MCHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2024

McHenry County College Community College District Number 528

McHenry County College

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE
DISTRICT NUMBER 528
Crystal Lake, Illinois

Annual Comprehensive
Financial Report
Fiscal Years Ended June 30, 2024 and 2023

Prepared by:
Finance Office

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McHenry County College | 8900 U.S. Highway 14 | Crystal Lake, Illinois 60012-2761 | (815) 455-3700 | www.mchenry.edu

January 29, 2025

To the Citizens of McHenry County College - Community College District Number 528:

The Annual Comprehensive Financial Report for McHenry County College - Community College District Number 528 (the College), Counties of McHenry, Boone, Kane, and Lake, State of Illinois, for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

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

BACKGROUND INFORMATION

History

McHenry County College (the College) was the 28th community college established in Illinois with the passage of a referendum on April 1, 1967. After 17 months of organizational meetings, the first seven-member Board of Trustees opened the College's doors to 312 full-time and 1,045 part-time students at its original site, a rented oil company laboratory in Crystal Lake.

In December 1971, residents voted to accept a proposal to purchase the present 68-acre site known as the Weber farm for a new campus facility. Building plans were finalized and groundbreaking ceremonies were held on March 10, 1974.

In September 1975, the College occupied the Applied Science Building. By May 1976, the College vacated its original campus and made its move to the Main Hall Building on the College's new campus. An addition was built in 1980 for the multi-purpose room.

A referendum passed on November 8, 1988, allowed McHenry County College to continue to grow. Construction, completed in 1991, resulted in an addition of 96,000 square feet of new space for classrooms, Conference Center, offices, dining facilities, Children's Learning Center, and Bookstore. Remodeling of Building A was also completed in Spring 1991.

With the 1990 acquisition of 44 additional acres for the college campus, preliminary discussions with Illinois Community College Board officials regarding a state-funded building began. The building consists of an 8,400 square foot addition to the library and seven new classrooms, and was completed in January 1996.

Recognizing that rapidly changing technology requires the workforce of the future to possess high skills and more education, McHenry County College opened the doors to a 44,000 square-foot Center for Advanced Technology in August 1997. The state-of-the-art structure includes laboratory space for electronics, drafting, computer aided design, fire science, basic nurse assisting, criminal justice and other technologies.

In January 2003, the College dedicated a new student services and classroom addition. The 60,000 square-foot building houses classrooms and offices, student service functions, and a lecture hall providing additional space for expanding programs and services to the students and the community.

In August 2004, the College, in need of additional space for expanding noncredit and certificate program offerings, opened the off-campus University Center in Crystal Lake, Illinois. University Center is a 14,000 square foot leased facility consisting primarily of classroom space. As the College's Small Business Development Center (SBDC) and Corporate Training departments continue to expand the consulting and training services offered, need for additional space for these programs became apparent as well. In September 2004, the College purchased a facility in McHenry, Illinois. The Shah Center opened in the spring of 2006 and SBDC and Corporate Training departments now offer 8,100 square feet of classroom, seminar and office space.

In April 2008, the College purchased 57 acres of land contiguous to the main campus in Crystal Lake, Illinois. The College does not have immediate specific plans for this land, but the purchase was deemed critical for future expansion as the College continues to grow and land resources become increasingly scarce near the main campus.

Fiscal year 2009 marked the completion of the first academic year for the College's Nursing program which began with the Fall 2008 semester. Additionally, the College began a multi-year $7 million project to implement a College-wide Enterprise Resource Planning (ERP) system. Finally, fiscal year 2009 saw the retirement of a number of faculty, staff and administrators with the sunsetting of the College's early retirement program.

Fiscal year 2010 saw a significant increase in enrollment at the College due to the current economic conditions and the College Foundation's Promise scholarship program. Total certified semester credit hours increased by 25.4% from fiscal year 2009 to fiscal year 2010.

In fiscal year 2011, the College maintained and slightly increased its enrollment gains from fiscal year 2010.

Fiscal year 2012 saw a small decrease in enrollments relative to the prior year; however, enrollment was still much higher than in fiscal year 2009. Fiscal year 2012 also saw the completion and Board approval of a new Facilities Master Plan, and a $5.1 million Building B renovation. Additionally, the Academic and Student Affairs, Finance, and Human Resources portion of the College's ERP system went live during this time.

