire District	2,690,000	30.79%	828,251
Long Grove Fire District	15,640,000	7.60%	1,188,640
Prospect Heights Fire District	6,100,000	77.48%	4,726,280
North Barrington Special Service Area 19	9,250,000	50.91%	4,709,175
South Barrington Special Service Area 3	3,810,000	39.72%	1,513,332
School District Number 23	12,655,000	100.00%	12,655,000
School District Number 25	86,535,000	100.00%	86,535,000
School District Number 26	10,100,000	89.03%	8,992,030

TABLE 11
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512
DEBT CAPACITY
DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2025

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable	College Share of Direct and Overlapping Debt
School District Number 57	\$ 3,830,000	100.00%	\$ 3,830,000
High School District Number 155	11,635,000	1.56%	181,506
Community Consolidated School District 15	106,020,000	100.00%	106,020,000
Community Consolidated School District 21	74,045,000	100.00%	74,045,000
Community Consolidate School District 59	17,400,000	97.64%	16,989,360
Community Unit School District Number 220	111,160,000	97.51%	108,392,116
Township High School District Number 214	16,415,000	98.99%	16,249,209
Total overlapping bonded debt			<u>1,634,791,424</u>
Total direct and overlapping bonded debt			<u><u>\$ 1,867,298,883</u></u>

Source: Cook, Kane, Lake and McHenry County Clerk's Office. Does not include Alternate Revenue Bonds

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the College. This schedule estimates the portion of the the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Harper District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the College's taxable assessed value that is within the government's boundaries and dividing it by the College's total taxable assessed value.

TABLE 12

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

LEGAL DEBT MARGIN INFORMATION
LAST TEN LEVY YEARS

	2024	2023	2022	2021	2020
Assessed valuation	\$ 24,272,009,821	\$ 24,233,033,148	\$ 23,469,480,271	\$ 20,240,637,835	\$ 21,725,865,745
Legal debt limit - 2.875% of assessed valuation	697,820,282	696,699,703	674,747,558	636,455,267	624,618,640
Total debt applicable to limit	212,340,000	222,130,000	235,760,000	243,530,000	254,770,000
Legal debt margin	\$ 485,480,282	\$ 474,569,703	\$ 438,987,558	\$ 392,925,267	\$ 369,848,640
Total net debt applicable to the limit as a percentage of debt limit	30.43%	31.88%	38.26%	40.79%	16.78%
	2019	2018	2017	2016	2015
Assessed valuation	\$ 21,471,725,309	\$ 18,882,174,512	\$ 19,158,829,072	\$ 18,916,544,185	\$ 16,469,952,983
Legal debt limit - 2.875% of assessed valuation	617,312,103	542,862,517	550,816,336	543,850,645	473,511,148
Total debt applicable to limit	103,580,000	117,785,000	126,895,000	153,255,000	158,810,000
Legal debt margin	\$ 513,732,103	\$ 425,077,517	\$ 423,921,336	\$ 390,595,645	\$ 314,701,148
Total net debt applicable to the limit as a percentage of debt limit	16.78%	21.70%	23.04%	28.18%	35.34%

Source: College Records

TABLE 13

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEMOGRAPHIC AND ECONOMIC INFORMATION

POPULATION AND UNEMPLOYMENT RATES
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Population Estimates	537,989	542,215	528,355	530,885	534,497	534,497	534,497	534,984	534,984	534,984
Unemployment Rates:										
Arlington Heights	4.3%	5.0%	3.2%	3.0%	4.8%	12.3%	3.1%	3.4%	4.0%	4.4%
Elk Grove Village	4.6%	5.2%	3.3%	3.4%	5.7%	15.2%	3.4%	3.6%	4.0%	4.7%
Hoffman Estates	4.2%	5.1%	3.2%	3.1%	5.4%	14.4%	3.6%	3.7%	4.0%	4.4%
Mount Prospect	4.0%	5.2%	3.1%	3.1%	5.0%	13.6%	3.1%	3.2%	3.7%	4.2%
Palatine	4.1%	5.1%	3.1%	3.1%	5.7%	13.1%	3.1%	3.4%	3.9%	4.4%
Schaumburg	4.6%	5.0%	3.2%	3.3%	5.3%	14.1%	3.4%	3.6%	4.0%	4.4%
Wheeling	3.9%	5.0%	2.8%	2.9%	6.0%	13.7%	2.9%	3.2%	3.6%	4.2%
Chicago PMSA	5.0%	6.4%	4.0%	4.2%	7.7%	16.4%	4.1%	4.3%	5.1%	5.5%
Illinois	4.5%	6.2%	4.5%	4.5%	7.1%	14.6%	4.0%	4.5%	5.0%	5.6%
United States	4.4%	4.5%	3.8%	3.4%	6.2%	11.2%	3.8%	4.2%	4.5%	4.5%

Source: College records and Illinois Department of Employment Securities

Note: 2025 Unemployment Data as of July 2025

TABLE 14

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2024 (1)			2015		
Employer	Number of Employees	Rank	Employer	Number of Employees	Rank
Transform Holdco, LLC	3,200	1	Sears Roebuck and Company	6,200	1
Zurich North America	2,500	2	Northwest Community Hospital	4,000	2
Nation Pizza Products L.P.	2,000	3	Alexian Bros Medical Center	3,100	3
Automatic Data Processing Inc.	1,500	4	AT&T Services Inc	2,500	4
International Services Inc.	1,200	5	Zurich North America	2,500	5
Caremark Illinois	850	6	St. Alexius Medical Center	2,045	6
Optumrx Inc.	800	7	Automatic Data Processing	1,500	7
Paylocity Corporation	800	8	Clearbrook	1,000	8
Gonnella Baking Co.	750	9	Motorola Solutions, Inc.	970	9
Citigroup Inc.	725	10	CVS Caremark	850	10
Total	14,325			24,665	

