Highland Community College District #519

Freeport, Illinois

Financial Report

Year Ended June 30, 2025

WIPFLI

Highland Community College District #519

Year Ended June 30, 2025

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Independent Auditor's Report

Board of Trustees
Highland Community College District #519
Freeport, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Highland Community College District #519 (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of 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 Highland Community College District #519 as of June 30, 2025, and 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 Highland Community College Foundation, which represent 100% of the assets and revenues of the discretely presented component unit as of 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 Highland Community College Foundation, is based solely on the report of the other auditors.

Basis for Unmodified 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 of America. The financial statements of Highland Community College Foundation were not audited in accordance with *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 Highland Community College District #519 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 unmodified opinions.

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Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. 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 (GAAP), 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 Highland Community College District #519'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 Highland Community College District #519'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 Highland Community College District #519's ability to continue as a going concern for a reasonable period of time.

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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 a management's discussion and analysis, schedule of share of net pension liability, schedule of pension contributions, schedule of share of net OPEB liability, and schedule of OPEB contributions, 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 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 financial statements, and other knowledge we obtained during our audit of the 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 District's basic financial statements. The supplemental financial information section as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules listed in the other financial information section in the table of contents 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.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Highland Community College District #519's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 12, 2025

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Highland Community College District #519

Management Discussion and Analysis

Introduction

This section of Highland Community College District 519's (the District) financial report presents management discussion and analysis of the financial position and results of activities of the District as of June 30,2025. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of the District's management.

Using the Financial Statements

The financial report for the fiscal year ended June 30, 2025 consists of financial statements prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Three basic financial statements comprise the financial report: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The financial statements present financial information in a form similar to that used by corporations. The accrual basis of accounting is used, whereby revenues and assets are recognized when a service is provided and expenses and liabilities are recognized when others provide a service, regardless of when cash is exchanged.

The Statement of Net Position includes all assets and liabilities. Over time, increases or decreases in net position is one indicator of the improvement or decline of the District's financial condition when considered with non-financial facts such as enrollment levels and the condition of facilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position/Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. Annual state appropriations, while primarily budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles. The utilization of capital assets is reflected in the financial statements as depreciation, which spreads the cost of an asset over its expected useful life. Depreciation expense is classified as an operating expense.

The Statement of Cash Flows presents information related to cash inflows and outflows. GASB principles include four major sources of cash flows: cash flows from operating activities, cash flows from non-capital financing activities, cash flows from capital financing activities, and cash flows from investing activities.

The financial report for the fiscal year ended June 30, 2025 reflects the District’s adoption of certain GASB statement’s relating to component units. Under these statements, if a private foundation provides financial support to a public college or university at a level that meets specified criteria, the foundation is considered a “component unit” of the college for purposes of financial reporting and the college is required to include the foundation’s financial activities in the college’s financial statements.

Using the Financial Statements (Continued)

The Highland Community College Foundation is administered and operated exclusively for the benefit of the District. However, the Foundation is not a subsidiary or affiliate of the District and is not directly or indirectly controlled by the District. The resources of the Foundation are disbursed at the discretion of the Foundation's independent board of directors in accordance with donor directions and Foundation policy. A significant amount of assets held by the Foundation are endowments, the principal of which may not be spent.

Although the Foundation is independent of the District in all respects, management has concluded that the Foundation is a "component unit" of the District. Therefore, the Foundation's financial statements are included in the District's financial statements in a separate column. See the Notes to the Financial Statements for further discussion.

Condensed Financial Information

Net position is summarized in the table below.

Condensed Statement of Net Position June 30,

	2025	Restated 2024*
Assets:		
Current Assets	$42,031,880	$43,210,215
Non-current Assets:		
Capital assets, net	25,920,163	23,065,148
Total assets	$67,952,043	$66,275,363
Total deferred outflows of resources	$ 687,265	$ 827,890
Liabilities:		
Current Liabilities,	$ 6,847,828	$ 6,766,114
Non-current Liabilities	10,429,939	12,190,149
Total liabilities	$17,277,767	$18,956,263
Total deferred inflows of resources	$11,134,232	$11,840,751
Net Position:		
Net investment in capital assets	$21,648,506	$18,495,923
Restricted, expendable:		
Capital projects	3,262,231	3,558,323
Debt service	881,417	814,603
Working cash	10,339,999	10,339,999
Other	3,177,357	2,927,404
Unrestricted	917,799	169,987
Total net position	$,40,227,309	$36,306,239

*Fiscal Year 2024 was restated for the implementation of GASB Statement No. 101

Condensed Financial Information (Continued)

Current assets consist primarily of cash, investments, and property taxes receivable. Total current assets and deferred outflows cover current liabilities and deferred inflows 2.4 times, an indicator of good liquidity.

The District's largest asset group is its capital assets. This includes land and land improvements, buildings, vehicles, equipment, and technology. Capital projects completed in fiscal year 2025 include the Welcome Center, Building H Chiller, Building M Renovations, and CNC/Manufacturing Lab. Projects begun in fiscal year 2025, but not yet completed prior to the fiscal year end include the Building T ADA Entry, Building N107 classroom and adjacent hallway, and Building H Testing Center.

The District's current liabilities are primarily made up of accounts payable, accrued expenses, and unearned tuition revenue.

Non-current liabilities include bonds and contracts payable issued by the District. They also include the other postemployment benefits payable.

The District's net position consists of capital assets net of related debt, restricted net position, and unrestricted net position. Expendable restricted net position represents assets that have restrictions determined by an outside party. This includes restrictions related to State and Federal grants and debt repayment.

Unrestricted net position represents assets that have not been restricted by an outside party. This includes funds that the Board of Trustees and management have designated for specific uses as well as amounts that are contractually committed for goods and services.

Revenues, expenses, and changes in net position are summarized in the table below.

Condensed Statement of Revenues, Expenses, and Changes in Net Position for Fiscal Year Ending June 30,

	2025	Restated 2024*
Total operating revenues	$ 6,726,855	$ 6,102,115
Total operating expenses	29,595,016	30,003,412
Operating loss	(22,868,161)	(23,901,297)
Nonoperating revenues (expenses)	26,789,231	26,548,560
Capital contributions	0	0
Change in net position	3,921,070	2,647,263
Net position, beginning of year	36,306,239	33,658,976
Net position, end of year	$40,227,309	$36,306,239

*Fiscal Year 2024 was restated for the implementation of GASB Statement No. 101

Condensed Financial Information (Continued)

Sources of operating revenues for the District include: tuition and fees, $5,107,279, auxiliary enterprises revenue, $756,772, and other operating revenues, $862,804. Nonoperating revenues and operating expenses include a State Universities Retirement System of Illinois (SURS) contribution provided by the State in the amount of $4,818,866 and College Insurance Plan (CIP) of ($1,241,387).

SURS is a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of participants.

The District's sources of non-operating revenue include state appropriations, $2,445,297, property and replacement taxes, $14,395,590, and federal grants and contracts, $4,875,579. The increase in net position for fiscal year 2025 is $3,921,070.

The District reports expenditures on a functional basis. The table below summarizes operating expenses.

Condensed Statement of Operating Expenses and Non-Operating Expenses
For the Year Ended June 30,

	2025	Restated 2024
Instruction	$10,683,082	$10,331,868
Academic support	1,142,931	1,094,931
Student services	3,294,641	3,240,488
Public services	983,690	1,298,765
Auxiliary enterprises	1,700,997	1,709,401
Operations and maintenance of plant	2,442,385	3,513,761
Institutional support	4,784,728	5,021,713
Scholarships, grants, waivers	2,638,975	1,990,283
Depreciation and amortization	1,923,587	1,802,202
Total operating expenses	$29,595,016	$30,003,412
Interest expense and other	$240,087	$182,526

The main factor contributing to the change in the District's operating revenues in fiscal year is the increase in student tuition and fees.

Changes in operating expenses from 2024 to 2025 in all categories include changes in salaries and employee benefits due to changes in rates and in personnel. Student Services and Public Services changes reflect changes in grant funding. Operating expenses, excluding depreciation and amortization, decreased by about 1.9% from 2024 to 2025.

Management's Analysis of the District's Overall Financial Position and Results of Operations

Using GASB Statement No. 35, the Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in the District's net position totaling $3,921,070. Using the prior method of reporting, which reflects the day-to-day operations of the District, the Combined Balance Sheet for All Fund Types and Account Groups reflects an overall decrease in the District's fund balance/net position totaling $1,687,726. The variance in results of $5,608,796 is due primarily to the way in which debt and capital assets are accounted for under each method. The prior method used self-balancing funds to account for debt and capital assets, resulting in a zero effect on the increase in net position of the District. The GASB 35 method accounts for debt and capital assets more like a corporation. Capital assets are included as a long-term asset, with depreciation as an expense. Debt is included as a current and non-current liability, with interest as an expense.

GASB Statement No. 35 affects the District's reporting model, but not the day-to-day operations or the budgeting process of the District. In considering the District's financial position at June 30, 2025, of key importance is the fund balance in the Operating Funds, which decreased by $60,219 from June 30, 2024 to June 30, 2025. This decrease results in a fund balance amount of $7,602,461, which is approximately 45% of the 2025 expenditures and is within the District's recommended guidelines. Fund balances in the other fund types are limited in use according to the source of revenue. These restricted types of funds will be used for capital expenditures, debt repayment, and grant programs.

Capital Assets/Long Term Debt

During the year ended June 30, 2025, the District invested $4,869,426 in capital assets. This includes $2,193,510 for buildings and improvements, and $736,379 expended for equipment, technology, and vehicles. Capital projects were funded by a combination of restricted real estate tax revenue, operating funds, foundation gifts and bond proceeds.

Series 2019 General Obligation Bonds were issued in November, 2019. $1,930,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 4% - 5%, commencing July 1, 2020 and maturing on January 1, 2025.

Series 2020 General Obligation Bonds were issued in February, 2020. $4,950,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing January 1, 2021 and maturing on January 1, 2025.

Series 2023 General Obligation Bonds were issued in February 2023. $7,150,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing January 1, 2025 and maturing on January 1, 2029.

Additional information on the District's capital assets (Note 2) and debt activity (Note 9) can be found in the accompanying Notes to the Financial Statements.

Factors or Conditions Impacting Future Periods

Financial and budget planning is directly related to and supportive of the District's strategic plan and operational needs. The District's financial outlook is influenced by factors such as: the State and local economy, actual and projected enrollment, the level of support available from the Highland Community College Foundation, program growth and development, new initiatives, and technology needs.

The District's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2025.

Local tax revenue in the Operating Funds increased by 9% for fiscal year 2025. The District experienced a 13% increase in equalized assessed valuation (EAV) from tax year 2023 to 2024. For fiscal year 2025, the District has estimated a 10% increase in EAV due to the economic conditions of the District. Each percentage point in EAV is the equivalent of about $45,000 in property tax revenue in the Operating funds.

Management anticipates an increase in tuition revenue in fiscal year 2026 based on estimated enrollment for the 2025-2026 academic year. State of Illinois appropriations for the District for fiscal year 2025 are about 7.8% lower than fiscal year 2025 at this time. The Governor may make additional allocations at his discretion during the fiscal year. Overall, Operating funds revenue is expected to increase by about $1,505,700,000, 8.9%, from fiscal year 2025 actual levels to fiscal year 2026.

For fiscal year 2026, the Operating funds budgeted expenditures exceed the budgeted revenues by $229,000 due to strategic investments in new positions that will impact enrollment and retention. The District is budgeted to maintain an Operating funds ending fund balance that exceeds recommended guidelines of a minimum of 5% to 20% of expenditures. The majority of the Operating funds budget for fiscal year 2026 continues to comprise instruction, academic support, and student services, reflecting the District's commitment to providing quality education and learning opportunities to the people of Northwestern Illinois.

The District's strategic plans and goals were identified through a comprehensive, inclusive process that resulted in the 2023-2027 Strategic Plan. Themes identified in the plan include an exceptional student experience, academic innovation and quality, exceptional employee experience, and creating a bold future. The fiscal year 2026 budget directly supports and is linked to the Strategic Plan.

Short and long-range strategies associated with the areas of focus and goals will have budget implications for the upcoming fiscal year and for future fiscal years.

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the VP/CFO of Administrative Services, 2998 W. Pearl City Road, Freeport, IL 61032.

Basic Financial Statements

Highland Community College District #519

Statements of Net Position/Net Assets

As of June 30, 2025	Primary Government	Component Unit Highland Community College Foundation
Assets		
Current assets:		
Cash and investments	$ 26,336,734	$ 36,131,866
Beneficial interest in perpetual trust	-	508,155
Receivables:		
Property taxes	12,262,562	-
Student tuition receivables, net of allowance	2,054,543	-
Other	1,152,561	995,722
Prepaid expenses	91,397	51,961
Inventory	134,083	-
Total current assets	42,031,880	37,687,704
Noncurrent assets:		
Non-depreciable capital assets	824,730	-
Depreciable capital assets	52,113,050	313,085
Accumulated depreciation and amortization	(27,017,617)	-
Total noncurrent assets	25,920,163	313,085
Total assets	67,952,043	38,000,789
Deferred outflow of resources		
SURS pension contribution	112,906	-
Other postemployment benefits - CIP	574,359	-
Total deferred outflow of resources	687,265	-
Liabilities		
Current liabilities:		
Accounts payable	$ 641,392	$ 597,627
Deferred revenue	-	48,046
Accrued salaries	562,062	-
Other accrued expenses	13,953	8,245
Unearned tuition revenue	2,317,186	-
Accrued compensated absences, current	1,140,160	-
Subscription liability, current	394,321	-
Lease obligations, current	54,474	-
Bonds payable, including unamortized premium	1,724,280	-
Total current liabilities	6,847,828	653,918

Highland Community College District #519

Statements of Net Position/Net Assets (Continued)

As of June 30, 2025	Primary Government	Component Unit Highland Community College Foundation
Noncurrent liabilities:		
Accrued compensated absences	380,053	-
Subscription liability	815,780	-
Bonds payable, including unamortized premium	5,502,672	-
Lease obligations	193,029	-
Net OPEB liability	3,538,405	-
Total noncurrent liabilities	10,429,939	-
Total liabilities	17,277,767	653,918
Deferred inflow of resources		
Deferred property taxes	7,228,173	-
Other postemployment benefits - CIP	3,906,059	-
Total deferred inflow of resources	11,134,232	-
Net position		
Net investment in capital assets	21,648,506	-
Restricted - expendable:		
Capital projects	3,262,231	-
Debt service	881,417	-
Working cash	10,339,999	-
Other	3,177,357	-
Without donor restrictions net assets	-	5,720,218
Without donor restrictions - Board designated	-	12,343,335
With donor restrictions net assets	-	19,283,318
Unrestricted	917,799	-
Total net position	$ 40,227,309	$ 37,346,871

See Accompanying Notes to the Financial Statements.

Highland Community College District #519

Statements of Revenues, Expenses, and Changes in Net Position/Net Assets

Year Ended June 30, 2025	Primary Government	Component Unit Highland Community College Foundation
Operating revenues:		
Student tuition and fees, net of scholarship discounts and allowances of $1,167,236	$ 5,107,279	$ -
Auxiliary enterprises revenue	756,772	-
Other operating revenues	862,804	2,358,967
Total operating revenues	6,726,855	2,358,967
Operating expenses:		
Instruction	10,683,082	-
Academic support	1,142,931	-
Student services	3,294,641	-
Public service	983,690	-
Auxiliary services	1,700,997	-
Operations and maintenance	2,442,385	-
Institutional support	4,784,728	665,449
Scholarships, student grants, and waivers	2,638,975	874,976
Depreciation and amortization expense	1,923,587	-
Total operating expenses	29,595,016	1,540,425
Operating (loss) income	(22,868,161)	818,542
Non-operating revenues (expenses)		
Property and replacement taxes	14,395,590	-
State sources	2,445,297	-
On-behalf payments	3,577,479	-
Federal grants and contracts	4,875,579	-
Investment income	1,283,642	3,341,881
Other revenue	542,555	-
Gain (loss) on disposal of assets	(90,824)	-
Interest expense and other	(240,087)	-
Total non-operating revenues (expenses)	26,789,231	3,341,881
Change in net position	3,921,070	4,160,423
Net position, beginning of year, as previously reported	37,415,869	33,186,448
Change in accounting principle	(1,109,630)	-
Net position, beginning of year, as adjusted	36,306,239	33,186,448
Net position, end of year	$ 40,227,309	$ 37,346,871

See Accompanying Notes to the Financial Statements.