Fiscal year 2013 saw an expansion in the College's comprehensive planning with the development of the five-year strategic plan, the technology master plan and a county-wide environmental scan. In addition, renovations and enhancements were completed with Building B, the addition of the Culinary Laboratory, the start of the complete reconstruction of parking lots B & D, the start of the Capital Development Board's exterior lighting project of lots A & C for all exterior down-lights, the planning for a 6,945 sq. ft. addition to Building E to house a new Black Box Theater and three general classrooms and renovation of Building D to house the new manufacturing and robotics curriculums and laboratory. Fiscal year 2013 had a small increase in headcount by 1% from FY12 in headcount and 1.2% increase in credit hour from fiscal year 2012.

Fiscal year 2014 the College purchased 20 acres of land contiguous to the main campus in Crystal Lake, Illinois. The College does not have immediate specific plans for this land, but the purchase was deemed critical for future expansion as the College continues to grow and land resources become increasingly scarce near the main campus. The College also saw the completion of parking lots B and D, Black Box Theater, three general classrooms and renovation of Building D, and the Capital Development Board's exterior lighting project of lots A and C for all exterior down-lights.

Fiscal year 2015 brought the College sustainable energy with the 91.26 kW solar photovoltaic project capable of generating up to 110,000 kWh at the Shah Center and added LED lights to all remaining parking lots on the main campus. The College also upgraded and augmented the security video camera system.

Fiscal year 2016 saw several changes occur, in particular, a change in leadership as the sitting president retired and a new president came on board in January 2016. The College also started work on the Building A roof and the A parking lot. The Board also voted to approve the construction of a new science building to replace outdated labs. The science building—now called the Liebman Science Center – is anticipated to be completed in August 2018. The College also saw the construction of route 14 nearing completion and the rerouting of the main campus entryway and relocation of its main traffic light.

Fiscal year 2017 saw the start of new construction begin on the 40,335 square foot Liebman Science Center. The completion of the Building A roof and A parking lot was also finished in addition to the IDOT construction on the widening along Route 14. The Crystal Lake campus has also continued to work on the outstanding list of deferred maintenance projects that were identified in the I.S.I.S. facilities condition report from March 2011.

Fiscal year 2018 saw the near completion of the new 40,335 square foot Liebman Science Center. The new Liebman Science Center contains new science laboratories, cadaver lab, two 48 seat lecture rooms, geo-scene wall, outdoor classroom, compass rose, and a state of the art planetarium. Renovation of the vacated areas in A Building, due to departmental moves into the new science center, was approved. The renovation included nursing classroom renovations in E Building. Additionally, the College broke ground on a new $1.1 million greenhouse slated for completion in Fall 2018. The Board also approved a switch from ground sourced well water to Crystal Lake municipal water. This was a major job that required installing a new water main to connect to the city water and installing a new pumphouse, which will cost $756,116. The switch to city water occurred in July 2018. This project will provide the College with uninterrupted clean municipal water.

Fiscal year 2019 saw the official opening of the newly completed Liebman Science Center and new 7,500 square foot greenhouse. The new greenhouse footprint has been expanded for classroom use, hydroponics, general horticultural activities, and for plant sales. Work has also begun on the renovation of the A and E buildings that have become vacant when the Liebman Science Center opened. The A building renovation will include additional classrooms, collaborative learning room, multipurpose activity room, computer lab, student gathering space, three new conference rooms for a total capacity of 120 seats, and new administrative office space. The E building renovation will house a new 3 bed sim lab for nursing, Physical Therapy Assistant (PTA) lab, and a Certified Nursing Assistant (CAN) lab. The Board of

Trustees has also approved the purchase of 26.92 acres of adjacent land from Chicago NewsWeb Corporation. The land currently has a long term tenant in a building on the land and is operating an FM tower. The remaining property will be used for the future needs of the College.