Sources:

College records

2024 Illinois Manufacturers Directory

2024 Illinois Services Directory

Note: (1) Most recent information available

TABLE 15

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

EMPLOYEE HEADCOUNT
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Faculty										
Full-time	223	225	223	222	222	222	223	228	233	238
Part-time	-	-	-	-	-	-	-	-	-	-
Administrative										
Full-time	46	37	38	40	39	39	38	39	43	51
Part-time	-	-	-	-	-	-	-	-	-	-
Professional/Technical										
Full-time	204	209	200	188	179	175	167	152	142	138
Part-time	29	30	31	31	31	30	28	32	39	45
Supervisory/Confidential										
Full-time	121	126	117	114	114	113	111	103	99	94
Part-time	-	-	1	1	2	2	2	2	2	2
Classified Staff										
Full-time	121	117	121	128	125	124	122	128	127	136
Part-time	53	57	61	58	58	60	72	83	89	111
Security										
Full-time	23	23	20	20	17	17	17	17	18	18
Part-time	3	5	5	5	15	15	15	15	15	17
Custodial/Maintenance										
Full-time	77	77	77	86	86	86	84	84	84	93
Part-time	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>
Total										
Full-time	815	814	796	798	782	776	762	751	746	768
Part-time	<u>89</u>	<u>96</u>	<u>102</u>	<u>99</u>	<u>110</u>	<u>111</u>	<u>121</u>	<u>136</u>	<u>149</u>	<u>180</u>
Grand Total	<u>904</u>	<u>910</u>	<u>898</u>	<u>897</u>	<u>892</u>	<u>887</u>	<u>883</u>	<u>887</u>	<u>895</u>	<u>948</u>

Source: College Records

There are no part-time faculty or student employees presented since those employees are considered temporary.

TABLE 16

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022*</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Degrees and Certificates Awarded										
Degrees	1,955	1,836	1,996	1,920	2,027	1,881	1,944	1,758	1,791	1,611
Certificates	<u>2,813</u>	<u>2,609</u>	<u>2,348</u>	<u>2,501</u>	<u>2,491</u>	<u>2,488</u>	<u>2,173</u>	<u>1,764</u>	<u>1,818</u>	<u>1,845</u>
Total Degrees and Certificates Awarded	<u><u>4,768</u></u>	<u><u>4,445</u></u>	<u><u>4,344</u></u>	<u><u>4,421</u></u>	<u><u>4,518</u></u>	<u><u>4,369</u></u>	<u><u>4,117</u></u>	<u><u>3,522</u></u>	<u><u>3,609</u></u>	<u><u>3,456</u></u>
Student enrollment by funding category (unrestricted reimbursable credit hours)										
Baccalaureate	160,478	156,225	148,953	149,538	168,520	176,124	173,770	179,247	183,592	184,847
Business Occupational	16,210	15,299	13,814	13,724	16,732	17,604	16,547	16,766	17,269	18,153
Technical Occupational	16,441	15,474	14,438	14,286	13,499	16,703	17,123	16,598	17,715	16,660
Health Occupational	15,271	14,192	13,936	14,261	13,633	15,771	15,232	17,180	17,607	16,546
Remedial Developmental	8,195	7,917	7,046	5,704	6,806	9,736	10,560	11,083	11,816	15,143
Adult Basic/Secondary Education	<u>1,646</u>	<u>1,766</u>	<u>1,740</u>	<u>1,182</u>	<u>1,747</u>	<u>2,054</u>	<u>2,776</u>	<u>3,138</u>	<u>5,729</u>	<u>6,780</u>
Total Credit Hours	<u><u>218,241</u></u>	<u><u>210,873</u></u>	<u><u>199,927</u></u>	<u><u>198,695</u></u>	<u><u>220,937</u></u>	<u><u>237,992</u></u>	<u><u>236,008</u></u>	<u><u>244,012</u></u>	<u><u>253,728</u></u>	<u><u>258,129</u></u>

*2021 and 2022 certified reimbursable credit hours were revised in 2023.

Source: College Records

TABLE 17

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Facilities Data										
Total Acreage - Main Campus	188	188	188	188	188	188	188	188	188	188
Total Acreage - Extension Sites	9	9	9	9	9	9	9	9	9	9
Gross Square Footage - Main Campus	1,706,627	1,607,197	1,607,189	1,607,189	1,607,189	1,607,189	1,607,189	1,559,278	1,559,278	1,559,278
Gross Square Footage - Extension Sites	96,430	96,430	96,052	96,052	96,052	96,052	96,052	96,052	96,052	93,142
Number of Buildings - Main Campus	23	23	23	23	23	23	23	23	23	23
Number of Buildings - Extension Sites	2	2	2	2	2	2	2	2	2	2
Number of Parking Spaces	4,632	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463	5,463

Source: College Records

Changes due to building additions, renovations, and space reallocations

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Uniform Financial Statement No. 1
All Funds Summary