Highland Community College District #519

Statements of Cash Flows

Year Ended June 30, 2025	Primary Government
Cash flows from operating activities:	
Tuition and fees	$ 6,016,363
Payments to suppliers	(9,570,638)
Payments to employees	(13,149,320)
Payments to students for scholarships	(3,806,211)
Auxiliary enterprise changes	794,354
Other	1,146,411
Net cash used in operating activities	(18,569,041)
Cash flows from non-capital financing activities:	
Proceeds from local taxes	13,968,599
Proceeds from grants	8,372,312
Net cash provided by non-capital financing activities	22,340,911
Cash flows from capital and related financing activities:	
Purchases of capital assets	(4,869,426)
Principal paid on long-term debt	(2,045,786)
Proceeds from issuance of long-term debt	691,446
Interest paid on bonds payable and other long-term obligations	(428,234)
Net cash used in capital and related financing activities	(6,652,000)
Cash flows from investing activities:	
Interest received	1,283,642
Proceeds from maturities of investment securities	2,782,268
Net cash provided by investing activities	4,065,910
Net increase (decrease) in cash and cash equivalents	1,185,780
Cash and cash equivalents, beginning of year	2,599,139
Cash and cash equivalents, end of year	$ 3,784,919

Highland Community College District #519

Statements of Cash Flows (Continued)

Year Ended June 30, 2025	**Primary Government**
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (22,868,161)
Adjustment to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation and amortization	1,923,587
State on-behalf payments for fringe benefits	3,577,479
Change in assets and liabilities:	
Inventories	22,330
Prepaid expenses	34,509
Receivables	93,823
Deferred outflows of resources	140,625
Accounts payable	(136,056)
Accrued liabilities	51,732
Accrued compensated absences	167,398
OPEB liability	(188,297)
Deferred inflows of resources	(1,357,224)
Unearned tuition and fees	(30,786)
Total	$ (18,569,041)
Noncash investing, capital, and financial:	
Lease acquisition	$ 296,687
IT subscription acquisition	$ 394,759
State on-behalf payments for pension and OPEB	$ 3,577,479

See Accompanying Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

The Board of Trustees (Board), a seven member group, is the level of government which has the governing responsibilities over all activities related to public post and secondary school education within the jurisdiction of the Highland Community College District #519 (the "District"). The District receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. However, the District is not included in any other governmental "reporting entity" as to result in the District being considered a component unit of the entity since Board members are elected by the public and have decision making authority, the power to designate management, and the responsibility to significantly influence operations and primary accountability for fiscal matters.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its discretely presented component unit, the Highland Community College Foundation (Foundation).

The Foundation is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The board members of the Foundation are self-perpetuating and consist of graduates and friends of the District. Although the District 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 to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District.

The Foundation is a not-for-profit organization that reports their financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Standards relating to accounting for contributions received and contributions made and financial reporting for not-for-profit-organizations. 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 District's financial reporting entity for these differences.

Although the District is the exclusive beneficiary of the Foundation, the Foundation is independent of the District in all respects. The Foundation is not a subsidiary or affiliate of the District and is not directly or indirectly controlled by the District. The District does not have the power or authority to mortgage, pledge or encumber the assets of the Foundation. The directors of the Foundation are entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the District. Under state law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of state-appropriated funds allocated to the District. Third parties dealing with the District, the Illinois State Board of Higher Education and the State of Illinois (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all of the foregoing conditions and limitations.

Financial statements for the Highland Community College Foundation can be obtained by calling the Foundation at 815-235-6121.

In addition, the District is not aware of any entity which would be financially accountable for the District, which would result in the being considered a component of the entity.

Note 1: Summary of Significant Accounting Policies (Continued)

The financial statements present a comprehensive look at the government and capitalization of assets and recording of depreciation. The financial statements use the full accrual basis of accounting rather than the modified accrual basis. The financial statements show the recording of accumulated depreciation and depreciation expense on general fixed assets, the elimination of internal revenue and expense charges, the removal of capital related items and debt principal payments from expenses, the recording of tuition revenue net of scholarships and allowances, the recording of property tax revenues on an accrual basis rather than a modified accrual basis, and the recording of summer school revenue between fiscal years rather than in one fiscal year.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, and state appropriations. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants and state appropriations 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 for the fiscal year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Budgets

Budgeted amounts are obtained from the Board of Trustees approved operating budget of the District. The budget is used as the fiscal guideline in the implementation of Board policies and support of educational purposes of the District during the fiscal year. The budget amounts are the final adopted budget, including all amendments. The restricted fund budget is different than the operating budget. The restricted fund budget includes figures for grants received during the fiscal year. Therefore, these budgets are not approved by the Board at the beginning of the year and can change throughout the year.

Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments consist of certificates of deposit and money market mutual funds. Investments are stated at cost or amortized cost, which approximates fair value. The District may invest funds under Section 3-47 of the Public Community College Act and Sections 235/1 through 235/7 of the Investment of the Public Funds Act.

The District funds may be invested in the types of securities listed below:

a. Bonds, notes, certificates of indebtedness, treasury bills and other securities issued by the United States.
b. Interest-bearing savings accounts, certificates of deposit, or time deposits with a bank or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act.
c. Short-term obligations of U.S. corporations with assets exceeding $500 million and meeting certain other requirements.
d. Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio, both principal and interest, is guaranteed by the full faith and credit of the United States of America.
e. Short-term discount obligations issued by the Federal National Mortgage Association.
f. Shares or other securities issued by savings and loan associations.
g. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered in the United States with its principal office located in Illinois if insured by applicable law.
h. Certificates or securities issued by the Public Treasurers' Investment Pool.
i. Funds managed, operated and administered by a bank, subsidiary of a bank, or a subsidiary of a bank holding company.
j. Illinois School District Liquid Asset Fund.
k. Repurchase agreements in which the instrument and the transaction must meet certain requirements.
l. Mutual funds that invest primarily in corporate investment grade or global government short-term bonds which are approved by the local board of trustees.

The Foundation invests in various money markets, U.S. obligations, equities, and mutual funds, which are shown on the financial statements at fair value.

Inventory

Inventories of books, clothing and supplies are carried at cost, based on the first-in, first-out method.

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in fund equity during the reporting period. Material estimates that are particularly susceptible to significant change in the near term relate to depreciation on capital assets, allowance for doubtful accounts, and the fair value of investments. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash consists of NOW accounts and savings accounts.

For purposes of the statement of cash flows, cash equivalents can include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months. There were no cash equivalents included in cash as of June 30, 2025.

Classification of Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions.

Property Taxes

Property taxes are levied each calendar year on all taxable real property located within the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee resolution, property tax levies passed in November 2023 and 2024 were allocated fifty percent for each of the two years after the levy year.

The personal property replacement tax is recorded on the accrual basis based on the amounts held by the State.

The Counties in which the District resides are responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year which begins in January and are payable in two installments approximately in July and September. Payments made after the September installment date are assessed interest at the rate of 1% for farmland and 1-1/2% for all others.

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

Following are the tax rates for the last three years, and the statutory maximum tax rates. The 2024 rate is for tax levy payable in calendar year 2025, per $100 of assessed valuation.

	Statutory Maximum Rate	2022 Rate	2023 Rate	2024 Rate
Education Fund*	$ 0.1750	$ 0.2800	$ 0.2801	$ 0.2800
Operations and Maintenance Fund	0.0750	0.0750	0.0750	0.0750
Average Additional	0.2100	0.0000	0.0000	0.0000
Liability Insurance	None	0.0577	0.0510	0.0452
Audit Fund	0.0050	0.0032	0.0031	0.0029
Protection, Health & Safety	0.0500	0.0467	0.0496	0.0471
Social Security/Medicare Fund**	None	0.0075	0.0066	0.0077
Prior Year Adjustment	None	0.0000	0.0000	0.0000
Bond and Interest Fund	None	0.0862	0.0776	0.0703
Totals		$ 0.5563	$ 0.5430	$ 0.5282

* The District is able to exceed the statutory maximum rate due to a local referendum.
**The Social Security/Medicare tax levy and related expenditures are recorded in the Liability, Protection, and Settlement Fund.

Tuition and Fees

Student tuition and fees include all such items assessed against students for educational and service purposes. Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2025, have been recognized as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only two items that qualify for reporting in this category. One is the other postemployment benefits relating to the CIP. The SURS pension contribution is the other expense deferred until the following year.

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One is unavailable revenue, which comes from property taxes recorded on the modified accrual basis of accounting. The other is the other postemployment benefits relating to the CIP. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

The District's net position is classified as follows:

Net investment in capital assets – This represents the District's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted – expendable – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties (debt services is restricted by bond documents). When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

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

Out-of-District Tuition

The amount of cost to be charged for out-of-district students during the year ended June 30, 2025, has been computed using the guidelines provided in the 2016 edition of the Fiscal Management Manual prepared by the Illinois Community College Board.

Compensated Absences

The District records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year.

At June 30, 2025, the District recorded a vacation liability of $215,525. The District considers 75% this liability current and due within one year.

The District implemented a sick pay payout upon retirement program that allows sick days over 180 to be paid out at $20 a day upon retirement. Also, the District records a liability for employees' sick pay more likely than not to be used. At June 30, 2025, the District recorded a sick pay liability of $1,304,688. The District considers 75% this liability current and due within one year.

Note 1: Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Universities Retirement System (SURS) and additions/deductions to/from SURS fiduciary 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 financial reporting purposes, the State of Illinois (State) and its public universities and community colleges are under a special funding situation. This situation exists when a nonemployer 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 (Highland Community College) and the nonemployer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. Highland Community College recognizes its proportionate share of the State's pension expense relative to Highland Community College's employees as non-operating revenue and pension expense, with the expense further allocated to the related function by employees.

Other Post-Employment ("OPEB") Obligations

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan ("CIP") and additions to/deductions from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment 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 is legally responsible for making contributions directly to a OPEB plan that is used to provide OPEB to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to OPEB or (2) the non-employer is the only entity with a legal obligation to make contributions directly to an OPEB plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting

The District is a lessee in multiple noncancelable leases. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. This rate is used to calculate the present value of future lease payments.

For all underlying classes of assets, the District does not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The District recognizes short-term leases with lease costs included in short-term lease expense. The District recognizes short-term lease cost on a straightline basis over the lease term.

In addition, the District has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the District will not recognize the lease liability and ROU, and will instead expense these costs as incurred. Copier leases is one such group.

Subscription Based Information Technology Arrangements

The District is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the District the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (Continued)

Subscription Based Information Technology Arrangements (Continued)

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

Recently Adopted Accounting Pronouncement

GASB 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 making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The adoption of this guidance is reflected in the disclosure of the net position restatement for the year ended June 30, 2024. See Note 15 for the details of the accounting changes and error corrections.

GASB 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of this guidance resulted in a restatement of the beginning net position for the year ended June 30, 2024. See Note 15 for the details of the accounting changes and error corrections.

Note 2: Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Balance 7/1/2024	Increases	Decreases	Transfers/ Adjustments	Balance 06/30/2025
Capital assets, not being depreciated:					
Land	$ 110,000	$ -	$ -	$ -	$ 110,000
Construction in progress	407,335	714,730	-	(407,335)	714,730
Total capital assets, not being depreciated	517,335	714,730	-	(407,335)	824,730
Capital assets, being depreciated/amortized:					
Land improvements	4,224,587	366,217	-	-	4,590,804
Buildings	34,109,171	2,193,510	-	407,335	36,710,016
Vehicles	765,866	159,746	-	-	925,612
Equipment & technology	6,878,368	576,633	(123,739)	-	7,331,262
Lease assets - vehicles	-	296,687	-	-	296,687
Software subscriptions	1,909,514	561,903	(212,748)	-	2,258,669
Total capital assets, being depreciated/amortized	47,887,506	4,154,696	(336,487)	407,335	52,113,050
Accumulated depreciation and amortization:					
Land improvements	3,613,586	128,000	-	-	3,741,586
Buildings	15,278,681	703,054	-	-	15,981,735
Vehicles	380,132	91,900	-	-	472,032
Equipment & technology	5,378,863	457,334	(32,915)	-	5,803,282
Lease assets - vehicles	-	54,393	-	-	54,393
Software subscriptions	688,431	488,906	(212,748)	-	964,589
Total accumulated depreciation and amortization	25,339,693	1,923,587	(245,663)	-	27,017,617
Total capital assets, being depreciated, net	22,547,813	2,231,109	(90,824)	407,335	25,095,433
Capital assets, net	$23,065,148	$ 2,945,839	$ (90,824)	$ -	$ 25,920,163

Note 2: Capital Assets (Continued)

Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the District as assets with an initial unit cost of $2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated on the straight-line basis based on the following:

Assets	Years
Buildings	50 years
Land improvements	10 years
Equipment	8 years
Computer technology	4 years

Note 3: Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Family Education Loan programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the Uniform Guidance Compliance Supplement.

Note 4: On-Behalf Payments for Fringe Benefits and Salaries

The District recognizes as revenues and expenses contributions made by the State of Illinois (State) to the State Universities Retirement Systems (SURS) on behalf of the District's employees. In fiscal year 2025, the State made contributions of $4,818,866 (see Note 5 and Note 6) relating to the pension plans. In fiscal year 2025, the State made negative contributions of $(1,241,387) (see Note 7) relating to the OPEB plan.

Note 5: Defined Benefit Pension Plans

General Information about the Pension Plan

Plan description – The District 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, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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.

Note 5: Defined Benefit Pension Plans (Continued)

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. Tier 1 of the traditional and portable plan 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 began participation on or after January 1, 2011, and who do not have other eligible reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election 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) and 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).

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.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the NPL to be recognized for the District is $0. The proportionate share of the State’s NPL associated with the District at June 30, 2024 is $70,772,973 or 0.2341%. The District's proportionate share changed by 0.0029% from 0.2312% since the last measurement date of June 30, 2023.This amounts is not recognized in the District's financial statements. The NPL 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 defined benefit plan during fiscal year 2023.

Note 5: Defined Benefit Pension Plans (Continued)

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.

Employer Proportionate Share of Defined Benefit Pension Expense

The employer proportionate share of collective defined benefit 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 pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2023. As a result, the District recognized revenue and defined benefit pension expense of $4,673,464 from this special funding situation during the year ended June 30, 2025.

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

Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflow 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
Totals	$ 788,923,499	$ 27,577,324

Note 5: Defined Benefit Pension Plans (Continued)

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

	Net Deferred Outflows (Inflows) of Resources
2025	$ 126,531,380
2026	756,545,086
2027	(49,545,529)
2028	(72,184,762)
Total	$ 761,346,175

District's Deferral of Fiscal Year 2025 Contributions

The District paid $82,568 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024, and are recognized as deferred outflows of resources as of June 30, 2025.

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 June 30, 2020, through June 30, 2023. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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.

Note 5: Defined Benefit Pension Plans (Continued)

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

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	36.0 %	7.13 %
Stabilized Growth		
Core Real Assets	8.0 %	5.06 %
Public Credit Fixed Income	6.5 %	4.10 %
Private Credit	2.5 %	7.36 %
Non-Traditional Growth		
Private Equity	11.0 %	10.92 %
Non-Core Real Assets	4.0 %	9.09 %
Inflation Sensitive		
U.S. TIPS	5.0 %	2.12 %
Principal Protection		
Core Fixed Income	10.0 %	1.34 %
Crisis Risk Offset		
Systematic Trend Following	10.0 %	2.90 %
Alternative Risk Premia	3.0 %	2.62 %
Long Duration	2.0 %	2.84 %
Long Volatility/Tail Risk	2.0 %	(1.22)%
Total	100 %	5.63 %
Inflation		2.80 %
Expected Arithmetic Return		**8.43 %**

Note 5: Defined Benefit Pension Plans (Continued)

Discount Rate. A single discount rate of 6.35% 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 net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1- percentage-point higher:

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

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

Note 6: Defined Contribution Pension Plan

General Information about the Pension Plan

Plan Description. The District 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, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, 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.

Note 6: Defined Contribution Pension Plan (Continued)

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.

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 District's share of pensionable contributions was 0.1503%. As a result, the District recognized revenue and defined contribution pension expense of $145,402 from this special funding situation during the year ended June 30, 2025, of which $10,348 constituted forfeitures.

Note 7: Other Post-Employment Benefits

Plan Administration - The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, "CIP") 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. CIP 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 CIP 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.

Plan membership - 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 CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.