Fiscal year 2020 saw the most challenging time for the college in recent history as a result of the pandemic associated with COVID-19. In late March the college was forced to shut down its physical presence by the State of Illinois and federal government requiring all learning to transition to online or remote learning. The federal government supported the shutdown through the CARES Act, which provided the college with $2,254,053 for both student and institutional support. The college did start and complete work on newly renovated spaces, which includes the bookstore, student services area, and A218. The student services area renovation provides for a more one stop area for matriculation with A218 providing for one of several new Pathway Centers under a Title III grant for "The Strengthening Institutions Program". Also, the last of the parking lot renovations occurred for parking lot C.

Fiscal year 2021 continued with the COVID-19 challenges and continuing remote operations as the norm. Some furloughs were implemented due to the remote operations and affected primarily food service and Children's Learning Center staff. However, the College did not remain quiet as many facilities-related projects continued. During FY21, the budget was altered with Board approval to include over $3 million in new renovations. The renovations included the following: 1.) room B166-167 conversion to a 2nd Guided Pathway Hub, 2.) B252-255 renovation of the math and tutoring space, and 3.) construction of a pole barn to replace the storage buildings that will be razed to build the Center for Advanced Technology and Innovation (CATI) building. Additionally, work was still under way with handling the additional HEERF funds, CATI building progress, and Access Roadway/Loading Dock project.

Fiscal year 2022 continued with the COVID-19 challenges although remote operations were no longer mandated. As the College recalled furloughs implemented during FY 21, staffing shortages presented problems in FY 22, especially for the food service workers. Many capital projects budgeted were finished or were near completion by year end. These projects included the B166-167 conversion to a 2nd Guided Pathway Hub (finished), Suite B252-B255 renovation of the math and tutoring space (finished), and the construction of a storage pole barn (nearly completed). Also, many of the projects established and funded through HEERF continues, some of the larger projects included many Information Technology projects to enable remote work, COVID-19 response and testing costs, and an installation of touchless vending system. In addition to internal capital projects completed, the College is also currently engaged with the Capital Development Board on three State projects and includes the CATI building, Access Roadway/Loading Dock project, and the Ring Road Repaving.

Fiscal year 2023 continued with some remaining COVID-19 challenges with State mandated executive order restrictions although they were finally lifted in May 2023. Regardless, the College continued to fully operate throughout the year and improve the campus. The College is currently engaged in three active Capital Development Board projects and include the Center for Advanced Technical and Innovation Building, the Access and Loading Dock repairs, and the Ring Road resurfacing. In addition to those projects, several renovations were also undertaken and include the Testing Center, Locker Room, and the Financial Aid suite, all were covered under HEERF funds. These renovations all served to improve separation of occupants through increased square footage per person, added barriers and walls, and improved ventilation and airflow to reduce the possible spread of any virus. All three of the HEERF related grants from the federal government were also fully expended prior to fiscal year end. The most significant achievement for the College also occurred with the opportunity for the College to create a University Center. This opportunity manifested itself in early 2023 when Aurora University asked if we were interested in purchasing their building in Woodstock Illinois. This building is 22,000 square feet and housed a few of their programs. Aurora University also asked if we would partner with them and for McHenry County College to be the host partner for several of their programs as they had difficulty recruiting and making the Woodstock site successful. The College officially took possession of the facility in May 2023 and have since partnered with three other Universities, Roosevelt, Northern Illinois, and Southern Illinois. The estimated opening date after renovation of the facility is scheduled for Fall 2024.

Fiscal year 2024 was a watershed moment for the College as we began to fully participate in the availability of State Equalization Funding. Since FY 2018, the College only qualified for the base grant of $50,000. In FY 2024 the College funding under the Equalization Grant rose to $4.1m. This funding allowed the College to allocate funds towards new, one-time capital projects. These projects include the renovation of spaces to be vacated in buildings D & E after existing programs relocate to the new CATI building in FY 2025. The renovations will make space for Emergency Medical Services (EMS), Fire Rescue Services (FRS), Center for Agrarian Learning (CAL) spaces to occupy the vacated spaces. The vacated space from these programs moving will then allow for renovation of those spaces to expand new health sciences programs. The three new programs that the College is looking to expand into are, Radiology, Sonogram, and Respiratory Therapy. The College is also moving forward on renovating the library, and constructing a new Burn Tower and site for FRS. Both of these projects have been submitted under the RAMP reports for state funding, but the College will begin to tackle portions of these larger projects.