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	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance at June 30, 2024, as previously reported	\$ 55,538,231	\$ 12,947,280	\$ 210,726,016	\$ 14,232,422	\$ 11,465,044	\$ 45,505,392	\$ 18,214,546	\$ -	\$ -	\$ 368,628,931
Cumulative effect of a change in accounting principle	2,329,094	308,730	-	-	-	-	-	-	-	2,637,824
Fund balance at June 30, 2024, as restated	57,867,325	13,256,010	210,726,016	14,232,422	11,465,044	45,505,392	18,214,546	-	-	371,266,755
Revenues:										
Local tax revenue	59,232,186	13,981,464	-	23,273,558	-	-	-	19,350	19,350	96,525,908
All other local revenue	1,304,428	-	45,000	-	-	-	-	-	-	1,349,428
ICCB grants	10,992,960	-	-	-	-	2,268,808	-	-	-	13,261,768
All other state revenue	-	-	-	-	-	5,361,213	-	-	-	5,361,213
Federal revenue	19,225	-	-	-	-	22,046,693	-	-	-	22,065,918
Student tuition and fees	51,177,873	1,928,777	493,453	-	2,674,600	4,047	-	-	-	56,278,750
On-behalf CIP	-	-	-	-	-	(8,220,105)	-	-	-	(8,220,105)
On-behalf SURS	-	-	-	-	-	29,145,277	-	-	-	29,145,277
All other revenue	7,126,949	707,286	6,626,107	838,467	2,680,578	277,362	919,610	-	-	19,176,359
Total revenues	129,853,621	16,617,527	7,164,560	24,112,025	5,355,178	50,883,295	919,610	19,350	19,350	234,944,516
Expenditures:										
Instruction	46,709,477	-	-	-	-	11,481,227	-	-	-	58,190,704
Academic support	11,568,961	-	-	-	-	5,632,998	-	-	-	17,201,959
Student services	14,842,547	-	-	-	858,560	3,747,021	-	-	-	19,448,128
Public service/continuing education	322,433	-	-	-	2,904,748	743,873	-	-	-	3,971,054
Independent operations	-	-	-	-	2,371,354	67,086	-	-	-	2,438,440
Operations and maintenance of plant	-	16,423,599	-	-	-	1,669,377	-	-	-	18,092,976
Institutional support	33,290,610	2,638,737	23,007,702	22,781,619	74,235	8,917,096	-	19,350	19,350	90,748,699
Scholarships/grants/waivers	11,045,055	-	-	-	-	24,949,420	-	-	-	35,994,475
Total expenditures	117,779,083	19,062,336	23,007,702	22,781,619	6,208,897	57,208,098	-	19,350	19,350	246,086,435
Excess (deficiency) of revenues over expenditures	12,074,538	(2,444,809)	(15,843,142)	1,330,406	(853,719)	(6,324,803)	919,610	-	-	(11,141,919)
Other financing sources (uses):										
Proceeds from issuance of debt	-	-	4,880,000	-	-	-	-	-	-	4,880,000
Premium on bond issue	-	-	172,873	-	-	-	-	-	-	172,873
Payment to escrow agent	-	-	(99,279)	-	-	-	-	-	-	(99,279)
Transfers (to) from other funds	(9,004,140)	-	-	-	467,113	8,537,027	-	-	-	-
Fund balance at June 30, 2025	\$ 60,937,723	\$ 10,811,201	\$ 199,836,468	\$ 15,562,828	\$ 11,078,438	\$ 47,717,616	\$ 19,134,156	\$ -	\$ -	\$ 365,078,430

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Uniform Financial Statement No. 2
Summary of Capital Assets and Debt

Year ended June 30, 2025

	Capital Asset/Debt Account Groups July 1, 2024	Increases	Decreases	Capital Asset/Debt Account Groups June 30, 2025
Capital assets:				
Land	\$ 4,326,007	\$ -	- \$	4,326,007
Buildings and improvements	417,315,552	2,381,222	(5,489,642)	414,207,132
Equipment	28,302,693	6,827,921	(143,149)	34,987,465
Construction in progress	22,549,731	24,314,707	(6,919,606)	39,944,832
Art collection	1,848,035	-	-	1,848,035
Subscriptions	5,594,610	1,358,364	(107,132)	6,845,842
Total capital assets	479,936,628	34,882,214	(12,659,529)	502,159,313
Accumulated depreciation/ amortization	(231,604,150)	(15,344,907)	4,511,530	(242,437,527)
Net capital assets	\$ 248,332,478	\$ 19,537,307	\$ (8,147,999)	\$ 259,721,786
Fixed debt				
Bonds payable	\$ 244,871,032	\$ 5,052,873	\$ (17,416,446)	\$ 232,507,459
Subscriptions	3,615,620	1,358,364	(1,675,006)	3,298,978
Total fixed liabilities	\$ 248,486,652	\$ 6,411,237	\$ (19,091,452)	\$ 235,806,437

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 3
Page 1 of 2

Uniform Financial Statement No. 3
Operating Funds Revenues and Expenditures

Year ended June 30, 2025

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating revenues by source:			
Local government revenue:			
Local taxes	\$ 59,232,186	\$ 13,981,464	\$ 73,213,650
Chargeback revenue	—	—	—
CPPRT	1,304,428	—	1,304,428
Total local government revenue	60,536,614	13,981,464	74,518,078
State government revenue:			
ICCB Credit Hour grants	10,242,490	—	10,242,490
ICCB - Career and Technical Education	750,470	—	750,470
Total state government revenue	10,992,960	—	10,992,960
Federal government revenue:			
Department of Education	19,225	—	19,225
Total federal government revenue	19,225	—	19,225
Student tuition and fees:			
Tuition	45,594,705	—	45,594,705
Fees	5,583,168	1,928,777	7,511,945
Total student tuition and fees	51,177,873	1,928,777	53,106,650
Other sources:			
Sales and service fees	1,097,952	—	1,097,952
Investment revenue	5,516,153	668,298	6,184,451
Other	512,844	38,988	551,832
Total other revenue	7,126,949	707,286	7,834,235
Total revenues	129,853,621	16,617,527	146,471,148
Less – nonoperating items:*			
Tuition chargeback revenue	—	—	—
Transfers from nonoperating funds	—	—	—
Adjusted revenue	\$ 129,853,621	\$ 16,617,527	\$ 146,471,148