Benefit Provisions - A summary of other post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the CCHISF's financial statements of the Department may be obtained by accessing the website at www.auditor.illinois.gov/Audit-Reports/CMS-CCHISF.asp.

Benefits Provided - CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP 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.

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 0.5% of the 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 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate 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 1071 (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.

Note 7: Other Post-Employment Benefits (Continued)

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

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2024. CIP reported a net OPEB liability at June 30, 2024 of $665,190,300.

Employer Proportionate Share of Net OPEB Liability

The amount of the proportionate share of the net OPEB liability to be recognized for the District in fiscal year 2025 is $3,538,405 or 0.5319%. This amount is recognized in the financial statement. The change in the District's proportionate net OPEB liability was a decrease of 0.0043%. The proportionate share of the State's net OPEB liability associated with the District is $-. The total proportionate share of the net OPEB liability associated with the District is $3,538,405. The net OPEB liability and total OPEB 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 OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2024.

OPEB Expense

At June 30, 2024, CIP reported a collective net OPEB expense (income) of $(252,150,464).

Employer Proportionate Share of OPEB Expense

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2024. As a result, the District recognized on-behalf revenue and expense of $(1,341,287) for the fiscal year ended June 30, 2025. Additionally, the District recognized OPEB expense (income) of $(1,404,896) for the fiscal year ended June 30, 2025.

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

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

Note 7: Other Post-Employment Benefits (Continued)

The District's Deferred Outflows and Deferred Inflows of Resources by Sources:

Fiscal year ended June 30, 2024 (measurement date)	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 44,858	$ 1,066,104
Changes in assumption	26,165	2,570,865
Net difference between projected and actual earnings on OPEB plan investments	0	1,754
Changes in proportion and differences between employer contributions and share of contributions	403,436	267,336
Total deferred amounts to be recognized in pension expense in future periods	474,459	3,906,059
OPEB contributions made subsequent to the measurement date	99,900	0
Totals	$ 574,359	$ 3,906,059

The District reported $99,900 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2026.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2026	$ (571,933)
2027	(571,933)
2028	(571,933)
2029	(571,933)
2030	(571,933)
2031	(571,935)
Total	$ (3,431,600)

Note 7: Other Post-Employment Benefits (Continued)

Assumptions and Other Inputs

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, 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 used fiscal year end 2025 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 trend of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an unlimited rate of 4.25% in 2041.
Asset Valuation Method	Market value

Mortality rates for retirement and beneficiary annuitants were based on the Pub-2010 Healthy Retiree Mortality Table and PubT-2010 Healthy Retiree Mortality Table. For disabled annuitants mortality rates were based on the Pub-2010 Disabled Retiree Mortality Table. Mortality rates for pre-retirement were based on the Pub-2010 Employee Mortality Table and PubT-2010 Employee Mortality Table. Tables were 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.

Discount Rate. Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on 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 the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity'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% to 3.97% caused the total OPEB liability to decrease by approximately $10.2 million from 2023 to 2024.

Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of Net OPEB Liability to Changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.97% at June 30, 2024, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Single Discount Rate Assumption

	1% Decrease (2.97%)	Current Single Discount Rate Assumption (3.97%)	1% Increase (4.97%)
Net OPEB liability	$ 3,865,760	$ 3,538,405	$ 3,258,150

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower.

Sensitivity of Net OPEB Liability as of June 30, 2024 to the Healthcare Cost Trend Rate Assumption

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	$ 3,179,240	$ 3,538,405	$ 3,973,510

(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% from 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 2040. Post-Medicare per capita costs: based on actual increase in 2025, 16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate rate of 5.25% in 2041.

Note 8: Deposits and Investments

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

	Carry Amount
Cash and cash equivalents	$ 3,784,919
Investments	22,551,815
Total	$ 26,336,734

Deposits

Concentration of credit risk and Foreign Currency Risk:

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the District's carrying amount of deposits was $3,784,919 and the bank balance was $4,159,232. As of June 30, 2025, the District's entire bank balance of $4,159,232 was insured and collateralized with securities in the District's name.

The District has no foreign currency risk for deposits at year end.

Investments

	Carrying Amount	Fair Value
Marketable savings and money market	$ 4,581,696	$ 4,581,696
Marketable certificates of deposits	8,647,166	8,647,166
US Treasury securities	5,396,775	5,396,775
Local government investment pool	3,926,178	3,926,178
Total investments	$ 22,551,815	$ 22,551,815

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. There was no increase in the fair value of investments during 2025.

The District's investments during the year did not vary significantly from those at year-end in amounts or level of risk.

Note 8: Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

		Investment Maturities (in Years)			
	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Marketable savings and money market	$ 4,581,696	$ 4,581,696	$ -	$ -	$ -
Marketable certificates of deposits	8,647,166	7,803,427	641,333	202,406	-
US Treasury securities	5,396,775	5,396,775	-	-	-
Local government investment pool	3,926,178	3,270,668	406,364	249,146	-
Totals	$ 22,551,815	$ 21,052,566	$ 1,047,697	$ 451,552	$ -

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for the external investment pool investment type:

		Investment Ratings by Standard & Poor's		
	Total	AAAm	AA	Unrated
Marketable savings and money market	$ 4,581,696	$ 4,581,696	$ -	$ -
Marketable certificates of deposits	8,647,166	-	-	8,647,166
US Treasury securities	3,926,178	-	3,926,178	-
Local government investment pool	5,396,775	5,396,775	-	-
Totals	$ 22,551,815	$ 9,978,471	$ 3,926,178	$ 8,647,166

Concentration of Credit Risk

The District has no investments in any one issuer that represent 5% or more of the total District's investments.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of June 30, 2025 there are no investments with custodial credit risk.

Note 8: Deposits and Investments (Continued)

Foreign Currency Risk

The District has no foreign currency risk for investments at year end.

At various times during the year, the bank balances exceeded FDIC insurance and collateral pledged by the financial institutions.

The Illinois School District Liquid Asset Fund is an investment pool acting on behalf of School Districts, Community Colleges, and Educational Service Regions.

The State Treasurer maintains the Illinois Funds Money Market (local government investment pool) at cost and fair value through daily adjustments in the interest earnings. The fair value of the District's investment in the fund is the same as the value of the pool shares. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants.

The Pools maintain a Standard and Poor's AAA rating. The District's investments in the funds are not required to be categorized because they are not securities. The relationship between the District and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

All funds deposited in the Pools could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

Fair Value Measurement

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy, as described under current accounting standards, are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets.

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets of liabilities in inactive markets; or
- inputs other than quotes prices that are observable for the asset or liability

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 8: Deposits and Investments (Continued)

The following table presents the District's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of June 30, 2025:

		Fair Value Measurements at Reporting Date Using		
	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value on a recurring basis:				
Certificate of deposit	$ 8,647,166	$ -	$ 8,647,166	$ -
U.S. Treasury securities	3,926,178	-	3,926,178	-
Total investments	$ 12,573,344	$ -	$ 12,573,344	$ -

Note 9: Debt

The following is a summary of the District's long-term and short-term debt transactions for the year ended June 30, 2025:

	Restated Balance 7/1/2024	Increases	Decreases	Balance 06/30/25	Current Portion	Long-term Portion
Long-term debt:						
General obligation bonds and certificates	$ 8,350,000	$ -	$ 1,470,000	$ 6,880,000	$ 1,575,000	$ 5,305,000
Bond premiums and deferred funding (discounts)	535,099	-	188,147	346,952	149,280	197,672
Contracts payable	71,494	-	71,494	-	-	-
Leases	-	296,687	49,184	247,503	54,474	193,029
Compensated absences	1,352,815	167,398	-	1,520,213	1,140,160	380,053
Subscription liability	1,270,450	394,759	455,108	1,210,101	394,321	815,780
Net OPEB liability	3,726,702	-	188,297	3,538,405	-	3,538,405
Totals	$ 15,306,560	$ 858,844	$ 2,422,230	$ 13,743,174	$ 3,313,235	$ 10,429,939

Note 9: Debt (Continued)

Details on the debt as of June 30, 2025 are as follows:

1. Series 2023 General Obligation Bonds were issued in February, 2023. $7,150,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing February 21, 2023 and maturing on January 1, 2029.

During the year ending June 30:	Principal	Interest	Total
2026	$ 1,575,000	$ 304,625	$ 1,879,625
2027	1,690,000	223,000	1,913,000
2028	1,815,000	135,375	1,950,375
2029	1,800,000	45,000	1,845,000
Totals	$ 6,880,000	$ 708,000	$ 7,588,000

2. Ellucian subscription agreement dated December 2022 in the original principal amount of $1,070,371, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 178,515	$ 13,586	$ 192,101
2027	188,562	9,302	197,864
2028	199,023	4,777	203,800
Totals	$ 566,100	$ 27,665	$ 593,765

3. Courseleaf subscription agreement dated August 2022 in the original principal amount of $170,726, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 35,679	$ 1,733	$ 37,412
2027	36,535	877	37,412
Totals	$ 72,214	$ 2,610	$ 74,824

Note 9: Debt (Continued)

4. WebFocus subscription agreement dated March 2024 in the original principal amount of $65,404, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 24,895	$ 597	$ 25,492
Totals	$ 24,895	$ 597	$ 25,492

5. TouchNet subscription agreement dated June 2024 in the original principal amount of $410,760, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 76,510	$ 5,642	$ 82,152
2027	78,346	3,806	82,152
2028	80,227	1,925	82,152
Totals	$ 235,083	$ 11,373	$ 246,456

6. Ellucian subscription agreement dated February 2025 in the original principal amount of $342,454, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 61,699	$ 6,656	$ 68,355
2027	66,597	5,176	71,773
2028	71,784	3,577	75,361
2029	77,274	1,855	79,129
Totals	$ 277,354	$ 17,264	$ 294,618

Note 9: Debt (Continued)

7. Panopto subscription agreement dated April 2025 in the original principal amount of $51,079, due in annual installments in various amounts including imputed interest at 2.40%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 17,023	$ 827	$ 17,850
2027	17,432	418	17,850
Totals	$ 34,455	$ 1,245	$ 35,700

8. Santander lease agreement dated August 2024 in the original principal amount of $296,687, due in monthly installments of $6,512 including imputed interest at 0.99%. The annual debt service requirement is as follows:

During the year ending June 30:	Principal	Interest	Total
2026	$ 54,474	$ 23,670	$ 78,144
2027	58,272	19,872	78,144
2028	62,336	15,808	78,144
2029	66,683	11,461	78,144
2030	5,738	774	6,512
Totals	$ 247,503	$ 71,585	$ 319,088

9. Series 2019 General Obligation Bonds were issued in November, 2019. $1,930,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 4% - 5%, commencing July 1, 2020 and maturing on January 1, 2025. This bond was fully paid off during fiscal year 2025.

10. Series 2020 General Obligation Bonds were issued in February, 2020. $4,950,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing January 1, 2021 and maturing on January 1, 2025. This bond was fully paid off during fiscal year 2025.

11. The District entered into a contract payable in July, 2019 at an interest rate of 4.30%, to acquire buses. Monthly payments of interest and principal began in August 2019. Total payments are $236,017 (principal of $204,820 and interest of $31,197). This contract was fully paid off during fiscal year 2025.

Note 9: Debt (Continued)

12. Nextiva subscription agreement dated January 2022 in the original principal amount of $179,759, due in annual installments in various amounts including imputed interest at 2.40%. This subscription was fully paid off during fiscal year 2025.

The annual requirements to amortize all debt outstanding as of June 30, 2025, including interest, are as follows:

During the year ending June 30:	General Obligation Bonds	Compensated Absences	Lease Liability	Subscription Liability	Total Principal	Interest	Total Principal and Interest
2026	$ 1,575,000	$ 1,140,160	$ 54,474	$ 394,321	$ 3,163,955	$ 357,336	$ 3,521,291
2027	1,690,000	380,053	58,272	387,472	2,515,797	262,451	2,778,248
2028	1,815,000	-	62,336	351,034	2,228,370	161,462	2,389,832
2029	1,800,000	-	66,683	77,274	1,943,957	56,461	2,000,418
2030	-	-	5,738	-	5,738	774	6,512
Totals	$ 6,880,000	$ 1,520,213	$ 247,503	$ 1,210,101	$ 9,857,817	$ 838,484	$ 10,696,301

The general obligation bonded debt of the College is limited to 2.875% of assessed valuation. The legal debt limit at June 30, 2025, is $78,608,937. General obligation debt, leases, and subscription liability at June 30, 2025 total $8,437,053 resulting in a legal debt margin of $70,171,884.

Note 10: Joint Venture

HCC-YMCA Building

In an agreement made effective July 21, 1977, the Board of Trustees of the District and the Young Men's Christian Association of Freeport, Illinois, agreed to jointly construct and operate a multi-purpose recreational facility to be located on the District's campus.

In exchange for sharing the cost, the YMCA has a 50 year facility agreement upon the terms and conditions set forth in the agreement. The District is entitled to the fair and equitable use of the facilities, the details of which are also set forth in the agreement.

The YMCA reimburses the District for its portion of operational costs for the physical education building. This reimbursement is based upon a set formula in which the YMCA reimburses the District for 65% of the operational costs. The total reimbursement amount for fiscal year 2025 totals $293,464. As of June 30, 2025, the YMCA had paid $239,500. The YMCA has a balance due to the District in the amount of $53,964, which is included in the District's accounts receivable at year end.

As part of the agreement with the District, both the District and the YMCA contribute $1,250 per month to a joint fund used to share the cost of repair and maintenance to the Sports Complex building and to the loop road and parking lot.

Note 10: Joint Venture (Continued)

The funds are maintained in an interest bearing account and the interest earned is credited to the joint account. These amounts are accounted for as custodial funds. The allowable expenses from these funds must be approved by the District's Board of Trustees and the YMCA's Board of Directors. As of June 30, 2025, the following amounts were available for the District's share of these expenditures:

	Carry Amount
Road and lot	$ 104,743
Building maintenance	31,229
Accumulated interest	1,442
Total	$ 137,414

Note 11: Related Party Transactions

The College has the following related party transactions for fiscal year ended June 30, 2025:

Related Party	Location	Nature	Revenue (Expense)	Asset (Liability)
Highland Community College Foundation	Freeport, IL	Scholarships	$ 415,723	$ -
Highland Community College Foundation	Freeport, IL	Reimbursement of salaries	420,668	-
Highland Community College Foundation	Freeport, IL	Institutional support	459,253	-
Highland Community College Foundation	Freeport, IL	Receivable from Foundation	$ -	$ 548,462

Note 12: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District purchases commercial insurance to cover the various risks of loss. The commercial insurance policies contain deductibles which vary with the type of coverage and risk involved. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Potentially, the District could be assessed additional premiums for its share of any losses of the insurance pool. Historically, the District has not been assessed any additional premiums.

Note 13: Commitments and Contingencies

The District has received a number of Federal and State grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, District management believes that such disallowances, if any, will not be significant.

The District entered into a contract to renovate the Lecture N107 and hallway. As of June 30, 2025, there was a remaining commitment of $474,396 for that project.

Note 14: Impact of Pending Accounting Principles

GASB Statement No. 102, *Certain Risk Disclosures*, improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The College has not determined the effect of this Statement.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

GASB Statement No. 104, *Disclosures in Certain Capital Assets*, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The College has not determined the effect of this Statement.

Note 15: Accounting Changes and Error Corrections

As of July 1, 2024, the College adopted GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the needs of the financial statement users by improving accounting and financial reporting for compensated absences by governments. As a result of the implementation the following balances changed from the financial statements as of June 30, 2025.

Year Ended June 30, 2025	**Statement of Net Position 2025**
Net position, beginning of year, as previously reported	$ 37,415,869
Change in accounting principle (GASB 101)	(1,109,630)
Net position, beginning of year, as restated	$ 36,306,239

Note 16: Component Unit

The Highland Community College Foundation (Foundation) is a private, not-for-profit organization that reports its financial results under the *Financial Accounting Standards Board (FASB) Accounting Standards Codification* (Codification) which is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The financial statements of the Foundation have been reformatted to comply with the classification and display requirements in GASB Statement 35 on the Statement of Net Position/Net Assets and the Statement of Revenues, Expenses, and Changes in Net Position/Net Assets. However, no modifications have been made to the Foundation's financial information in the District's financial reporting entity for revenue recognition or footnote disclosure differences.

Following is condensed financial information of Highland Community College Foundation (the Foundation), a discretely presented component unit of the District.