The new Catalyst Campus (CC also formerly known as University Center) was finished in June 2024 and is now ready to begin hosting four different universities and their programs for Fall 2025. The CC also hosts the SHAH personnel that handles workforce development and non-credit programs. The existing SHAH Center building has been vacated is listed for sale and is expected to be sold by October 2024.

Economic Condition and Outlook

The McHenry County College District is located in the northeastern part of Illinois, midway between Chicago and Milwaukee. Approximately ninety-six percent (96%) of the District Equalized Assessed Valuation (EAV) is in McHenry County with small remaining parts of Boone, Kane, and Lake Counties. Much of the District is used for some form of agriculture, with increasing portions more intensively developed for urban residential, commercial and services uses. The District has a relatively stable population due to the commuter rails and highways that are accessible to the Chicago Metropolitan Area. The District's major transportation system is served by U.S. Highways and State Routes, along with Interstate 90, providing easy access to Chicago and the northwest suburbs around O'Hare International Airport. The Union Pacific Railroad provides commuter service from the cities of Harvard, Woodstock, Crystal Lake, Cary, Fox River Grove, and McHenry to Chicago.

The population of McHenry County, which makes up the majority of our district, had been decreasing slightly each year from 2010 until 2017 where small increases can be seen going forward. The population figures for 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 were 308,760, 308,944, 308,145, 307,409, 307,283, 307,343, 307,004, 309,122, 308,570, 307,774, 307,297, 305,888, 311,747, and 312,800 respectively. McHenry County is the 6th largest county in population in Illinois out of 102 counties.

The legal boundaries of a community college district are formed from public high school districts. Residents of the following public high school districts qualify as in-district residents of McHenry County College, Community College District Number 528:

High School District Number	Community Area
12	Johnsburg
19	Alden-Hebron
50	Harvard
154	Marengo
155	Crystal Lake and Cary
156	McHenry
157	Richmond-Burton
158	Huntley
200	Woodstock

The District's (EAV) has increased from $6,205,355,948 in 2003 to $10,195,328,311 in 2023. Since 2014 the EAV has increased annually, and the 2023 EAV is now higher than any year previously recorded at $10,195,328,311.

The rate of unemployment in McHenry County, which makes up the majority of our District, was 3.5% as of 2023, 0.3% lower than the 3.8% from 2022. The unemployment rate particularly impacts the College as student enrollment typically grows in times of increased unemployment as individuals in the community seek additional job skills, retraining, and affordable education alternatives. Most colleges and universities began seeing enrollment some enrollment gains over the last year past COVID-19. However, McHenry County College has maintained and even grew slightly in enrollment during this time frame.

Accreditation

As a former Academic Quality Improvement Program (AQIP) institution, participation was a continuous improvement collaboration with Higher Learning Commission (HLC). The College has participated in AQIP strategy forums, prepared and submitted three systems portfolios for appraisal, undergone Comprehensive Quality Reviews (site visits) in 2011 and 2018 and provides the HLC with annual updates on AQIP action projects. On December 7, 2018, McHenry County College received reaffirmation of accreditation through the 2028-29 academic years. The next reaffirmation is anticipated in 2028-29. However, MCC transitioned to another HLC accreditation pathway due to the Board taking steps in June 2018 to phase out the AQIP Pathway. The adopted changes by the Board have removed references to the AQIP Pathway from all HLC policies.

COLLEGE OVERVIEW AND STRATEGIC DIRECTION

The ever-changing education environment requires and inspires McHenry County College to remain nimble, responsive, proactive, and transformative in its delivery of programs and services. Our mission of student success remains central to all activities and efforts, the end goal that resonates through every single planning effort.