* Intercollege revenue that does not generate related college credit hours is subtracted to allow for statewide comparisons.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 3
Page 2 of 2

Uniform Financial Statement No. 3
Operating Funds Revenues and Expenditures

Year ended June 30, 2025

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
Operating expenditures:			
By program:			
Instruction	\$ 46,709,477	\$ —	\$ 46,709,477
Academic support	11,568,961	—	11,568,961
Student services	14,842,547	—	14,842,547
Public service/continuing education	322,433	—	322,433
Operations and maintenance	—	16,423,599	16,423,599
Institutional support	33,290,610	2,638,737	35,929,347
Scholarships/grants/waivers	11,045,055	—	11,045,055
Transfers	9,004,140	—	9,004,140
Total operating expenditures	<u>126,783,223</u>	<u>19,062,336</u>	<u>145,845,559</u>
Less – nonoperating items:*			
Tuition chargebacks	—	—	—
Transfers to nonoperating funds	9,004,140	—	9,004,140
Adjusted operating expenditures	<u>\$ 117,779,083</u>	<u>\$ 19,062,336</u>	<u>\$ 136,841,419</u>
By object:			
Salaries	\$ 75,171,714	\$ 8,088,688	\$ 83,260,402
Employee benefits	14,754,172	2,101,352	16,855,524
Contractual services	5,276,711	3,480,327	8,757,038
General materials and supplies	5,354,418	964,859	6,319,277
Conference and meeting expense	1,732,148	18,139	1,750,287
Fixed charges	544,082	520,641	1,064,723
Utilities	558	3,022,654	3,023,212
Capital outlay	2,038,743	865,527	2,904,270
Other	12,906,537	149	12,906,686
Transfers	9,004,140	—	9,004,140
Total operating expenditures	<u>126,783,223</u>	<u>19,062,336</u>	<u>145,845,559</u>
Less – nonoperating items:*			
Tuition chargebacks	—	—	—
Transfers to nonoperating funds	9,004,140	—	9,004,140
Adjusted operating expenditures	<u>\$ 117,779,083</u>	<u>\$ 19,062,336</u>	<u>\$ 136,841,419</u>

*Intercollege expenses are subtracted to allow for statewide comparisons.

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 4
Page 1 of 2

Uniform Financial Statement No. 4
Restricted Purposes Fund Revenues and Expenditures

Year ended June 30, 2025

Revenues by source:

State government:

ICCB – Adult Education	\$ 628,542
Illinois Student Assistance Commission	4,778,233
Illinois Department of Commerce and Economic Opportunity	622,483
On-Behalf CIP	(8,220,105)
On-Behalf SURS	29,145,277
Other	1,600,763

Total state government	28,555,193
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Federal government:

Department of Education	20,236,721
Department of Labor	389,335
Department of Health and Human Services	662,108
Department of Veterans Affairs	340,459
Other	418,070

Total federal government	22,046,693
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Student tuition and fees

Other	4,047
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Total student tuition and fees	4,047
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Other sources	277,362
Transfers	8,537,027

Total restricted purposes fund revenues	\$ 59,420,322
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Expenditures by program:

Instruction	\$ 11,481,227
Academic support	5,632,998
Student services	3,747,021
Public service/continuing education	743,873
Auxiliary	67,086
Operations and maintenance	1,669,377
Institutional support	8,917,096
Scholarships, student grants, and waivers	24,949,420
Transfers	—

Total restricted purposes fund expenditures	\$ 57,208,098
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WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 4
Page 2 of 2

Uniform Financial Statement No. 4
Restricted Purposes Fund Revenues and Expenditures

Year ended June 30, 2025

Expenditures by object:

Salaries	\$ 2,639,240
Employee benefits (Including SURS On-Behalf)	21,535,208
Contractual services	3,282,359
General materials and supplies	1,024,341
Travel and meetings	183,255
Fixed charges	174,382
Utilities	31,428
Capital outlay	2,805,708
Other	25,532,177
Transfers	—
Total restricted purposes fund expenditures	<u>\$ 57,208,098</u>

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 5
Page 1 of 2

Uniform Financial Statement No. 5
Current Funds* Expenditures by Activity
Year ended June 30, 2025

Instruction:	
Instructional programs	\$ 48,496,184
On-behalf State retirement plan contributions	9,694,520
Total instruction	<u>58,190,704</u>
Academic support:	
Library center	2,517,780
Academic administration and planning	9,139,735
On-behalf State retirement plan contributions	2,233,587
Other	3,310,857
Total academic support	<u>17,201,959</u>
Student services:	
Admissions and records	2,536,274
Counseling and career guidance	5,129,687
Student financial aid and administration	1,043,503
On-behalf State retirement plan contributions	2,618,902
Other	8,119,762
Total student services	<u>19,448,128</u>
Public service/continuing education:	
Community education	1,249,637
Customized training (instructional)	268,934
Community services	99,836
On-behalf State retirement plan contributions	550,347
Other	1,802,300
Total public service/continuing education	<u>3,971,054</u>
Auxiliary services	
Auxiliary services	2,371,354
On-behalf State retirement plan contribution	67,086
Total auxiliary services	<u>2,438,440</u>