Summary of Significant Accounting Policies

Basis of Accounting: The Foundation follows the accrual basis of accounting, recognizing revenue when earned and recording expenses when the liability is incurred.

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.

Fund Accounting: In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses.

Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Without donor restricted funds are assets that are not restricted by donor-imposed stipulations. They are presently available for use by the Foundation at the discretion of the Board of Directors. With donor restricted funds are imposed by a donor stipulation that permits the donor organization to use up or expend the donated assets as specified and is satisfied either by the passage of time or by actions of the organization or that requires resources be maintained in perpetuity but permits the organization to use up or expend part or all of the income derived from the donated assets.

Note 16: Component Unit (Continued)

Financial Presentation: Net assets and revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions

Undesignated – Net assets that are not subject to donor-imposed restrictions or Board imposed stipulations.

Designated – Net assets subject to stipulations imposed by the Board of Directors and determined to be unavailable for general use.

With Donor Restrictions

Net assets subject to donor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long-lived assets placed in service, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents: The Foundation defines cash accounts which are not subject to withdrawal restrictions or penalties as cash and cash accounts with an original maturity of three months or less as cash equivalents. The Organization maintains its cash and cash equivalents at financial institutions, which at times, may exceed federally insured limits. At June 30, 2025, the bank balances of the deposits exceeded FDIC limits by approximately $701,800. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Allowance for Credit Losses - Held-to-Maturity Securities: Management measures expected credit losses on held-to-maturity securities on a collective basis by major security type. The held-to-maturity securities held by the Foundation consist of certificates of deposit. The certificates of deposit are fully insured by FDIC and therefore the Foundation expects zero credit loss and believes no allowance for credit loss is adequate.

Contributions Receivable: Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions pursuant to financial standards. Promises to give expected to be collected in future years are recorded as donations and a receivable at the present value of expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of discounts is included in donations revenue.

Note 16: Component Unit (Continued)

Investments: As of June 30, 2025, investments of the Foundation's various funds are maintained in a State Bank Trust and Investment Account, Union Savings Bank, Citizens State Bank, Illinois Bank & Trust, and the Commonfund, an investment management fund for educational institutions. Investments in securities with readily determinable fair values are measured at the fair value in the statement of financial position. Alternative investments are measured at the net asset value per share as a practical expedient in the statement of financial position. Separate management accounts have been established for the various funds. Investment earnings of each fund has been segregated and recorded in the appropriate fund. Gains and losses on investments and other assets or liabilities are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the income was recognized.

The realized and unrealized gain or loss on investments is reflected on the statement of activities within net investment return. Investment return is reported net of external and direct internal expenses.

Beneficial Interest in Assets Held by Community Foundation: The Foundation established a scholarship fund that is perpetual in nature under the Community Foundation of Northern Illinois (CFNIL) and is named as beneficiary. The Foundation granted variance power to the CFNIL, which allows the CFNIL to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CFNIL's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The fund is held and invested by the CFNIL for the Foundation's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Contribution Revenue: Contributions, including contributions receivable, are considered conditional or unconditional, depending on the nature and existence of any donor conditions. A contribution receivable contains a donor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

- An implicit right of return of assets transferred or a right of release of a donor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when pledged or received. There were no conditional contributions as of June 30, 2025.

Note 16: Component Unit (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Donated Services and Materials: For donated services to be recognized in the financial statements, the services must either (a) create or enhance a non-financial asset or (b) be specialized skills, provided by entities or persons possessing those skills that would be purchased if not donated.

The Foundation also receives donated services generally in the form of contributed time by volunteers. However, these donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Functional Allocation of Expenses: Included on the statement of activities is expenses by function with natural classification detail. Expenses that can be identified with a specific program are recorded directly according to their natural expense classification. Other expenses that are common to several functions and cannot be directly identified (salaries and employee benefits) are allocated based on time and effort.

Statement of Functional Expenses

	Program Services	Management & General	Fundraising	Cost of Direct Benefit to Donors	Total
Scholarships	$ 415,723	$ -	$ -	$ -	$ 415,723
College grant	459,253	-	-	-	459,253
Salaries	88,171	136,250	130,509	-	354,930
Employee benefits	19,721	25,638	20,379	-	65,738
Alumni	-	-	200	-	200
Annual events	-	7,549	-	-	7,549
Auto expense	-	996	1,274	-	2,270
Bad debt expense	-	1,000	-	-	1,000
Board/staff travel/training	-	3,275	-	-	3,275
Depreciation	-	23,753	-	-	23,753
Dues and subscriptions	-	687	-	-	687
Equipment	-	27,238	-	-	27,238
Insurance	-	8,024	387	-	8,411
Meals and entertainment	-	1,356	1,160	23,693	26,209
Marketing	-	12,403	12,703	-	25,106
Miscellaneous	55,950	1,025	685	-	57,660
Office supplies	-	3,871	453	-	4,324
Other contractual services	-	-	540	-	540
Professional fees	-	45,535	3,938	-	49,473
Real estate taxes	-	311	-	-	311
Rent	-	6,775	-	-	6,775
Totals	$ 1,038,818	$ 305,686	$ 172,228	$ 23,693	$ 1,540,425

Note 16: Component Unit (Continued)

Income Taxes: The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation a charitable group not organized for profit. Accordingly, no provision for income tax expense is included in the accompanying financial statements. The Foundation files various federal and state non-profit tax returns. The Foundation is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2021.

Liquidity and Availability

The Foundation's primary sources of support are contributions, fundraising and income from investments. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's available financial assets as of June 30, 2025:

Cash and cash equivalents	$ 754,280
Contributions receivable	995,722
Investments	35,377,586
Beneficial interest in assets held by Community Foundation (CFNIL)	508,155
Total financial assets and liquid resources	37,635,743
Less those unavailable for general expenditure:	
Board designation	(12,343,335)
Donor restrictions	(19,283,318)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,009,090

Note 16: Component Unit (Continued)

Contribution Receivable

Unconditional pledges/promises and beneficial interests in split interest agreements are included in the financial statements as contributions receivables and revenue of the appropriate net asset category.

The present value of contributions receivable is as follows as of June 30, 2025:

	Unconditional Pledges Receivable	Beneficial Interest Receivable	Total Contribution Receivable
Due in one year or less	$ 563,645	$ 0	$ 563,645
Due in one to five years	322,000	0	322,000
Due in more than five years	0	153,493	153,493
	885,645	153,493	1,039,138
Less: Allowance for uncollectible pledges	2,900		2,900
Less: Discount to present value at rates ranging from 1% to 6.5%	40,516	0	40,516
Total contribution receivable	$ 842,229	$ 153,493	$ 995,722

The net amount of receivables is based on the estimate of future cash flows. Due to unknown factors that may affect individual donor's future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could change by a significant amount in the near term.

Note 16: Component Unit (Continued)

Fair Value Measurements

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Foundation to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using NAV has readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

The Foundation recognizes transfers between levels on the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the year ended June 30, 2025.

Valuation Techniques

Mutual Funds: Valued at the NAV of shares on the last trading day of the fiscal year.

Equity Securities and Exchange Traded Funds (EFT): Valued at the closing quoted price in an active market.

Common Stock: Valued at the closing quoted price in an active market.

Land: Valued at the current appraised value, which is based on acres of property, comparable values, and expected cash flows.

Note 16: Component Unit (Continued)

Interest in assets held by the Community Foundation of Northern Illinois (CFNIL): Valued at NAV per unit as reported by the Community Foundation. The Foundation considers the measurement of its beneficial interest in the Community Foundation to be a Level 3 measurement within the hierarchy because the Foundation will never receive those assets or have the ability to direct the trustee to redeem them.

Fair value measurements for investments were as follows on June 30:

	Level 1	Level 2	Level 3	Total
Equities	$ 4,652,389	$ 0	$ 0	$ 4,652,389
Mutual funds	10,907,013	0	0	10,907,013
Exchange-traded funds	4,475,110	0	0	4,475,110
Common stock	1,149,023	0	0	1,149,023
Land	0	0	664,113	664,113
Beneficial interest in funds at CFNIL	0	0	508,155	508,155
TOTAL ASSETS AT FAIR VALUE	$ 21,156,535	$ 0	$ 1,172,268	22,328,803
Money market and cash equivalent - at cost				2,002,883
Certificates of deposit - at cost				400,726
Commonfund - equity funds*				7,511,807
Commonfund - bond funds*				3,641,522
TOTAL INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY THE COMMUNITY FOUNDATION				$ 35,885,741

*Investments held at NAV

Note 16: Component Unit (Continued)

Unobservable (Level 3) Inputs

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompany statement of financial position using significant unobservable (Level 3) inputs:

	2025
Balance, beginning of year	$ 496,734
Investment return, net	51,919
Distributions	(40,498)
BALANCE, ENDING	$ 508,155

The change in the beneficial interest in funds held at CNFIL are included in a separate line on the statement if activities.

The land is also valued utilizing unobservable inputs. During the year ended June 30, 2025, the Foundation gifted a portion of the land to the District, the calculated remaining value was $664,113. The land was appraised at $720,000 as of June 30, 2024.

The Foundation uses net asset value (NAV) as a practical expedient to determine fair value of all underlying investments which (a) do not have a readily determinable fair value; and (b) are in investment companies or similar entities that report their investments assets at fair values.

The following table lists the alternative investments in which NAV was utilized as the practical expedient for estimating fair value by major category:

	Fair Value June 30, 2025	Redemption Frequency	Redemption Notice Period
Commonfund - equity funds (a)	$ 7,511,807	Monthly	5 business days
Commonfund - bond funds (b)	3,641,522	Monthly	5 business days
TOTAL	$ 11,153,329		

Note 16: Component Unit (Continued)

The Foundation does not have any unfunded commitments related to the above investments as of June 30, 2025.

a) Commonfund - Equity Mutual Funds

These funds offer an actively managed, multi-manager investment program that will provide broad exposure to global equity markets. The funds seeks to add value above the return of the U.S. equity market, as measured by the S&P 500 Index, net of fees and to provide competitive returns relative to the Russell U.S. Large Cap market. The risk characteristics will vary from those of the Index due to its diversified exposures to sectors outside of the index, including non-U.S. equity markets and the certain marketable alternative strategies.

b) Commonfund - Bond Mutual Funds

These funds offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets. The funds seek to add value above the return of the broad U.S. bond market, as measured by the Barclay's Capital U.S. Aggregate Bond Index, net of fees and to provide competitive returns relative to the Russell U.S. Core Plus Fixed Income. The risk characteristics will vary from those of the Index due to its diversified exposures to sectors outside of the index, including below investment grade debt and international bond and currency markets.

Beneficial Interest in Assets Held by Community Foundation

The Foundation established the Highland Community College Foundation/Rubin Matching Scholarship Fund with Community Foundation of Northern Illinois (CFNIL) in 2016. The fund agreement is irrevocable and allows the use of the fund's principal and income in accordance with the Community Foundation of Northern Illinois's spending policy for funds to be held in perpetuity for supporting of Highland Community College Foundation. The Foundation cannot withdraw the original amount transferred or any appreciation on those transferred assets. At the time of the transfer, the Foundation granted variance power to the CFNIL. The investments are held at the community foundation, which were contributed by the Foundation and are reported at fair value as beneficial interest in assets held by community foundation in the amount of $508,155 as of June 30, 2025.

Note 16: Component Unit (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025:

Subject to expenditure for specified purpose:	
College Grants and Student Scholarships	$ 11,223,316
Buildings and landscaping	290,652
Time-restricted contributions	1,546,930
Endowment funds to be held in perpetuity	6,222,420
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 19,283,318

Without Donor Restrictions Net Assets, Board Designated

On October 5, 2011, the United States Department of Education released the Endowment Challenge Grant to the College, as the 20-year investment period was completed on March 31, 2010. During those 20 years, the Foundation served as the fiscal agent for the College for the purposes of investing these funds.

During the year ended June 30, 2012, the Foundation Board designated the combined Federal and matching share of the Endowment Challenge Grant. The expenditures from this fund and its proceeds shall be at the suggestion and direction of the Board of Trustees of the College. These assets will remain as such until the College's Board.

As of June 30, 2025, $11,343,335 of assets relating to the Endowment Challenge Grant remains. These funds may be used for any educational purpose including strengthening the College's capability to meet financial goals and increasing student access to quality higher education.

The Foundation has fiduciary responsibilities of these funds but has entered into a memo of understanding with the College's Board as to what these funds will be used for along with the timing for the release of these funds.

Also included in the without donor restrictions net assets, board designated balance as of June 30, 2025 is $1,000,000 in the general fund to preserve a balance in the unrestricted funds.

Required Supplementary Information

Highland Community College District #519

Schedule of Share of Net Pension Liability

Last Ten Fiscal Years

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net pension liability	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Proportion amount of the collective net pension liability	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the College	$ 70,772,973	$ 68,069,294	$ 70,891,132	$ 68,171,078	$ 73,351,054	$ 65,596,643	$ 67,939,049	$ 59,600,307	$ 60,412,403	$ 54,001,485
Employer covered payroll	$ 10,089,115	$ 9,381,039	$ 8,841,902	$ 9,114,150	$ 8,909,682	$ 8,284,112	$ 8,858,182	$ 8,284,598	$ 8,430,045	$ 8,341,423
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	701.48 %	725.61 %	801.76 %	747.97 %	823.27 %	791.84 %	766.96 %	719.41 %	716.63 %	647.39 %
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 %

See Accompanying Notes to Required Supplementary Information.

Highland Community College District #519

Schedule of Pension Contributions

Last Ten Fiscal Years

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal, trust, grant and other contribution	$ 82,568	$ 112,906	$ 89,647	$ 58,716	$ 71,756	$ 45,153	$ 44,507	$ 40,836	$ 34,468	$ 31,213
Contribution in relation to required contribution	82,568	112,906	89,647	58,716	71,756	45,153	44,507	40,836	34,468	31,213
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Employer covered payroll	$ 12,730,385	$ 12,163,109	$ 10,874,277	$ 11,060,485	$ 10,874,277	$ 10,559,389	$ 10,183,735	$ 8,858,182	$ 8,284,598	$ 8,430,045
Contribution as a percentage of covered payroll	0.65 %	0.93 %	0.82 %	0.53 %	0.66 %	0.43 %	0.44 %	0.46 %	0.42 %	0.37 %

See Accompanying Notes to Required Supplementary Information.

Highland Community College District #519

Schedule of Share of Net OPEB Liability

Last Ten Fiscal Years

(schedule to be built prospectively from 2016)

Measurement Date June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion percentage of the collective net OPEB liability	0.00 %	0.00 %	0.00 %	0.53 %	0.52 %	0.48 %	0.53 %	0.50 %	0.49 %	
Proportion amount of the collective net OPEB liability	$ 3,538,405	$ 3,726,702	$ 3,534,113	$ 9,247,458	$ 9,396,941	$ 9,131,131	$ 10,074,013	$ 9,204,296	$ 8,995,434	
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	$ 3,538,405	$ 3,726,702	$ 3,534,113	$ 9,247,458	$ 9,396,941	$ 9,131,131	$ 10,074,013	$ 9,083,069	$ 9,372,476	
Total collective net OPEB liability associated with the College	$ 7,076,810	$ 7,453,404	$ 7,068,226	$ 18,494,916	$ 18,793,882	$ 18,262,262	$ 20,148,026	$ 18,287,365	$ 18,367,910	
College's covered payroll	$ 12,163,109	$ 10,874,277	$ 11,060,485	$ 10,874,277	$ 10,559,389	$ 10,183,735	$ 8,858,182	$ 8,284,598	$ 8,430,045	
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	58.18 %	68.54 %	63.91 %	170.08 %	177.98 %	179.33 %	227.45 %	220.74 %	217.89 %	
College insurance plan net position as a percentage of total OPEB liability	(18.45)%	(17.87)%	(22.03)%	(6.38)%	(5.07)%	(3.96)%	(3.54)%	(2.87)%	(2.15)%	

Note: The District implemented GASB No. 75 in fiscal year 2016. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Highland Community College District #519

Schedule of OPEB Contributions

Last Ten Fiscal Years

(schedule to be built prospectively from 2017)

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 99,900	$ 84,574	$ 52,185	$ 48,686	$ 49,542	$ 46,997	$ 41,801	$ 46,664	$ 43,788	
Contribution in relation to the required statutorily	(99,900)	(84,574)	(52,185)	(48,686)	(49,542)	(46,997)	(41,801)	(46,664)	(43,788)	
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0				
District's covered payroll	$ 12,730,385	$ 12,163,109	$ 10,874,277	$ 11,060,485	$ 10,874,277	$ 10,559,389	$ 10,183,735	$ 8,858,182	$ 8,284,598	
Contribution as a percentage of covered payroll	0.78 %	0.70 %	0.48 %	0.44 %	0.46 %	0.45 %	0.41 %	0.53 %	0.53 %	

Note: The District implemented GASB No. 75 in fiscal year 2017. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

Note 1: Changes of Pension Benefit Terms

Pubic 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.