While we remain dedicated to baccalaureate transfer education, there continues to be vast opportunity to grow and retain the number of students we serve through more intentional strategies for student groups such as: adult learners; students of diversity; veterans; and workforce and job skills-ready students. Further, each individual served must receive a consistent message and experience when interacting with MCC representatives. With a desire to grow more specialized learning for a diverse workforce, while still maintaining the value of lifelong learning options, a commitment to our strategic plan helps ensure that future MCC students are successful in accessing a higher education, and that MCC's programs, services, and delivery methods will continue to be relevant and pivotal to our students' success today and in the future. At the center of our efforts, there is a unified focus on:

- Accessible, high-impact services, interventions, and facilities
- Generating and sustaining financial resources
- Agile, secure, and cost-effective infrastructure and technology solutions
- Diverse and dynamic faculty, staff, and administrators
- Strong collaborations with the community and local industry
- Careful, professional expertise of faculty
- Sharing the College's key value propositions
- Welcoming and valuing diversity

In early 2019, the College Board of Trustees discussed and approved an updated Strategic Plan for 2019-2024. The institutional Mission, Vision, Values, and Goals included in that plan are shared below.

MISSION
Our Focus is Learning. Student Success is Our Goal.

VISION
McHenry County College (MCC) champions learning as essential to our community's well-being. We transform all students we serve by inspiring and equipping them to successfully live and work in the world.

VALUES
INSPIRATION – We strive to be transformative in our interactions with our community and each other, always working to bring out the best in ourselves and others.

CONNECTEDNESS – We strive to achieve a welcoming, inclusive environment for everyone interacting with the College.

DIVERSITY – We strive to be thoughtful, appreciative, and continuously open in learning to respect and celebrate diverse ideas, cultures, ethnicities, and life contexts.

THOUGHTFULNESS – We strive to encourage the development of critical thinking for every person who engages with the College.

COMMUNITY-FOCUSED – We strive to place our services at the epicenter of our community's economic resilience and vitality.

EXCELLENCE – We strive to produce distinctive brilliance in all of our activities and inspire excellence in others.

PASSION – We strive to bring vitality and joy to our efforts.

STEWARDSHIP – We commit to the honest, trustful dealing with all resources given to us including people, gifts, the environment, and revenue.

INSTITUTIONAL GOALS

McHenry County College's primary institutional goals will guide the development of strategies and tactics, and the allocation of resources over the next five years. These institutional goals support MCC's ongoing commitment to research-based continuous improvement and the institutional mission of student success.

1. Create accessible, high-impact student-focused services, interventions, and facilities that increase student engagement, completion, and career readiness.

2. Develop and execute transparent strategies for generating and sustaining financial resources necessary to drive College innovations and operations.

3. Deliver agile, secure, cost-effective, and sustainable infrastructure and technology solutions to drive institutional innovation and empower a positive learning and work environment.

4. Attract, retain, engage, and value diverse and dynamic faculty, staff, and administrators who are committed to excellence in our ever-changing context.

5. Strengthen collaborations with the community and local industry to ensure that all College efforts are focused on improving the quality of life and economic development for those individuals who learn with us.

6. Inspire and challenge students in every learning experience through the careful professional expertise of faculty who engage and support students, and expect high levels of learning.

7. Articulate the College's key value propositions in order to strategically increase community engagement and support, improve enrollment, and prepare the next generation of learners.

8. Develop effective strategies in all our interactions with students and each other that welcome and value our diversity.

FINANCIAL INFORMATION

Internal Control

The College administration is responsible for establishing and maintaining internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse and to ensure that reliable accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Each year, including the fiscal year ended June 30, 2024, the College receives various reports from an independent certified public accountant who report on, among other things, whether instances of material weakness in the internal controls or material violation of applicable laws or regulations were noted during the audit. These reports and findings on weaknesses are included in the separately issued Single Audit of Federal Expenditures.

Budgeting Controls

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

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

PROSPECTS FOR THE FUTURE

The financial outlook for the College has become cautiously optimistic due to the increased participation in Equalization Funding. The increase in funding is allowing the College to transform our existing facilities and programs to pursue new opportunities for growth. The College is already forecasting new growth with the addition of the CATI building beginning in Fall 2025. However, there are still a number of continuing challenges that face the institution, including real estate tax cap legislation, enrollment trends, the financial condition of the State of Illinois and its ability to adequately fund the college system in a consistent and reliable manner, and the shift in the unfunded liability share of the Community College Health Insurance Security Fund to local community colleges without a clear funding mechanism all present challenges. The College is meeting these challenges through continuous improvement projects that align with our strategic plan, cost reduction, developing new and improving existing revenue streams, outsourcing work where possible, evaluating non-value-added services, differing marketing programs, expansion of online and distance learning course offerings, and through the continued exploration of partnership opportunities.