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 5
Page 2 of 2

Uniform Financial Statement No. 5
Current Funds* Expenditures by Activity

Year ended June 30, 2025

Operations and maintenance of plant:	
Maintenance	\$ 1,418,583
Custodial services	3,165,456
Grounds	1,348,393
Campus security	2,447,985
Utilities	6,560,326
On-behalf State retirement plan contributions	1,669,377
Administration	1,482,856
	<hr/>
Total operations and maintenance of plant	18,092,976
	<hr/>
Institutional support:	
Executive management	4,168,561
Fiscal operations	2,322,974
Community relations	4,055,156
Administrative support services	4,928,641
Board of Trustees	46,818
General institutional support	9,362,010
Institutional research	557,272
Administrative data processing	15,426,593
On-behalf State retirement plan contributions	4,091,353
Other	—
	<hr/>
Total institutional support	44,959,378
	<hr/>
Scholarships, student grants, and waivers	35,994,475
	<hr/>
Total current funds expenditures	\$ 200,297,114
	<hr/>

* Current funds include: Education Fund, Operations and Maintenance Fund, Auxiliary Enterprises Fund, Restricted Purposes Fund, Audit Fund, and the Liability, Protection, and Settlement Fund.


See accompanying independent auditor's report.

CERTIFICATION OF PER CAPITA COST
Fiscal Year 2026

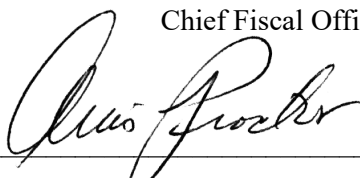
WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512
Fiscal Year 2026 Certification of Per Capita Cost
For the Fiscal Year Ended June 30, 2025

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

1. Education Fund.....	\$ 116,221,149
2. Operations and Maintenance Fund.....	18,669,086
3. Operations and Maintenance Fund (Restricted).....	0
4. Bond and Interest Fund.....	22,781,619
5. Public Building Commission Rental Fund.....	0
6. Restricted Purposes Fund.....	35,861,438
7. Audit Fund.....	19,350
8. Liability, Protection, and Settlement Fund.....	19,350
9. Auxiliary Enterprise Fund (Subsidy Only).....	467,113
10. TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9).....	\$ 194,039,105
11. Depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds.....	8,657,314
12. TOTAL COSTS INCLUDED (line 10 plus line 11).....	\$ 202,696,419
13. Total certified semester credit hours for FY 2025.....	235,237.50
14. PER CAPITA COST (line 12 divided by line 13).....	\$ 861.67

Approved:  _____ 12/19/25 _____
Date

Chief Fiscal Officer

Approved:  _____ 12/19/25 _____
Date

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT ON STATE GRANT PROGRAMS
FINANCIAL STATEMENTS

The Board of Trustees
William Rainey Harper College
Community College District No. 512

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the William Rainey Harper College, Community College District No. 512 (the "College") State Adult Education (State Basic, State Performance, and Digital Instruction) and 2024 and 2025 Innovative Bridge and Transition Grant Programs (collectively "Grant Programs") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Grant Programs' 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 College's State Adult Education (State Basic, State Performance, and Digital Instruction) and 2024 and 2025 Innovative Bridge and Transition Grant Programs 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 *Fiscal Management Manual (Fiscal Management Manual)*. 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 the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the College's Grant Programs and do not purport to, and do not, present fairly the financial position of the College, as of June 30, 2025, and 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 opinions are 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 Responsibility 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, *Government Auditing Standards*, and the *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 *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 the College's 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement on page 108 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement included on page 108 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
STATE GRANT PROGRAM FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Trustees
Harper College
Community College District No. 512

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 and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the William Rainey Harper College (“College”) State Adult Education (State Basic, State Performance, and Digital Instruction) and 2024 and 2025 Innovative Bridge and Transition Grant Programs (collectively “Grant Programs”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Grant Programs’ financial statements, and have issued our report thereon dated December 19, 2025. The financial statements present only the College’s Grant Programs and do not purport to, and do not, present fairly the financial position of the College, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College’s internal control over financial reporting (“internal control”) of the Grant Programs as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control of the Grant Programs. Accordingly, we do not express an opinion on the effectiveness of the College’s internal control of the Grant Programs.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Grant Program’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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grant Programs' 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 of the Grant Programs and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance of the Grant Programs. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance of the Grant Programs. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid, with the "C" being particularly large and the "LLP" being more compact.

Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

State Adult Education Grant Program

Balance Sheet

June 30, 2025

	State Basic	State Performance	Digital Instruction	Total
Current Assets – Due from other funds	<u>\$ -</u>	<u>\$ 1,911</u>	<u>\$ 14,737</u>	<u>\$ 16,648</u>
Current Liabilities –Accrued expenses	<u>\$ -</u>	<u>\$ 1,911</u>	<u>\$ 14,737</u>	<u>\$ 16,648</u>
Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ -</u>	<u>\$ 1,911</u>	<u>\$ 14,737</u>	<u>\$ 16,648</u>

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

State Adult Education Grant Program

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2025

	State Basic	State Performance	Digital Instruction	Total
Operating revenue – state source	\$ 405,030	\$ 219,360	\$ 4,152	\$ 628,542
Operating expenses by program:				
Personnel (Salaries and Wages)	333,952	109,036	—	442,988
Fringe Benefits	—	28,727	—	28,727
Travel	—	1,498	—	1,498
Equipment	—	—	—	—
Supplies	52,404	59,804	3,420	115,628
Contractual Services	—	20,295	—	20,295
Training & Education	—	—	—	—
Miscellaneous Costs	—	—	—	—
Indirect Costs	18,674	—	732	19,406
Total operating expenses	405,030	219,360	4,152	628,542
Change in net position	—	—	—	—
Net position, beginning of year	—	—	—	—
Net position, end of year	\$ —	\$ —	\$ —	\$ —