Note 2: Changes of Pension Assumptions

In accordance with *Illinois Compiled Statutes*, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2020 to June 30, 2023 was performed in Spring 2024, resulting in the adoption of new assumptions as of June 30, 2024. These assumptions are listed below.

- Salary increase. The overall assumed rates of salary increase range from 3.15 percent to 15.00 percent based on years of service, with an underlying wage inflation rate of 2.40 percent. Separate rates of increase are assumed for members in academic and non-academic positions.
- Investment return. The investment return is assumed to be 6.50 percent. This reflects an assumed real rate of return of 4.10 percent and assumed price inflation to 2.40 percent.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts to 7.00 percent.
- Normal retirement rates. Separate rates are assumed for members in academic positions, 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, non-academic, 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 non-academic members, assumed plan election rates are75 percent for Tier 2 and 25 percent Retirement Savings Plan (RSP). For 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.

Note 3: Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2025.

Note 4: Changes of OPEB 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 CIP. An experience review for the years June 30, 2017 to June 30, 2020, resulting in the adoption of new assumptions as of June 30, 2021. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2021:

- Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year end 2025;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for plan year end June 30, 2024, premium changes through plan year end 2024, and expectation of future trend increases after June 30, 2024;
- Healthcare plan participation and lapse rates were updated based on observed experience; and
- The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024.

The pension-related assumption changes had minimal impact to the results of the OPEB actuarial valuation.

Other Financial Information

Highland Community College District #519

Reconciliation of Change in all Fund Balances to the Changes in Net Position

All Fund Types - Change in Fund Balances	$ (1,687,726)
Reduction in student tuition and fees	(1,167,236)
Reduction in financial aid expense	1,167,236
Net effect	-
Prior year recognition of summer revenue deferred	(188,885)
Prior year recognition of summer salaries deferred	48,973
Recognition of summer revenue deferred	165,439
Recognition of summer salaries deferred	(51,731)
Net effect	(26,204)
Compensated absences decrease (increase)	(167,398)
Other post employment benefits CIP decrease (increase)	1,404,896
Expended for capital assets	4,869,426
Loss on disposal of assets	(90,824)
Depreciation and amortization	(1,923,587)
Net effect	2,855,015
Long-term debt issued (governmental funds)	(691,446)
Interest payable on bonds	188,147
Long-term debt retired (governmental bonds)	2,045,786
Net effect	1,542,487
Change in net position	$ 3,921,070
Net position, beginning of year, as restated	$ 36,306,239
Net position, end of year	40,227,309
Reconciliation of Combined Balance Sheet to the Statement of Net Position:	
Fund balances - all fund types and account groups	57,075,569
Recognition of summer revenue deferred	165,439
Recognition of summer salaries deferred	(51,731)
Deferral of SURS pension contribution	112,906
Amount to be provided for compensated absences	(1,520,213)
Amount to be provided for other post employment benefits	(6,870,105)
Amount available in debt service fund	(881,417)
Amount to be provided for retirement of general long-term debt	(7,803,139)
Net position of statement of net position	$ 40,227,309

Highland Community College District #519

Combining Balance Sheet - All Fund Types and Account Groups

As of June 30, 2025	Governmental Fund Types			
	General	**Special Revenue Funds**	**Debt Service Funds**	**Capital Projects Funds**
Assets				
Cash and investments	$ 4,316,063	$ 12,510,396	$ 217,344	$ 7,795,307
Receivables:				
Taxes	8,244,977	1,293,086	1,635,177	1,089,322
Other, net of allowance for doubtful accounts	2,194,643	936,210	-	48,457
Due from other funds	18,897	-	-	-
Prepaid expenses	143,128	-	-	-
Inventory	-	-	-	-
Fixed assets	-	-	-	-
Other debits:				
Amount to be provided for compensated absences	-	-	-	-
Amount available in the debt service fund	-	-	-	-
Amount to be provided for OPEB	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
Total assets	$ 14,917,708	$ 14,739,692	$ 1,852,521	$ 8,933,086
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	46,967	$ 110,702	44	482,215
Accrued salaries	-	4,594	-	-
Accrued liabilities	567,312	-	-	-
Unearned tuition revenue	1,858,666	320,236	-	-
Compensated absences	-	-	-	-
Due to other funds	-	18,897	-	-
Premium on bonds	-	-	-	-
Bonds payable	-	-	-	-
Net OPEB liability	-	-	-	-
Lease obligations	-	-	-	-
Subscriptions liability	-	-	-	-
Total liabilities	2,472,945	454,429	44	482,215
Deferred inflow of resources				
Property taxes	4,842,302	767,907	971,060	646,904
Total deferred inflow of resources	4,842,302	767,907	971,060	646,904
Fund balances				
Investments in general fixed assets	-	-	-	-
Unrestricted	-	-	-	-
Restricted for bond requirements	-	-	881,417	-
Restricted for restricted purposes	-	12,975,888	-	-
Unassigned - designated	7,602,461	541,468	-	7,803,967
Total fund balances	7,602,461	13,517,356	881,417	7,803,967
Total liabilities, deferred inflows of resources and fund balances	$ 14,917,708	$ 14,739,692	$ 1,852,521	$ 8,933,086

Highland Community College District #519

Combining Balance Sheet - All Fund Types and Account Groups

As of June 30, 2025	Proprietary Fund Types Enterprise	Account Groups General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
Assets				
Cash and investments	$ 1,497,624	$ -	$ -	$ 26,336,734
Receivables:				
Taxes	-	-	-	12,262,562
Other, net of allowance for doubtful accounts	27,794	-	-	3,207,104
Due from other funds	-	-	-	18,897
Prepaid expenses	-	-	-	143,128
Inventory	134,083	-	-	134,083
Fixed assets	-	25,920,163	-	25,920,163
Other debits:				
Amount to be provided for compensated absences	-	-	1,520,213	1,520,213
Amount available in the debt service fund	-	-	881,417	881,417
Amount to be provided for OPEB	-	-	6,870,105	6,870,105
Amount to be provided for retirement of long-term debt	-	-	7,803,139	7,803,139
Total assets	$ 1,659,501	$ 25,920,163	$ 17,074,874	$ 85,097,545
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	1,464	-	-	$ 641,392
Accrued salaries	-	-	-	4,594
Accrued liabilities	4,109	-	-	571,421
Unearned tuition revenue	303,723	-	-	2,482,625
Compensated absences	-	-	1,520,213	1,520,213
Due to other funds	-	-	-	18,897
Premium on bonds	-	-	346,952	346,952
Bonds payable	-	-	6,880,000	6,880,000
Net OPEB liability	-	-	6,870,105	6,870,105
Lease obligations	-	-	247,503	247,503
Subscriptions liability	-	-	1,210,101	1,210,101
Total liabilities	309,296	-	17,074,874	20,793,803
Deferred inflow of resources				
Property taxes	-	-	-	7,228,173
Total deferred inflow of resources	-	-	-	7,228,173
Fund balances				
Investments in general fixed assets	-	25,920,163	-	25,920,163
Unrestricted	1,350,205	-	-	1,350,205
Restricted for bond requirements	-	-	-	881,417
Restricted for restricted purposes	-	-	-	12,975,888
Unassigned - designated	-	-	-	15,947,896
Total fund balances	1,350,205	25,920,163	-	57,075,569
Total liabilities, deferred inflows of resources and fund balances	$ 1,659,501	$ 25,920,163	$ 17,074,874	$ 85,097,545

Highland Community College District #519

Combining Statement of Revenues, Expenditures and Changes In Fund Balance - All Governmental Fund Types

	Governmental Fund Types				
Year Ended June 30, 2025	**General**	**Special Revenue Funds**	**Debt Service Funds**	**Capital Projects Funds**	**Total (Memorandum Only)**
Revenues					
Local government sources	$ 9,721,396	$ 1,508,777	$ 1,913,392	$ 1,252,025	$ 14,395,590
All other	1,624,488	820,809	-	-	2,445,297
Federal government sources	142,500	4,733,079	-	-	4,875,579
Student tuition and fees	4,895,234	746,771	-	-	5,642,005
On-behalf payments	-	3,577,479	-	-	3,577,479
Other sources	752,422	1,588,310	-	313,422	2,654,154
Total revenues	17,136,040	12,975,225	1,913,392	1,565,447	33,590,104
Expenditures					
Current:					
Instruction	8,194,614	3,187,114	-	-	11,381,728
Academic support	1,016,016	194,034	-	-	1,210,050
Student services	1,549,841	1,902,945	-	-	3,452,786
Public service	770,534	230,044	-	-	1,000,578
Auxiliary services	-	260,731	-	-	260,731
Operations and maintenance of plant	1,648,191	962,747	-	94,162	2,705,100
Institutional support	3,247,203	3,537,154	1,846,578	197,995	8,828,930
Scholarships, student grants, and waivers	519,185	3,237,159	-	-	3,756,344
Capital projects	-	-	-	3,259,974	3,259,974
Total expenses	16,945,584	13,511,928	1,846,578	3,552,131	35,856,221
Excess (deficiency) of revenues over expenditures	190,456	(536,703)	66,814	(1,986,684)	(2,266,117)
Other financing sources (uses)					
Transfer from (to) other funds	(250,675)	(399,325)	-	200,000	(450,000)
	-	691,446	-	-	691,446
Total other financing sources (uses)	(250,675)	292,121	-	200,000	241,446
Net change in fund balance	(60,219)	(244,582)	66,814	(1,786,684)	(2,024,671)
Fund balances, beginning of year	7,662,680	13,761,938	814,603	9,590,651	31,829,872
Fund balances, end of year	$ 7,602,461	$ 13,517,356	$ 881,417	$ 7,803,967	$ 29,805,201

Highland Community College District #519

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types

	General Fund Types		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
Local governmental sources	$ 9,476,701	$ 9,721,396	$ 244,695
State governmental sources	1,651,773	1,624,488	(27,285)
Federal governmental sources	123,000	142,500	19,500
Student tuition and fees	5,300,000	4,895,234	(404,766)
Other sources	1,069,871	752,422	(317,449)
Total revenues	17,621,345	17,136,040	(485,305)
Expenditures:			
Instruction	8,374,305	8,194,614	(179,691)
Academic support	1,241,796	1,016,016	(225,780)
Student services	1,588,747	1,549,841	(38,906)
Public service	1,222,744	770,534	(452,210)
Operations and maintenance of plant	1,856,810	1,648,191	(208,619)
Institutional support	3,589,240	3,210,328	(378,912)
Scholarships, student grants, and waivers	585,500	519,185	(66,315)
Debt service	-	36,875	36,875
Total expenditures	18,459,142	16,945,584	(1,513,558)
Excess (deficiency) of revenues over expenditures	(837,797)	190,456	1,028,253
Other financing sources (uses):			
Net transfers	302,000	(250,675)	(552,675)
Total other financing sources (uses)	302,000	(250,675)	(552,675)
Net change in fund balance	$ (535,797)	(60,219)	$ 475,578
Fund balance, beginning of year		7,662,680	
Fund balance, end of year		$ 7,602,461	

Highland Community College District #519

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types

	Special Revenue Fund Types		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
Local governmental sources	$ 1,497,000	$ 1,508,777	$ 11,777
State governmental sources	-	820,809	820,809
Federal governmental sources	-	4,733,079	4,733,079
Student tuition and fees	-	746,771	746,771
Other sources	-	1,588,310	1,588,310
On behalf payments	-	3,577,479	3,577,479
Total revenues	1,497,000	12,975,225	11,478,225
Expenditures:			
Instruction	-	3,187,114	3,187,114
Academic support	-	194,034	194,034
Student services	-	1,902,945	1,902,945
Public service	-	230,044	230,044
Auxiliary services	-	260,731	260,731
Operations and maintenance of plant	-	962,747	962,747
Institutional support	-	3,537,154	3,537,154
Scholarships, student grants, and waivers	-	3,237,159	3,237,159
Total expenditures	-	13,511,928	13,511,928
Excess (deficiency) of revenues over expenditures	1,497,000	(536,703)	(2,033,703)
Other financing sources (uses):			
Issuance of debt	-	691,446	691,446
Transfers from (to) other funds	-	(399,325)	(399,325)
Total other financing sources (uses)	-	292,121	292,121
Net change in fund balance	$ 1,497,000	(244,582)	$ (1,741,582)
Fund balance, beginning of year		13,761,938	
Fund balance, end of year		$ 13,517,356	

Highland Community College District #519

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types

	Debt Service Fund Types		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
Local governmental sources	$ 1,898,525	$ 1,913,392	$ 14,867
Total revenues	1,898,525	1,913,392	14,867
Expenditures:			
Institutional support	-	1,846,578	1,846,578
Total expenditures	-	1,846,578	1,846,578
Excess (deficiency) of revenues over expenditures	1,898,525	66,814	(1,831,711)
Other financing sources (uses):			
Total other financing sources (uses)	-	-	-
Net change in fund balance	$ 1,898,525	66,814	$ (1,831,711)
Fund balance, beginning of year		814,603	
Fund balance, end of year		$ 881,417	

Highland Community College District #519

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types

	Capital Project Fund Types		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
Local governmental sources	$ 1,242,500	$ 1,252,025	$ 9,525
Other sources	-	313,422	313,422
Total revenues	1,242,500	1,565,447	322,947
Expenditures:			
Operations and maintenance of plant	23,402	94,162	70,760
Institutional support	179,443	197,995	18,552
Capital projects	8,188,441	3,259,974	(4,928,467)
Total expenditures	8,391,286	3,552,131	(4,839,155)
Excess (deficiency) of revenues over expenditures	(7,148,786)	(1,986,684)	5,162,102
Other financing sources (uses):			
Transfers in	-	200,000	200,000
Total other financing sources (uses)	-	200,000	200,000
Net change in fund balance	$ (7,148,786)	(1,786,684)	$ 5,362,102
Fund balance, beginning of year		9,590,651	
Fund balance, end of year		$ 7,803,967	

Highland Community College District #519

Combined Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual

All Proprietary Fund Types

	Enterprise		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Operating revenues:			
Bookstore	$ 422,200	$ 509,776	$ 87,576
Student tuition and fees	665,000	655,956	(9,044)
Athletic fees	49,410	32,926	(16,484)
Other sales and services	130,000	165,712	35,712
Miscellaneous revenue	25,000	60,074	35,074
Total operating revenues	1,291,610	1,424,444	132,834
Public services:			
Salaries	-	9,006	9,006
Contractual services	9,895	2,876	(7,019)
General materials and supplies	10,841	2,920	(7,921)
Conference and meetings expense	5,500	4,288	(1,212)
Utilities	1,350	1,318	(32)
Capital outlay	2,000	749	(1,251)
Other	500	160	(340)
Total public services	30,086	21,317	(8,769)
Organized research:			
Total organized research	-	-	-
Auxiliary services:			
Salaries	412,850	340,571	(72,279)
Employee benefits	30,321	30,652	331
Contractual services	113,640	108,674	(4,966)
General materials and supplies	684,923	691,494	6,571
Conference and meetings expense	408,837	272,581	(136,256)
Fixed Charges	24,844	7,975	(16,869)
Utilities	8,500	6,475	(2,025)
Capital outlay	20,466	14,462	(6,004)
Other	12,827	16,562	3,735
Total auxiliary services	1,717,208	1,489,446	(227,762)
Operations and maintenance:			
Total operations and maintenance	-	-	-
Scholarships, student grants, and waivers:			
Other	60,560	49,867	(10,693)
Total scholarships, student grants, and waivers	60,560	49,867	(10,693)

Highland Community College District #519

Combined Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual

All Proprietary Fund Types (Continued)

	Enterprise		
Year Ended June 30, 2025	**Budget**	**Actual**	**Variance with Final Budget**
Total operating expenses	1,807,854	1,560,630	$ (247,224)
Operating income (loss)	(516,244)	(136,186)	$ (246,893)
Other financing sources (uses):			
Net transfers	450,000	464,658	14,658
Transfers out	-	(14,658)	(14,658)
Other revenue	3,500	23,131	19,631
Total other financing sources (uses)	453,500	473,131	$ 19,631
Change in net position	$ (62,744)	336,945	$ 39,262
Unrestricted net position, beginning of year		1,013,260	1,013,260
Unrestricted net position, beginning of year		$ 1,350,205	$ 1,091,784

Highland Community College District #519

Combined Statement of Cash Flows
Proprietary Fund Type

Year Ended June 30, 2025	**Enterprise Fund Type**
Cash flows from operating activities:	
Operating income (loss)	$ (136,186)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	37,582
Inventory	22,330
Accounts payable	(4,465)
Accrued expenses	696
Unearned tuition revenue	19,793
Total adjustments	75,936
Net cash flows from operating activities	(60,250)
Cash flows from noncapital financing activities:	
Proceeds from grants	23,131
Transfers from (to) other funds	450,000
Net cash flows from financing activities	473,131
Net changes in cash and cash equivalents	412,881
Cash and cash equivalents, beginning of year	1,084,743
Cash and cash equivalents, end of year	$ 1,497,624

Highland Community College District #519

Combining Balance Sheet - Governmental Fund Types - General Funds

As of June 30, 2025	Educational Fund	Operations and Maintenance Fund	Total General Funds
Assets and Deferred Outflows of Resources			
Cash and investments	$ 2,137,542	$ 2,178,521	$ 4,316,063
Receivables:			
Property taxes	6,518,407	1,726,570	8,244,977
Other, net of allowance for doubtful accounts	2,136,912	57,731	2,194,643
Due to other funds	18,897	-	18,897
Prepaid expenses	143,128	-	143,128
Total assets	$ 10,954,886	$ 3,962,822	$ 14,917,708
Liabilities, deferred inflows or resources and fund balances			
Liabilities			
Accounts payable	18,037	28,930	46,967
Accrued liabilities	550,311	17,001	567,312
Unearned tuition revenue	1,858,666	-	1,858,666
Total liabilities	2,427,014	45,931	2,472,945
Deferred inflow of resources			
Property tax revenue	3,816,968	1,025,334	4,842,302
Total deferred inflow of resources	3,816,968	1,025,334	4,842,302
Fund balances			
Unassigned	4,710,904	2,891,557	7,602,461
Total fund balances	4,710,904	2,891,557	7,602,461
Total liabilities, deferred inflows of resources and fund balances	$ 10,954,886	$ 3,962,822	$ 14,917,708

Highland Community College District #519

Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Fund Types - General Funds

Year Ended June 30, 2025	Education	Operations and Maintenance	Total General Funds
Revenues			
Local government sources	$ 7,780,503	$ 1,940,893	$ 9,721,396
All other	1,624,488	-	1,624,488
Federal government sources	142,500	-	142,500
Student tuition and fees	4,895,234	-	4,895,234
Other sources	638,178	114,244	752,422
Total revenues	15,080,903	2,055,137	17,136,040
Expenditures			
Current:			
Instruction	8,194,614	-	8,194,614
Academic support	1,016,016	-	1,016,016
Student services	1,549,841	-	1,549,841
Public service	770,534	-	770,534
Operations and maintenance of plant	-	1,648,191	1,648,191
Institutional support	3,247,203	-	3,247,203
Scholarships, student grants, and waivers	519,185	-	519,185
Total expenditures	15,297,393	1,648,191	16,945,584
Excess (deficiency) of revenues over expenditures	(216,490)	406,946	190,456
Other financing sources (uses)			
Transfer from (to) other funds	(50,675)	(200,000)	(250,675)
Total other financing sources (uses)	(50,675)	(200,000)	(250,675)
Net change in fund balance	(267,165)	206,946	(60,219)
Fund balances, beginning of year	4,978,069	2,684,611	7,662,680
Fund balances, end of year	$ 4,710,904	$ 2,891,557	$ 7,602,461

Highland Community College District #519

Combining Balance Sheet - Governmental Fund Types - Special Revenue Funds

As of June 30, 2025	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Funds	Working Cash Funds	Total Special Revenue Funds
Assets					
Cash and investments	$ 2,185,858	$ -	$ 35,334	$ 10,289,204	$ 12,510,396
Receivables, net of allowance:					
Property tax	-	67,912	1,225,174	-	1,293,086
Other	885,415	-	-	50,795	936,210
Total assets	$ 3,071,273	$ 67,912	$ 1,260,508	$ 10,339,999	$ 14,739,692
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 110,554	$ -	$ 148	$ -	$ 110,702
Accrued liabilities	4,594	-	-	-	4,594
Unearned tuition revenue	320,236	-	-	-	320,236
Due to other funds	-	18,897	-	-	18,897
Total liabilities	435,384	18,897	148	-	454,429
Deferred inflows of resources					
Property taxes	-	40,330	727,577	-	767,907
Total deferred inflows of resources	-	40,330	727,577	-	767,907
Fund balances					
Reserved for restricted purposes	2,635,889	-	-	10,339,999	12,975,888
Unreserved - designated	-	8,685	532,783	-	541,468
Total fund balances	2,635,889	8,685	532,783	10,339,999	$ 13,517,356
Total liabilities, deferred inflows or resources and fund balances	$ 3,071,273	$ 67,912	$ 1,260,508	$ 10,339,999	$ 14,739,692

Highland Community College District #519

Combining Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Fund Types - Special Revenue Funds

Year Ended June 30, 2025	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Funds	Working Cash Funds	Total Special Revenue Funds
Revenues					
Local government sources	$ -	$ 77,685	$ 1,431,092	$ -	$ 1,508,777
State governmental sources	820,809	-	-	-	820,809
Federal government sources	4,733,079	-	-	-	4,733,079
Student tuition and fees	746,771	-	-	-	746,771
On-behalf payments	3,577,479	-	-	-	3,577,479
Other sources	1,167,517	-	16	420,777	1,588,310
Total revenues	11,045,655	77,685	1,431,108	420,777	12,975,225
Expenditures					
Current:					
Instruction	3,187,114	-	-	-	3,187,114
Academic support	194,034	-	-	-	194,034
Student services	1,902,945	-	-	-	1,902,945
Public service	230,044	-	-	-	230,044
Auxiliary services	260,731	-	-	-	260,731
Operations and maintenance of plant	287,218	-	675,529	-	962,747
Institutional support	2,729,371	69,000	717,331	21,452	3,537,154
Scholarships, student grants, and waivers	3,237,159	-	-	-	3,237,159
Total expenditures	12,028,616	69,000	1,392,860	21,452	13,511,928
Excess (deficiency) of revenues over expenditures	(982,961)	8,685	38,248	399,325	(536,703)
Other financing sources (uses)					
Transfer from (to) other funds	-	-	-	(399,325)	(399,325)
Issuance of debt	691,446	-	-	-	691,446
Total other financing sources (uses)	691,446	-	-	(399,325)	292,121
Net change in fund balance	(291,515)	8,685	38,248	-	(244,582)
Fund balance, beginning of year	2,927,404	-	494,535	10,339,999	13,761,938
Fund balance, end of year	$ 2,635,889	$ 8,685	$ 532,783	$ 10,339,999	$ 13,517,356

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	Educational Fund		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
Local governmental sources:			
Current taxes	$ 3,592,486	$ 3,816,967	$ 224,481
Back taxes	3,389,137	3,415,905	26,768
Corporate personal property replacement tax	625,000	547,631	(77,369)
Total local governmental sources	7,606,623	7,780,503	173,880
State governmental sources:			
ICCB base operating grants	1,427,710	1,427,710	-
ICCB equalization grants	50,000	50,000	-
ICCB career and technical education	144,063	144,063	-
ICCB other	30,000	2,715	(27,285)
Total state governmental sources	1,651,773	1,624,488	(27,285)
Federal government sources:			
Other	123,000	142,500	19,500
Student tuition and fees:			
Tuition	4,092,200	4,251,799	159,599
Student fees	1,207,800	643,435	(564,365)
Total student tuition and fees	5,300,000	4,895,234	(404,766)
Other sources:			
Facilities rental	16,000	14,204	(1,796)
Interest on investments	450,000	492,373	42,373
Other revenue	487,228	131,601	(355,627)
Total other sources	953,228	638,178	(315,050)
Total revenues	$ 15,634,624	$ 15,080,903	$ (553,721)
Expenditures:			
Instruction:			
Salaries	6,732,614	6,657,227	(75,387)
Employee benefits	1,186,603	1,117,634	(68,969)
Contractual services	115,864	85,022	(30,842)
General materials and supplies	269,239	218,589	(50,650)
Conference and meetings expense	17,967	79,230	61,263
Fixed charges	9,350	6,820	(2,530)
Utilities	900	-	(900)
Capital outlay	39,540	29,419	(10,121)
Other	2,228	673	(1,555)
Total instruction	8,374,305	8,194,614	(179,691)

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget (Continued)

	Educational Fund		
Year Ended June 30, 2025	Original and Final Budget	Actual	Variance with Final Budget
Academic support:			
Salaries	813,821	716,608	(97,213)
Employee benefits	150,617	150,881	264
Contractual services	15,710	20,832	5,122
General materials and supplies	117,359	108,200	(9,159)
Conference and meetings expense	141,137	19,014	(122,123)
Capital outlay	3,134	467	(2,667)
Other	18	14	(4)
Total academic support	1,241,796	1,016,016	(225,780)
Student services:			
Salaries	1,158,110	1,110,718	(47,392)
Employee benefits	332,739	274,219	(58,520)
Contractual services	62,269	90,146	27,877
General materials and supplies	26,949	20,425	(6,524)
Conference and meetings expense	-	30,991	30,991
Fixed Charges	7,850	11,777	3,927
Capital outlay	360	-	(360)
Other	470	11,565	11,095
Total student services	1,588,747	1,549,841	(38,906)
Public services:			
Salaries	311,976	316,380	4,404
Employee benefits	37,606	17,481	(20,125)
Contractual services	751,000	366,591	(384,409)
General materials and supplies	52,012	26,716	(25,296)
Conference and meetings expense	36,800	24,811	(11,989)
Fixed Charges	24,650	13,174	(11,476)
Utilities	1,200	1,125	(75)
Other	7,500	4,256	(3,244)
Total public services	1,222,744	770,534	(452,210)
Institutional support:			
Salaries	1,625,102	1,422,273	(202,829)
Employee benefits	630,642	582,646	(47,996)
Contractual services	525,994	484,350	(41,644)
General materials and supplies	448,507	340,382	(108,125)
Conference and meetings expense	122,511	98,995	(23,516)
Fixed charges	91,460	84,023	(7,437)
Utilities	50,900	46,210	(4,690)
Capital outlay	6,209	20,639	14,430
Other	87,915	130,810	42,895
Total institutional support	3,589,240	3,210,328	(378,912)

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget (Continued)

	Educational Fund		
Year Ended June 30, 2025	Original and Final Budget	Actual	Variance with Final Budget
Scholarships, student grants, and waivers:			
Salaries	71,000	-	(71,000)
Other	514,500	519,185	4,685
Total scholarships, student grants, and waivers	585,500	519,185	(66,315)
Debt service:			
Principal and interest payments	-	36,875	36,875
Total expenditures	$ 16,602,332	$ 15,297,393	$ (1,304,939)
Other financing sources (uses):			
Transfers in	752,000	399,325	(352,675)
Transfers out	(450,000)	(450,000)	-
Total other financing sources (uses)	$ 302,000	$ (50,675)	$ (352,675)

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	General - Operations and Maintenance Fund - Unrestricted		
Year Ended June 30, 2025	Budget	Actual	Over (Under) Budget
Revenues:			
Local governmental sources:			
Current taxes	$ 962,273	$ 1,025,334	$ 63,061
Back taxes	907,805	915,559	7,754
Total local governmental sources	1,870,078	1,940,893	70,815
Other sources:			
Facilities rental	96,343	90,391	(5,952)
Other revenue	20,300	23,853	3,553
Total other sources	116,643	114,244	(2,399)
Total revenues	$ 1,986,721	$ 2,055,137	$ 68,416
Expenditures			
Operation and maintenance of plant:			
Salaries	753,523	701,440	(52,083)
Employee benefits	211,498	197,953	(13,545)
Contractual services	140,450	127,608	(12,842)
General materials and supplies	181,607	132,589	(49,018)
Conference and meeting expense	-	136	136
Utilities	878,541	766,929	(111,612)
Other	(308,809)	(278,464)	30,345
Total expenditures	$ 1,856,810	$ 1,648,191	$ (208,619)
Other financing sources (uses)			
Transfers out	-	(200,000)	(200,000)
Total financing sources (uses)	$ -	$ (200,000)	$ (200,000)

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	Special Revenue - Restricted Purpose Fund		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Revenues:			
State governmental sources:			
State adult education and family literacy	$ 134,038	$ 134,763	$ 725
SOS adult volunteer literacy	81,150	81,150	-
SURS on-behalf	-	4,818,866	4,818,866
CIP on-behalf	-	(1,241,387)	(1,241,387)
Other state services	795,582	604,896	(190,686)
Total state government sources	1,010,770	4,398,288	3,387,518
Federal governmental sources:			
Federal basic adult education and family literacy	83,667	83,667	-
CTE Perkins	141,911	141,911	-
TRIO student support services	344,538	342,859	(1,679)
TRIO upward bound	297,601	640,026	342,425
TRIO educational opportunity center	241,332	185,707	(55,625)
College work study	83,945	87,180	3,235
SEOG	46,922	46,922	-
Direct federal loan program	385,000	344,572	(40,428)
Pell	2,112,750	2,612,281	499,531
RSVP	56,956	56,993	37
Other federal sources	376,870	190,961	(185,909)
Total state government sources	4,171,492	4,733,079	561,587
Student tuition and fees:			
Technology Fee	750,000	746,771	(3,229)
Total student tuition and fees	750,000	746,771	(3,229)
Other sources:			
Sales and services	-	384	384
Investment income	50,000	62,284	12,284
Nongovernmental grants and gifts	37,386	472,401	435,015
Other income	423,316	632,448	209,132
Total other sources	510,702	1,167,517	656,815
Total revenues	$ 6,442,964	$ 11,045,655	$ 4,602,691

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget (Continued)

	Special Revenue - Restricted Purpose Fund		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Expenditures:			
Instruction:			
Salaries	485,338	431,909	(53,429)
Employee benefits	131,980	1,998,137	1,866,157
Contractual services	110,087	52,560	(57,527)
General materials and supplies	74,509	80,779	6,270
Conference and meetings expense	58,470	24,450	(34,020)
Fixed Charges	-	1,390	1,390
Capital outlay	235,273	543,654	308,381
Other	155,715	54,235	(101,480)
Total instruction	1,251,372	3,187,114	1,935,742
Academic support:			
Employee benefits	-	194,034	194,034
Total academic support	-	194,034	194,034
Student services:			
Salaries	637,149	619,321	(17,828)
Employee benefits	180,624	632,410	451,786
Contractual services	137,706	122,951	(14,755)
General materials and supplies	52,884	99,627	46,743
Conference and meetings expense	63,554	301,211	237,657
Capital outlay	3,500	4,023	523
Other	103,485	123,402	19,917
Total student services	1,178,902	1,902,945	724,043
Public services:			
Salaries	62,299	56,889	(5,410)
Employee benefits	9,704	120,113	110,409
Contractual services	3,309	-	(3,309)
General materials and supplies	8,227	6,247	(1,980)
Conference and meetings expense	12,711	16,782	4,071
Fixed Charges	24,108	24,522	414
Utilities	4,152	4,152	-
Capital outlay	3,610	-	(3,610)
Other	2,316	1,339	(977)
Total public services	130,436	230,044	99,608

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget (Continued)

	Special Revenue - Restricted Purpose Fund		
Year Ended June 30, 2025	**Budget**	**Actual**	**Over (Under) Budget**
Auxiliary services:			
Employee benefits	-	224,598	224,598
Contractual services	-	35,046	35,046
General materials and supplies	-	1,087	1,087
Total auxiliary services	-	260,731	260,731
Institutional support:			
Salaries	406,747	452,657	45,910
Employee benefits	94,315	606,531	512,216
Contractual services	890,584	183,108	(707,476)
General materials and supplies	82,139	18,378	(63,761)
Conference and meetings expense	28,653	5,675	(22,978)
Fixed charges	500	-	(500)
Principal	-	396,232	396,232
Interest, service charges, and issuance costs	-	48,612	48,612
Capital outlay	504,273	1,018,215	513,942
Other	1,548	(37)	(1,585)
Total institutional support	2,008,759	2,729,371	720,612
Scholarships, student grants, and waivers:			
Other	2,832,625	3,237,159	404,534
Total scholarships, student grants, and waivers	2,832,625	3,237,159	404,534
Operations and maintenance:			
Employee benefits	-	287,218	287,218
Total operations and maintenance	-	287,218	287,218
Total expenditures	$ 7,402,094	$ 12,028,616	$ 4,626,522
Other financing sources (uses):			
Issuance of debt	-	691,446	691,446
Transfers in	-	495,518	495,518
Transfers out	(477,000)	(495,518)	(18,518)
Total other financing sources (uses)	$ (477,000)	$ 691,446	$ 1,168,446