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

ICCB Compliance Statement for State Adult Education Grant Program

Expense Amount and Percentages for ICCB Grant Funds Only

Year ended June 30, 2025

	<u>Audited expense amount</u>	<u>Actual expense percentage</u>
State Basic:		
Instruction (45% minimum required)	\$ 386,356	95.39%
General administration (20% maximum allowed)	18,674	4.61%

See accompanying independent auditor's report on state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512
Innovative Bridge and Transition Program Grant

Balance Sheet

June 30, 2025

	Innovative Bridge and Transition Grant 2024	Innovative Bridge and Transition Grant 2025	Total
Current Assets – Due from other funds	\$ -	\$ 244,713	\$ 244,713
Current Liabilities –Accrued expenses	\$ -	\$ 244,713	\$ 244,713
Net Position	-	-	-
Total liabilities and net position	\$ -	\$ 244,713	\$ 244,713

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Innovative Bridge and Transition Program Grant

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2025

	Innovative Bridge and Transition Grant 2024	Innovative Bridge and Transition Grant 2025	Total
Operating revenue – state source	\$ 216,651	\$ 155,287	\$ 371,938
Expenses			
Personnel (Salaries and Wages)	28,220	2,742	30,962
Fringe Benefits	513	—	513
Travel	—	—	—
Supplies	11,600	589	12,189
Contractual Services	15,050	—	15,050
Training & Education	—	—	—
Miscellaneous Costs	136,280	151,525	287,805
Indirect Costs	24,988	431	25,419
Total operating expenses	216,651	155,287	371,938
Change in net position	-	-	-
Net position, beginning of year	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to State Grant Programs Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

(a) *General*

The accompanying statements include only those transactions resulting from the State Adult Education (State Basic and State Performance) and Innovative Bridge & Transition Grant Programs and are not intended to present the financial position or changes in financial position of the William Rainey Harper College – Community College District No. 512 (the College). These transactions have been accounted for in a Restricted Purposes Fund.

(b) *Basis of Accounting*

The statements have been prepared on the accrual basis. Expenses include all accounts payable representing liabilities for goods and services actually received as of June 30, 2025. Unexpended funds are reflected as a reduction to net position and a liability due to the ICCB by October 15.

(c) *Capital Assets*

Capital assets are reported at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The College's capitalization policy on renovations to buildings, infrastructure, and land improvements includes projects greater than \$100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 10 to 20 years for building improvements, 15 to 20 years for land improvements, and 3 to 10 years for equipment.

No capital assets were identified in the current year.

(d) *Interfund Receivables and Payables*

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. Interfund eliminations have not been made in the aggregation of this data.

The balance of \$1,911 in the State Performance grant, \$14,737 in the Digital Instruction grant, and \$244,713 in the Innovative Bridge and Transition grant represents the borrowing from the College to pay grant program expenses prior to receiving grant distributions.

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to State Grant Programs Financial Statements

June 30, 2025

(2) Background Information on State Grant Activity

(a) *Unrestricted Grants*

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment with a small portion of the allocation based upon gross square footage of space at the College.

(b) *Restricted Adult Education Grants/State*

State Basic

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

State Performance

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

(c) *Restricted Grants/State*

Innovative Bridge and Transition Program

Grant awarded to provide services to targeted populations for the purpose of preparing them to succeed in post-secondary education and training leading to employment in high skill, high wage and in-demand occupations. Targeted populations include individuals who are 16 years or older, adults who are not enrolled in high school with limited academic or basic skills, underemployed or unemployed youth, and individuals with disabilities.

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

The Board of Trustees
William Rainey Harper College
Community College District No. 512

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of William Rainey Harper College, Community College District No. 512 (the "College") for the year ended June 30, 2025. The College's management is responsible for the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed 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 American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed. 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 of Enrollment Data and Other Bases Upon Which Claims Were Filed, 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 of Enrollment Data and Other Bases Upon Which Claims Were Filed for the year ended June 30, 2025, is presented in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*, in all material respects.

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



Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule of Enrollment Data and Other Bases
upon Which Claims Are Filed

Year ended June 30, 2025

Total semester credit hours by term (in-district and out of district reimbursable)								
Summer			Fall		Spring		Total	
Unrestricted			Restricted		Unrestricted		Restricted	
Unrestricted			Restricted		Unrestricted		Restricted	
Categories:								
Baccalaureate	20,396.0	—	68,307.0	—	71,775.0	—	160,478.0	—
Business occupational	1,773.5	—	6,086.0	—	8,350.0	—	16,209.5	—
Technical occupational	1,241.5	—	6,785.5	—	8,414.0	—	16,441.0	—
Health occupational	1,433.5	96.0	7,449.5	988.0	6,387.5	1,075.0	15,270.5	2,159.0
Remedial developmental	1,007.0	—	4,226.0	—	2,962.0	48.0	8,195.0	48.0
Adult basic/secondary education	155.5	855.0	866.0	6,854.0	624.0	7,082.0	1,645.5	14,791.0
Total	26,007.0	951.0	93,720.0	7,842.0	98,512.5	8,205.0	218,239.5	16,998.0
		Attending in-district	Attending out-of-district on chargeback or cooperative/ contractual agreement	Total				
Reimbursable semester credit hours (all terms)		235,237.5	2,061.5	237,299.0				
District prior year equalized assessed valuation			\$	24,272,009,821				
Signatures	/s/ Dr. Avis Proctor			/s/ Craig Duetsch				
	Chief Executive Officer (CEO)			Chief Financial Officer (CFO)				