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	Special Revenue - Audit Fund		
Year Ended June 30, 2025	Budget	Actual	Over (Under) Budget
Revenues:			
Local governmental sources:			
Current taxes	$ 40,000	$ 40,330	$ 330
Back taxes	37,000	37,355	355
Total local governmental sources	77,000	77,685	685
Total revenues	$ 77,000	$ 77,685	$ 685
Expenditures			
Institutional support:			
Contractual services	77,000	69,000	8,000
Total institutional support	77,000	69,000	8,000
Total expenditures	$ 77,000	$ 69,000	$ 8,000

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

Year Ended June 30, 2025	Special Revenue - Liability, Protection, and Settlement Fund		
	Budget	Actual	Over (Under) Budget
Revenues:			
Local governmental sources:			
Current taxes	$ 722,500	$ 727,577	$ 5,077
Back taxes	697,500	703,515	6,015
Total local governmental sources	1,420,000	1,431,092	11,092
Other revenue	-	16	16
Total other sources	-	16	16
Total revenues	$ 1,420,000	$ 1,431,108	$ 11,108
Expenditures			
Operation and maintenance of plant:			
Salaries	350,813	357,247	6,434
Employee benefits	75,158	78,027	2,869
Contractual services	261,200	239,480	(21,720)
General materials and supplies	-	775	775
Total operation and maintenance of plant	687,171	675,529	(11,642)
Institutional support:			
Salaries	5,000	6,048	1,048
Employee benefits	234,600	238,564	3,964
Contractual services	195,725	131,823	(63,902)
General materials and supplies	17,525	12,481	(5,044)
Travel, conference and meeting expense	39,675	2,205	(37,470)
Fixed charges	303,000	286,799	(16,201)
Utilities	25,000	23,607	(1,393)
Other	-	15,804	15,804
Total institutional support	820,525	717,331	(103,194)
Total expenditures	$ 1,507,696	$ 1,392,860	$ (114,836)

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	Special Revenue - Working Cash Fund		
Year Ended June 30, 2025	Budget	Actual	Over (Under) Budget
Revenues:			
Other sources:			
Interest on investments	300,000	420,777	120,777
Total revenues	$ 300,000	$ 420,777	$ 120,777
Expenditures			
Other	25,000	21,452	(3,548)
Total expenditures	$ 25,000	$ 21,452	$ (3,548)
Other financing sources (uses):			
Transfers out	(275,000)	(399,325)	(124,325)
Total financing sources (uses)	$ (275,000)	(399,325)	$ (124,325)

Highland Community College District #519

Schedule of Tort Expenditures

Year Ended June 30, 2025

Risk management related salaries and benefits	$	634,775
Insurance		331,910
Security and safety related		408,834
Principal and interest		17,341
Total tort expenditures	$	1,392,860

Highland Community College District #519

Schedules of Revenues and Expenditures Compared to Budget

	Capital Projects Operations and Maintenance Fund - Restricted		
Year Ended June 30, 2025	Budget	Actual	Over (Under) Budget
Revenues:			
Local governmental sources:			
Current taxes	$ 1,242,500	$ 1,252,025	$ 9,525
Total local governmental sources	1,242,500	1,252,025	9,525
Other sources:			
Other gifts/revenue	-	5,214	5,214
Interest on investments	200,000	308,208	108,208
Total other sources	200,000	313,422	113,422
Total revenues	$ 1,442,500	$ 1,565,447	$ 122,947
Expenditures			
Instruction:			
Total instruction	-	-	-
Operations and maintenance:			
Contractual services	23,402	94,162	70,760
Capital outlay	6,304,666	2,510,616	(3,794,050)
Total operations and maintenance	6,328,068	2,604,778	(3,723,290)
Institutional support:			
Contractual services	179,443	(28,173)	(207,616)
General materials and supplies	-	45	45
Capital outlay	1,883,775	749,358	(1,134,417)
Other	-	226,123	226,123
Total institutional support	2,063,218	947,353	(1,115,865)
Total expenditures	$ 8,391,286	$ 3,552,131	$ (4,839,155)
Other financing sources (uses)			
Transfers in	-	286,174	286,174
Transfers out	-	(86,174)	(86,174)
Total financing sources (uses)	$ -	200,000	$ 200,000

Highland Community College District #519

Schedule of Assessed Valuations, Rates, and Taxes Extended

	2024 Levy	2023 Levy	2022 Levy
Assessed valuations	$ 2,734,223,895	$ 2,420,812,471	$ 2,123,331,497
Tax Rates (per $100 of assessed valuation)			
Educational Fund	0.2800	0.2802	0.2800
Operations and Maintenance Fund	0.0750	0.0750	0.0750
Insurance	0.0452	0.0510	0.0577
Audit Fund	0.0029	0.0031	0.0032
Protection, Health & Safety	0.0471	0.0496	0.0467
Bond and Interest	0.0703	0.0776	0.0862
Social Security	0.0077	0.0066	0.0075
Totals	0.5282	0.5431	0.5563
Tax Extended			
Educational Fund	$ 7,655,828	$ 6,778,275	$ 5,995,728
Operations and Maintenance Fund	2,050,668	1,815,609	1,605,999
Education and O&M Additional	(25,919)	(1,255)	(6,142)
Insurance	1,243,386	1,245,183	1,235,881
Audit Fund	80,585	74,702	68,181
Protection, Health & Safety	1,293,681	1,206,721	1,000,694
Bond and Interest	1,941,050	1,902,360	1,855,936
Social Security	211,602	161,404	160,241
Totals	$ 14,450,881	$ 13,182,999	$ 11,916,518

Highland Community College District #519

Schedule of Assessed Valuations and Tax Extensions by County

	2024 Levy	2023 Levy	2022 Levy
Assessed valuations			
Carroll	430,278,921	378,674,688	324,073,797
Jo Daviess	1,134,198,441	999,349,867	865,390,839
Ogle	204,508,465	185,818,369	168,103,316
Stephenson	965,238,068	856,969,547	765,763,515
Totals	$ 2,734,223,895	$ 2,420,812,471	$ 2,123,331,467
Tax extensions			
Educational			
Carroll	1,204,781	1,060,289	957,807
Jo Daviess	3,175,756	2,798,180	2,423,094
Ogle	572,624	520,291	470,689
Stephenson	2,702,667	2,399,515	2,144,138
Totals	$ 7,655,828	$ 6,778,275	$ 5,995,728
Operation and maintenance			
Carroll	$ 322,709	$ 284,006	$ 256,555
Jo Daviess	850,649	749,512	649,043
Ogle	153,381	139,364	126,078
Stephenson	723,929	642,727	574,323
Totals	$ 2,050,668	$ 1,815,609	$ 1,605,999
Insurance			
Carroll	194,658	195,699	197,308
Jo Daviess	515,833	516,264	499,936
Ogle	96,221	95,994	96,945
Stephenson	436,674	437,226	441,692
Totals	$ 1,243,386	$ 1,245,183	$ 1,235,881
Audit			
Carroll	12,607	11,739	10,878
Jo Daviess	33,459	30,980	27,606
Ogle	6,238	5,760	5,346
Stephenson	28,281	26,223	24,351
Totals	$ 80,585	$ 74,702	$ 68,181
Protection, Health & Safety			
Carroll	202,533	189,337	159,748
Jo Daviess	536,703	499,675	404,830
Ogle	100,107	92,909	78,504
Stephenson	454,338	424,800	357,612
Totals	$ 1,293,681	$ 1,206,721	$ 1,000,694

Highland Community College District #519

Schedule of Assessed Valuations and Tax Extensions by County

	2024 Levy	2023 Levy	2022 Levy
Bond and Interest			
Carroll	303,992	299,115	296,407
Jo Daviess	805,621	789,087	751,073
Ogle	149,496	145,979	144,922
Stephenson	681,941	668,179	663,534
Totals	$ 1,941,050	$ 1,902,360	$ 1,855,936
Social Security			
Carroll	33,131	25,371	25,587
Jo Daviess	87,787	66,956	64,818
Ogle	16,361	12,431	12,557
Stephenson	74,323	56,646	57,279
Totals	$ 211,602	$ 161,404	$ 160,241
Prior Year Adjustment			
Carroll	-	-	(1,539)
Jo Daviess	(21,890)	(2,798)	(3,981)
Ogle	(4,029)	-	(622)
Stephenson	-	1,543	-
Totals	$ (25,919)	$ (1,255)	$ (6,142)
Totals	$ 14,450,881	$ 13,182,999	$ 11,916,518

Highland Community College District #519

Summary Schedule of Taxes Receivable and Tax Collections

	Levy Valuation	Assessed Rate	Combined Taxes Extended	Total Collected to June 30, 2024	Collected During Year Ended June 30, 2025	Total Collected to June 30, 2025	Percent Collected to June 30, 2024	Allowance for Uncollectible Taxes	Balance After Allowance
2023	$ 2,420,812,471	0.5430	$ 13,182,999	$ 2,108,388	$ 11,088,872	$ 13,197,260	99.80 %	$ -	$ (14,261)
2024	2,734,223,895	0.5282	14,450,881	-	2,288,216	2,288,216	16.02 %	-	12,162,665
Totals				$ 2,108,388	$ 13,377,088	$ 15,485,476	115.82 %	$ -	$ 12,148,404

	Uncollected June 30, 2025
Education	$ 6,423,972
Operations and Maintenance	1,726,570
Insurance	1,046,992
Audit	67,912
Protection, Health & Safety	1,089,322
Bond and Interest	1,635,177
Social Security	178,182
Total	$ 12,168,127

Highland Community College District #519

Schedule of Legal Debt Margin

Assessed valuation - 2024 levy	$	2,734,223,895
Debt limit, 2.875% of assessed valuation		78,608,937
Total long-term debt		8,437,053
Legal debt margin	$	70,171,884

Supplemental Financial Information

Highland Community College District #519

Supplemental Financial Information

Uniform Financial Statements

The Uniform Financial Statements are required by the Illinois Community College Board for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a District's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net position, the Uniform Financial Statements are completed using the modified accrual basis of accounting and a current financial resource measurement focus.

The Uniform Financial Statements include the following:

No. 1 - All Funds Summary
No. 2 - Summary of Capital Assets and Long-Term Debt
No. 3 - Operating Funds Revenues and Expenditures
No. 4 - Restricted Purposes Fund Revenues and Expenditures
No. 5 - Current Funds Expenditures by Activity

Certification of Per Capita Cost

No. 6 - Certification of Per Capita Cost

Highland Community College District #519

Uniform Financial Statement #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
Fund balance (deficit), beginning of year	$ 4,978,069	$ 2,684,611	$ 9,590,651	$ 814,603	$ 1,013,260
Revenues:					
Local tax revenue	7,780,503	1,940,893	1,252,025	1,913,392	-
ICCB Grants	1,621,773	-	-	-	-
All other state revenue	2,715	-	-	-	-
Federal revenue	142,500	-	-	-	-
Student tuition and fees	4,895,234	-	-	-	655,956
On-Behalf CIP	-	-	-	-	-
On-Behalf SURS	-	-	-	-	-
All other revenue	638,178	114,244	313,422	-	791,619
Total revenues	15,080,903	2,055,137	1,565,447	1,913,392	1,447,575
Expenditures:					
Instruction	8,194,614	-	-	-	-
Academic support	1,016,016	-	-	-	-
Student services	1,549,841	-	-	-	-
Public service/continuing education	770,534	-	-	-	21,317
Auxiliary services	-	-	-	-	1,489,446
Operations and maintenance	-	1,648,191	2,604,778	-	-
Institutional support	3,247,203	-	947,353	1,846,578	-
Scholarships, grants, waivers	519,185	-	-	-	49,867
Total expenditures	15,297,393	1,648,191	3,552,131	1,846,578	1,560,630
Other financing sources					
Transfers in	399,325	-	286,174	-	464,658
Transfers out	(450,000)	(200,000)	(86,174)	-	(14,658)
Issuance of debt	-	-	-	-	-
Total other financing sources	(50,675)	(200,000)	200,000	-	450,000
Fund balance (deficit), end of year	$ 4,710,904	$ 2,891,557	$ 7,803,967	$ 881,417	$ 1,350,205

Highland Community College District #519

Uniform Financial Statement #1 - All Funds Summary

Year Ended June 30, 2025	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection Settlement Fund	Total
Fund balance (deficit), beginning of year	$ 2,927,404	$ 10,339,999	$ -	$ 494,535	$ 32,843,132
Revenues:					
Local tax revenue	-	-	77,685	1,431,092	14,395,590
ICCB Grants	534,280	-	-	-	2,156,053
All other state revenue	286,529	-	-	-	289,244
Federal revenue	4,733,079	-	-	-	4,875,579
Student tuition and fees	746,771	-	-	-	6,297,961
On-Behalf CIP	(1,241,387)	-	-	-	(1,241,387)
On-Behalf SURS	4,818,866	-	-	-	4,818,866
All other revenue	1,167,517	420,777	-	16	3,445,773
Total revenues	11,045,655	420,777	77,685	1,431,108	35,037,679
Expenditures:					
Instruction	3,187,114	-	-	-	11,381,728
Academic support	194,034	-	-	-	1,210,050
Student services	1,902,945	-	-	-	3,452,786
Public service/continuing education	230,044	-	-	-	1,021,895
Auxiliary services	260,731	-	-	-	1,750,177
Operations and maintenance	287,218	-	-	675,529	5,215,716
Institutional support	2,729,371	21,452	69,000	717,331	9,578,288
Scholarships, grants, waivers	3,237,159	-	-	-	3,806,211
Total expenditures	12,028,616	21,452	69,000	1,392,860	37,416,851
Other financing sources					
Transfers in	495,518	-	-	-	1,645,675
Transfers out	(495,518)	(399,325)	-	-	(1,645,675)
Issuance of debt	691,446	-	-	-	691,446
Total other financing sources	691,446	(399,325)	-	-	691,446
Fund balance (deficit), end of year	$ 2,635,889	$ 10,339,999	$ 8,685	$ 532,783	$ 31,155,406

Highland Community College District #519

Uniform Financial Statement #2

Summary of Capital Assets and Long-Term Debt

Year Ended June 30, 2025	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
Capital assets:					
Sites and improvements	$ 4,334,587	$ 366,217	$ -	$ -	$ 4,700,804
Construction in progress	407,335	714,730	-	(407,335)	714,730
Buildings, additions and improvements	34,109,171	2,193,510	-	407,335	36,710,016
Vehicles	765,866	159,746	-	-	925,612
Equipment and technology	6,878,368	576,633	123,739	-	7,331,262
Subscription assets	1,909,514	561,903	212,748	-	2,258,669
Lease assets	-	296,687	-	-	296,687
Total capital assets	48,404,841	4,869,426	336,487	-	52,937,780
Accumulated depreciation and amortization	25,339,693	1,923,587	245,663	-	27,017,617
Total net capital assets	$ 23,065,148	$ 2,945,839	$ 90,824	$ -	$ 25,920,163
Long-term debt:					
Bonds payable	$ 8,350,000	$ -	$ 1,470,000	$ -	$ 6,880,000
Net OPEB CIP liability	3,726,702	-	188,297	-	3,538,405
Accrued compensated absences	243,185	1,277,028	-	-	1,520,213
Contracts payable	71,494	-	71,494	-	-
Unamortized premium on bonds	535,099	-	188,147	-	346,952
Subscription liability	1,270,450	394,759	455,108	-	1,210,101
Lease obligations	-	296,687	49,184	-	247,503
Total long-term debt	$ 14,196,930	$ 1,968,474	$ 2,422,230	$ -	$ 13,743,174

Highland Community College District #519

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures

Year Ended June 30, 2025	Education	Operations and Maintenance	Total
Revenues:			
Local government:			
Local taxes	$ 7,232,872	$ 1,940,893	$ 9,173,765
CPPRT	547,631	-	547,631
Total local government	7,780,503	1,940,893	9,721,396
State government:			
ICCB base operating grant	1,427,710	-	1,427,710
ICCB equalization grants	50,000	-	50,000
ICCB - Career and Technical Education	144,063	-	144,063
Other State not listed above	2,715	-	2,715
Total state government	1,624,488	-	1,624,488
Federal government:			
Department of Education	142,500	-	142,500
Total federal government	142,500	-	142,500
Student tuition and fees:			
Tuition	4,251,799	-	4,251,799
Fees	643,435	-	643,435
Total tuition and fees	4,895,234	-	4,895,234
Other sources:			
Sales and service fees	47,974	-	47,974
Facilities revenue	14,204	90,391	104,595
Investment income	492,373	-	492,373
Nongovernmental grants	41,809	-	41,809
Other revenue	41,818	23,853	65,671
Total other sources	638,178	114,244	752,422
Total revenue	$ 15,080,903	$ 2,055,137	$ 17,136,040

Highland Community College District #519

Uniform Financial Statement #3

Operating Funds Revenues and Expenditures (Continued)

Year Ended June 30, 2025	Education	Ops and Maint	Total
Operating expenses:			
By program:			
Instruction	$ 8,194,614	$ -	$ 8,194,614
Academic support	1,016,016	-	1,016,016
Student services	1,549,841	-	1,549,841
Public service	770,534	-	770,534
Operations and maintenance	-	1,648,191	1,648,191
Institutional support	3,247,203	-	3,247,203
Scholarships, student grants, and waivers	519,185	-	519,185
Total expenditures	15,297,393	1,648,191	16,945,584
Less nonoperating items:*			
Transfers to non-operating funds	(50,675)	(200,000)	(250,675)
Adjusted expenditures	$ 15,348,068	$ 1,848,191	$ 17,196,259
By object:			
Salaries	10,223,206	701,440	10,924,646
Employee benefits	2,142,861	197,953	2,340,814
Contractual services	1,046,941	127,608	1,174,549
General materials and supplies	714,312	132,589	846,901
Travel, conference and meeting expense	253,041	136	253,177
Fixed Charges	115,794	-	115,794
Utilities	47,335	766,929	814,264
Capital outlay	50,525	-	50,525
Principal Retirement	36,509	-	36,509
Interest, service charges, and issuance costs	366	-	366
Other	666,503	(278,464)	388,039
Total expenditures	15,297,393	1,648,191	16,945,584
Less nonoperating items:*			
Transfers to non-operating funds	(50,675)	(200,000)	(250,675)
Adjusted expenditures	$ 15,348,068	$ 1,848,191	$ 17,196,259

* Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

Highland Community College District #519

Uniform Financial Statement #4

Restricted Purposes Fund Revenues and Expenditures

Year Ended June 30, 2025

Revenue by source:		
State government:		
ICCB - Adult Education	$	134,763
ICCB - Other		399,517
On-behalf CIP		(1,241,387)
On-behalf SURS		4,818,866
Other		286,529
Total state government		4,398,288
Federal government:		
Department of Education		4,551,723
Other		181,356
Total federal government		4,733,079
Other sources:		
Student tuition and fees		746,771
Sales and service fees		384
Investment income		62,284
Nongovernmental grants and gifts		472,401
Other revenue		632,448
Total other sources		1,914,288
Total restricted purposes fund revenues	$	11,045,655
Expenditures by program:		
Instruction		3,187,114
Academic support		194,034
Student services		1,902,945
Public service		230,044
Auxiliary services		260,731
Operations and maintenance		287,218
Institutional support		2,729,371
Scholarships, student grants, and waivers		3,237,159
Total restricted purposes fund expenditures by program	$	12,028,616
Expenditures by object:		
Salaries		1,560,776
Employee benefits		4,063,041
Contractual services		393,665
General materials and supplies		206,118
Travel, conference and meeting expense		348,118
Fixed Charges		25,912
Utilities		4,152
Capital outlay		1,565,892
Principal Retirement		396,232
Interest, service charges, and issuance costs		48,612
Other		3,416,098
Total restricted purposes fund expenditures by object	$	12,028,616

Highland Community College District #519

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity

Year Ended June 30, 2025

Instruction:	
Instructional programs	$ 11,381,728
Total instruction	11,381,728
Academic support:	
Library Center	370,962
Instructional Materials Center	83,354
Educational Media Center	493,548
Academic Computing Support	68,152
Other Academic Support	194,034
Total academic support	1,210,050
Student services:	
Admissions & Records	390,179
Counseling & Career Guidance	1,213,540
Financial Aid Administration	460,075
Other Student Services	1,388,992
Total student services	3,452,786
Public service/continuing education:	
Community Education	164,793
Community Services	746,656
Other Public Services	110,446
Total public service/continuing education	1,021,895
Auxiliary	1,750,177

Highland Community College District #519

Uniform Financial Statement #5

Current Funds* - Expenditures by Activity (Continued)

Year Ended June 30, 2025

Operations and maintenance of plant:	
Maintenance	33,215
Custodial Services	561,621
Grounds	131,812
Campus Security	675,529
Transportation	53,711
Plant Utilities	763,155
Administration	104,677
Other Op & Maintenance	287,218
Total operations and maintenance of plant	2,610,938
Institutional support:	
Executive Management	379,979
Fiscal Operations	1,333,840
Community Relations	441,324
Administrative Support Services	451,788
Board of Trustees	322,684
Institutional Research	203,263
Administrative Data Processing	1,963,860
Other Institutional Support	551,248
Total institutional support	5,647,986
Scholarships, Grants, Waivers	3,806,211
Total current funds expenditures	$ 30,881,771

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

Highland Community College District #519

Fiscal Year 2026 Certification of Per Capita Cost
For Fiscal Year Ended June 30, 2025

Year Ended June 30, 2025

All fiscal year 2025 noncapital audited operating expenditures from the following funds:

1.	Education Fund	15,219,075	
2.	Operations and Maintenance Fund	1,648,191	
4.	Bond and Interest Fund	458,542	
6.	Restricted Purposes Fund	6,721,878	
7.	Audit Fund	69,000	
8.	Liability, Protection, and Settlement Fund	1,377,056	
10.	Total noncapital expenditures (sum of lines 1-9)		$ 25,493,742
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 1,627,273	
12.	Total costs included (line 10 plus line 11)		$ 27,121,015
13.	Total certified semester credit hours for FY2025	28,121	
14.	Per capita cost (line 12 divided by line 13)		$ 964.44

Approved: Jill Janssen — Chief Financial Officer — 11/12/2025 Date

Chris Kulewski — President — 11/12/2025 Date

ICCB State Grant Financial Compliance Section

WIPFLI

Independent Auditor's Report on State Adult Education and Family Literacy Grants Financial Statements

Board of Trustees
Highland Community College District #519
Freeport, Illinois

Opinion

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Highland Community College District #519 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Highland Community College District #519 as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's (ICCB) *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 State Adult Education and Family Literacy Grants of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants of Highland Community College District #519 are intended to present the financial position, the changes in financial position of only that portion of the State Adult Education and Family Literacy Grants that is attributable to the transactions of this grant. They do not purport to, and do not, present fairly the financial position of Highland Community College District #519, as of June 30, 2025, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 and any significant deficiencies and material weaknesses in internal control over compliance 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 12, 2025

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WIPFLI

Independent Auditor's Report on Compliance with State Requirements for State Adult Education and Family Literacy Grants

Board of Trustees
Highland Community College District #519
Freeport, Illinois

We have examined management of Highland Community College District #519 assertion that Highland Community College District #519 complied with grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to State Adult Education and Family Literacy Grants included in the accompanying financial statements of the State Adult Education and Family Literacy Grants Program of Highland Community College District #519 (the "District"), which comprise of the balance sheet as of June 30, 2025, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about District's compliance with the specified requirements based on our examination.

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

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

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

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In our opinion, management's assertion that District complied with the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual, insofar as they relate to State Adult Education and Family Literacy Grants included in the accompanying financial statements of the State Adult Education and Family Literacy Grants Program of Highland Community College District #519 (the "District"), which comprise of the balance sheet as of June 30, 2025, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements is fairly stated, in all material respects.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 12, 2025

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Highland Community College District #519

Balance Sheet - State Adult Education and Family Literacy Funds

As of June 30, 2025	State Basic	Performance	Total
Assets			
Accounts receivable	$ -	$ -	$ -
Liabilities and Fund Balance			
Fund balances	-	-	$ -
Total liabilities and fund balances	$ -	$ -	$ -

See Notes to ICCB Grant Programs Financial Statements.

Highland Community College District #519

Statement of Revenues, Expenditures and Changes in Fund Balance
State Adult Education and Literacy Funds

Year Ended June 30, 2025	State Basic	Performance	Total
Revenues:			
State sources	$ 110,648	$ 24,115	$ 134,763
Expenditures:			
Personnel wages	63,023	23,359	86,382
Fringe benefits	44,733	-	44,733
Travel	690	-	690
Supplies	1,285	756	2,041
Training and education	909	-	909
Miscellaneous	8	-	8
Total expenditures	110,648	24,115	134,763
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

See Notes to ICCB Grant Programs Financial Statements.

Highland Community College District #519

Statement of ICCB Compliance -State Adult Education and Family Literacy Restricted Funds

Year Ended June 30, 2025

State Basic	Audited Expenditure Amount	Actual Expenditure Percentage
Instruction (45% minimum required)	$ 57,115	51.62 %

Note 1: Summary of Significant Accounting Policies

General

The accompanying statements include only those transactions resulting from the State Adult Education & Family Literacy grant programs. These transactions have been accounted for in the District's Restricted Purpose Fund.

Basis of Accounting

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2025. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2025 are recorded as encumbrances. Unexpended funds are reflected as a reduction to fund balance and a liability due to the ICCB by October 15.

Fixed Assets

Capital asset purchases are recorded as capital outlay. However, for the Statement of Net Position for the District as a whole, capital assets are capitalized.

Note 2: Payment of Prior Year's Encumbrances

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

Highland Community College District #519

Background Information on State Grants

Unrestricted Grants

Base Operating Grants - General operating funds provided to colleges are based upon credit enrollment.

Small College Grants - Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. They are intended to help small colleges pay for some of the "fixed costs" of operating a smaller institution.

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

Statewide Initiatives

Special Incentive Grants - A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

Other Grants - These other grants are additional contractual grants provided for special or specific system related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

Restricted Grants/State

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

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

Schedule of Credit Hour Data

WIPFLI

Independent Accountant's Report on Credit Hour Data and Other Bases Upon Which Claims are Filed

Board of Trustees
Highland Community College District #519
Freeport, Illinois

We have examined management of Highland Community College District #519 (the "District")'s assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Credit Hour Data and Other Bases Upon Which Claims Are Filed of Highland Community College District #519 during the period July 1, 2024 through June 30, 2025. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance with the specified requirement based on our examination.

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

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

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

In our opinion, management's assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Credit Hour Data and Other Bases Upon Which Claims Are Filed of Highland Community College District #519 is fairly stated, in all material respects.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 12, 2025

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Highland Community College District #519

Schedule of Credit Hour Data and Other Bases
Upon Which Claims are Filed
For the year ended June 30, 2025

Total Reimbursable Semester Credit Hours by Term

Credit Hour Categories	Summer Term Unrestricted Hours	Summer Term Restricted Hours	Fall Term Unrestricted Hours	Fall Term Restricted Hours	Spring Term Unrestricted Hours	Spring Term Restricted Hours	Total All Terms Unrestricted Hours	Total All Terms Restricted Hours
Baccalaureate	1,682.0	45.0	7,743.0	31.0	7,642.0	55.0	17,067.0	131.0
Business Occupational	255.0	0.0	800.0	0.0	921.0	0.0	1,976.0	0.0
Technical Occupational	295.0	0.0	1,616.0	12.0	2,186.0	12.0	4,097.0	24.0
Health Occupational	320.0	0.0	803.0	0.0	1,359.0	0.0	2,482.0	0.0
Remedial/Developmental	52.0	56.0	424.0	78.0	382.0	56.0	858.0	190.0
Adult Education	0.0	0.0	0.0	715.0	0.0	581.0	0.0	1,296.0
	2,604.0	101.0	11,386.0	836.0	12,490.0	704.0	26,480.0	1,641.0

	In-District (All Terms) Unrestricted Hours	In-District (All Terms) Restricted Hours	Dual Credit (All Terms) Unrestricted Hours	Dual Credit (All Terms) Restricted Hours	Dual Enrollment (All Terms) Unrestricted Hours	Dual Enrollment (All Terms) Restricted Hours
Reimbursable Credit Hours:	22,035.0	1,612.0	3,883.0	0.0	615.0	4.0

Credit hours on chargeback or contractual agreement: 128.0

District equalized assessed valuation: $2,734,223,895

Correctional Semester Credit Hours by Term

Credit Hour Categories	Summer Correctional Hours	Fall Correctional Hours	Spring Correctional Hours	Total Correctional Hours
Baccalaureate	24.0	35.0	0.0	59.0
Business Occupational	0.0	21.0	0.0	21.0
Technical Occupational	93.0	0.0	0.0	93.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0
	117.0	56.0	0.0	173.0

Signature: Chris Kuberski
President

Signature: Jill Janssen
Chief Financial Officer

See Notes to Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed.

Highland Community College District #519

Reconciliation of Total Semester Credit Hours
For the year ended June 30, 2025

Credit Hour Categories	Total Reimbursable Semester Credit Hours					
	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	17,067.0	17,067.0	0.0	131.0	131.0	0.0
Business Occupational	1,976.0	1,976.0	0.0	0.0	0.0	0.0
Technical Occupational	4,097.0	4,097.0	0.0	24.0	24.0	0.0
Health Occupational	2,482.0	2,482.0	0.0	0.0	0.0	0.0
Remedial/Developmental	858.0	858.0	0.0	190.0	190.0	0.0
Adult Education	0.0	0.0	0.0	1,296.0	1,296.0	0.0
Total:	26,480.0	26,480.0	0.0	1,641.0	1,641.0	0.0

	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
In-District Credit Hours:	22,035.0	22,035.0	0.0	1,612.0	1,612.0	0.0
Dual Credit Hours:	3,883.0	3,883.0	0.0	0.0	0.0	0.0
Dual Enrollment Hours:	615.0	615.0	0.0	0.0	0.0	0.0

Credit Hour Categories	Total Correctional Semester Credit Hours					
	Total Reported in Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Difference	Total Reported in Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	59.0	59.0	0.0	0.0	0.0	0.0
Business Occupational	21.0	21.0	0.0	0.0	0.0	0.0
Technical Occupational	93.0	93.0	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0	0.0	0.0
Total:	173.0	173.0	0.0	0.0	0.0	0.0

See Notes to Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed.

Highland Community College District #519

Note to Schedule of Credit Hour Data and Other Bases Upon Which Claims are Filed

Note 1: Residency Verification Process

Procedures for Verifying and Classifying Residency

Every credit student must submit an application to the District which contains biographic and demographic information. The student signs the application verifying the accuracy of the information and the ability to provide documentation to verify it. The District will use the data contained in the application and on the subsequent enrollment forms to determine residency.

In order to be classified as in-district for tuition, the student must indicate one or more of the following:

- Current residence for at least 30 days at an in-district address
- Permanent residence at an in-district address
- Graduation from or current enrollment in an in-district high school
- Current enrollment at another institution of higher education located in-district
- Although the student resides out-of-district, the student or his parent or guardian maintains full-time employment in-district
- Although the student resides out-of-district, the student owns land and pays taxes in-district.

In the case of an address change, a student will submit the change in writing to the Records Department or via the self-service address change in our online system.

The student's signature on the forms mentioned above indicates that he/she is able to produce appropriate documentation to verify residency in-district. Proper documentation includes one or more of the following:

- Driver's license
- State-issued ID
- Voter registration card
- Utility bill
- Bank statement
- ID card from another institution of higher education in district
- Progress summary from another institution of higher education in district
- Home/apartment lease
- Cell phone bill

WIPFLI

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*

Board of Trustees
Highland Community College District #519
Freeport, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Highland Community College District #519 (the "District"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2025.

The financial statements of Highland Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Highland Community College Foundation. Our report includes a reference to other auditors who audited the financial statements of Highland Community College Foundation, as described in our report on the District's financial statements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Highland Community College District #519'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
November 12, 2025

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