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule of Enrollment Data and Other Bases
upon Which Claims Are Filed

Year ended June 30, 2025

Reconciliation of semester credit hours			Reconciliation of semester credit hours		
Total unrestricted credit hours verified	Total unrestricted credit hours certified by ICCB	Difference	Total restricted credit hours verified	Total restricted credit hours certified by ICCB	Difference
Categories:					
Baccalaureate	160,478.0	160,478.0	—	—	—
Business occupational	16,209.5	16,209.5	—	—	—
Technical occupational	16,441.0	16,441.0	—	—	—
Health occupational	15,270.5	15,270.5	2,159.0	2,159.0	—
Remedial developmental	8,195.0	8,195.0	48.0	48.0	—
Adult basic education/adult secondary education	1,645.5	1,645.5	14,791.0	14,791.0	—
Total	218,239.5	218,239.5	16,998.0	16,998.0	—
Reconciliation of in-district/chargeback and cooperative/contractual agreement credit hours					
Total attending	Total attending as certified to the ICCB	Difference			
Reimbursable in-district residents	235,237.5	235,237.5			
Reimbursable out-of-district on chargeback or contractual agreement	2,061.5	2,061.5			
Total	237,299.0	237,299.0			
Total reimbursable	Total reimbursable certified to the ICCB	Difference			
Dual credit	27,683.0	27,683.0			
Dual enrollment	1,039.5	1,039.5			
Total	28,722.5	28,722.5			

See independent accountant's report on the schedule of enrollment data and other bases upon which claims are filed.

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

Residency Verification for Enrollment

June 30, 2025

RESIDENCY VERIFICATION PROCESS

Students enrolling at Harper College are classified as Resident, Non-Resident, Out-of-State or International for tuition and fee purposes. The Registrar's Office is responsible for maintaining, updating and documenting student addresses for residency and tuition calculation purposes. Proof of residency is required at the time of registration and acceptable proof of residence can include the following documents:

Driver's license
Voter's registration card
Library card
Lease agreement
Utility bill
Tax bill

Residency requirements for tuition and fee and state funding purposes are as follows:

Resident

A student who has resided within Illinois and the Harper College District 512 thirty days immediately prior to the start of the term is eligible to be classified as a resident student for tuition calculation purposes. These communities are considered part of the Harper College District:

Arlington Heights, Barrington, Barrington Hills, Buffalo Grove+, Carpentersville+, Deer Park+, Des Plaines+, Elk Grove Village, Fox River Grove+, Hanover Park+, Hoffman Estates+, Inverness, Lake Barrington, Mount Prospect, North Barrington, Palatine, Prospect Heights, Rolling Meadows, Roselle+, Schaumburg, South Barrington, Tower Lakes, Wheeling. +Portions of these communities are included in the district.

Residency requirements may differ for limited enrollment programs admission.

Permanent Resident

A permanent resident is defined as an individual who:

- A.) is a citizen of the United States or has established permanent residence (holds an I-551 alien registration card) AND
- B.) resides in the Harper College district for reasons other than attending Harper College.

The Admissions Office shall make the final determination of permanent residency status in relation to the selection process for limited enrollment programs.

Non-Resident

A student who has resided in Illinois, but outside the Harper district, for thirty days immediately prior to the start of the term shall be classified as a non-resident student.

WILLIAM RAINEY HARPER COLLEGE –
COMMUNITY COLLEGE DISTRICT NO. 512

Residency Verification for Enrollment

June 30, 2025

Out-of-State

A student who resided in Illinois for less than thirty days immediately prior to the start of the term shall be classified as an out-of-state student. Students who move outside the state or district and who obtain residence in the state or Harper district for reasons other than attending the community college shall be exempt from the thirty day requirement if they demonstrate through documentation a verifiable interest in establishing permanent residency. The Registrar's Office shall make the final determination of residency status for tuition purposes.

Chargebacks and Joint Agreements

Resident students desiring to pursue a certificate or degree program not available through Harper College may apply for chargeback tuition if they attend another public community college in Illinois which offers that program. Students approved for chargeback will pay the resident tuition of the receiving institution; the Harper College District will reimburse the college for the remainder of the non-district tuition cost. Application for chargeback tuition must be made in the Office of the Registrar 30 days prior to the beginning of the term in which the student wishes to enroll.

Business Edvantage

Non-resident students employed full-time by companies within the Harper College District may be eligible for a tuition reduction based on their employer's participation in the program. Students employed by participating companies receive a form directly from their employer and present work identification or a payroll stub to the Registrar's Office for tuition adjustment. Forms must be submitted for each term of enrollment.

Student Record Updates – Address Changes

The Registrar's Office maintains student addresses for residency purposes, telephone numbers for College use, student major area of study for advising purposes, and corrects social security number errors. Address, phone and major area of study updates will be accepted by e-mail, but students will be required to provide documentation before receiving resident tuition. Social security number changes also require documentation.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

The Board of Trustees
Harper College
Community College District No. 512

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, the financial statements of the business-type activities and the discretely presented component unit of William Rainey Harper College, Community College District No. 512 (the "College") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 19, 2025. Our report includes a reference to other auditors who audited the financial statements of the William Rainey Harper College Educational Foundation (the "Foundation"), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's 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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees
William Rainey Harper College
Community College District No. 512

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited William Rainey Harper College, Community College District No. 512's (the "College") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2025. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. 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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated December 19, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Oakbrook Terrace, Illinois
December 19, 2025

**WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512**

Schedule of Expenditures of Federal Awards

as of June 30, 2025

Federal grantor/pass through grantor/program title	Project/grant number	Federal AL number	Federal expenditures
U. S. Department of Defense			
Armed Forces	N/A	12.000	\$ 3,289
U.S. Department of Labor			
Susan Harwood Training Grants	SH000022SH3	17.502	21,123
Susan Harwood Training Grants	SH000144SH4	17.502	59,979
Total ALN 17.502			<u>81,102</u>
Strengthening Community Colleges Training Grant	CC000015PN1	17.261	308,233
Total Department of Labor			<u>389,335</u>
U.S. Department of Veterans' Affairs			
Vocation Rehabilitation for Disabled Veterans	N/A	64.116	46,313
U.S. Department of Health and Human Services			
Passed through Illinois Student Assistance Commission			
COVID 19 - Early Childhood Access Consortium for Equity Scholarship	N/A	93.575	145,608
Total Department of Health and Human Services			<u>145,608</u>
National Science Foundation			
Research and Development Cluster			
Enabling Partnerships to Increase Innovation Capacity/Generating Regional	NSF 23-528	47.084	147,150
Advanced Technological Education Grant	NSF 21-598	47.076	129,387
Scholarships in Science, Technology, Engineering, and Mathematics Program	2325877	47.076	103,508
Passed through Elmhurst University			
Robert Noyce Grant	2151078-HarperSub	47.076	1,486
Total National Science Foundation			<u>381,531</u>
U.S. Department of Education			
Passed through Illinois Community College Board			
Adult Education – Basic Grant	684-00-0464	84.002	305,996
Adult Education – National Leadership Activities – EL Civics Grant	684-01-2879	84.002	47,884
Adult Education - Integrated English Literacy, and Civics Education Supplemental	684-01-2879	84.002	31,460
Total Adult Education			<u>385,340</u>

(Continued)

**WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512**

Schedule of Expenditures of Federal Awards
as of June 30, 2025

Federal grantor/pass through grantor/program title	Project/grant number	Federal AL number	Federal expenditures
Child Care Access Means Parents in School Grant	P335A230057	84.335A	\$ 243,295
SAFE Tech Initiative Grant	P116Z240069	84.116Z	227,586
Fund for the Improvement of Postsecondary Education (Aviation)	P116Z230114	84.116Z	243,983
Passed through Roosevelt University			
CARLI Scoers Grant	P116T210005	84.116T	1,400
Total ALN 84.116			472,969
Developing Hispanic-Serving Institutions Grant	P031S230300	84.031S	523,868
Career and Technical Postsecondary Adult Education			
Carl D. Perkins Vocational Education - Title III	CTE51225	84.048	651,904
Passed through University of Illinois			
Center for Global Studies Grant	N/A	84.015A	720
National Resource Centers Program for Foreign Language and Area Studies	P015A220073 - 24	84.015	2,000
Total ALN 84.015			2,720
Student Financial Assistance Program Cluster:			
Federal Supplemental Educational Opportunity Grant Program	P007A231317	84.007	300,000
Federal Direct Student Loans Program	P268K242465	84.268	80,303
Federal Direct Student Loans Program	P268K252465	84.268	1,976,127
Total Federal Direct Student Loans Program			2,056,430
Federal Pell Grant Program	P063P232465	84.063	(25,981)
Federal Pell Grant Program	P063P242465	84.063	17,399,457
Total Federal Pell Grant Program			17,373,476
Federal Work Study	P033A231317	84.033	284,899
Total Student Financial Assistance			20,014,805
Passed through Illinois Department of Human Services			
Rehabilitation Services – Vocational Rehabilitation	N/A	84.126	519,996
Total Department of Education			22,814,897
Total Federal Expenditures			\$ 23,780,973

See accompanying notes to schedule of expenditures of federal awards.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to the Schedule of Expenditures of Federal Awards

Year Ending June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of William Rainey Harper College (the "College") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Basis of Accounting and Cost Principles:

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, Cost Principles for Educational Institutions or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Federal Student Loan Programs:

Federally guaranteed loans issued to students of the College by financial institutions under the Federal Direct Loan Program were \$2,056,430 during the year ended June 30, 2025.

Subrecipients:

Of the federal expenditures presented in the Schedule, the College did not provide any federal awards to subrecipients.

Non-Cash Assistance:

The College had no non-cash assistance during the year.

Federal Insurance:

The College had no Federal insurance in force during the year.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule of Findings and Questioned Costs

Year Ending June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial
statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes ✓ No

Significant deficiency(ies) identified?

_____ Yes ✓ None Reported

Noncompliance material to financial statements noted?

_____ Yes ✓ No

Federal Awards

Internal Control over major federal programs:

Material weakness(es) identified?

_____ Yes ✓ No

Significant deficiency(ies) identified?

_____ Yes ✓ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)

_____ Yes ✓ No

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule of Findings and Questioned Costs

Year Ending June 30, 2025

Section I - Summary of Auditor's Results (Continued)

Identification of major federal program:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.268, 84.063, 84.033	U.S. Department of Education Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ✓ Yes No

Section II - Financial Statement Findings

There were no findings for the year ended June 30, 2025.

Section III - Federal Award Findings

There were no findings for the year ended June 30, 2025.

WILLIAM RAINEY HARPER COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule of Prior Year Findings and Questioned Costs

Year Ending June 30, 2025

There were no findings for the year ended June 30, 2024.