Tuition and fees charged to students are limited by State law to 33% of the per capita cost per credit hour. For FY 2024, at $133.25 per credit hour, tuition and fees charged were 28.8% of the per capita cost per credit hour.

Current tax cap legislation allows for tax levies to be increased only 5% or the consumers price index-urban (CPI-U), whichever is lower, plus any additional levy for new construction.

With inflation factored into State revenue, this revenue source continues to decline as a percentage in relation to other major funding streams; consequently, it continues to represent a smaller component of operating revenue each year. This places more stress and importance on the two other main sources of revenue for the College, property taxes and tuition and fees.

DEBT ADMINISTRATION

On May 15, 2012, the College issued $1,995,000 of General Obligation Limited Tax Refunding Debt Certificates. The purpose of the refunding debt certificates was to take advantage of a favorable municipal bond market and refinance callable Series 2004 maturities.

On December 22, 2015, the College issued $2,555,000 of General Obligation Limited Tax Refunding Debt Certificates. The purpose of the refunding debt certificates was to take advantage of a favorable municipal bond market and refinance callable Series 2008 maturities.

On April 17, 2017, the college issued $8,770,000 General Obligation Limited Tax Refunding Debt Certificates. The purpose of the debt certificates was to partially finance the full construction of a new 40,355 square foot $17,119,048 science center on the College's main campus in Crystal Lake, Illinois.

No additional debt was added in fiscal year 2013, 2014, 2015, 2018, 2019, 2020, 2021, 2022, 2023, or 2024 with the exception of leases for equipment.

By law, the College is permitted to incur regular debt up to 2.875% of the district's assessed valuation. At the present time that limit calculates to about $293.1 million on an equalized assessed valuation of $10.2 billion or a 8.4% increase from last year's equalized assessed valuation of $9.4 billion. The College currently has no general obligation bonds but does have $7.0 million in debt certificates that is counted against the debt limit.

CASH MANAGEMENT

For the purposes of the overall investment of excess funds, the College is governed by the Illinois Public Community College Act and the Illinois statutes governing investment of public funds. The fiduciary responsibility of said investments is entrusted to the College Board of Trustees who have delegated that function to the Treasurer of the College. In keeping with existing Board Policy, all excess funds are invested in a prudent, conservative and secure manner and in accordance with Board Policy. In fiscal year 2015, the Investment policy portion of the Board Policy was updated, and a professional investment advisor was hired to maximize returns on investment. Investment income totaled $2,151,202 in fiscal year 2024, $787,560, in fiscal year 2023, $(761,083) in fiscal year 2022, $206,765 in fiscal year 2021, $1,470,436 in fiscal year 2020, $1,478,924 in fiscal year 2019, and $270,955 in fiscal year 2018. The investment income performance is a result of a more diversified investment portfolio as allowed by the new investment policy but still fluctuates based on market conditions from year to year.

RISK MANAGMENT

The College's significant risks of loss are covered by commercial insurance policies. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior years since joining the Illinois Community College Risk Management Consortium (ICCRMC).

Effective July 1, 2014, the College joined the Illinois Community College Risk Management Consortium (ICCRMC) for commercial insurance policies in an effort to control associated costs and obtain optimal coverage through the pooled leverage of consortium members.

Also, effective July 1, 2014, the College joined the Community College Health Consortium (CCHC) for health insurance. This change allows the colleges within the consortium to share in administrative costs of the health plans.

Both consortiums have either saved costs or kept them in check since joining and have proved to be very beneficial to the College.

OTHER INFORMATION

Independent Audit. State statute requires an annual audit by independent certified public accountants. The accounting firm of Sikich CPA LLC was selected by the College's Board of Trustees to conduct the fiscal year 2024 audit. The auditor's report on the financial statements and supplemental financial information is included in the financial section of this report. The auditor's opinion is unmodified for this year.

Acknowledgements. The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the Finance Office staff and the Financial Aid Office staff. Each member of these departments has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Board of Trustees of the College, preparation of this report would not have been possible.

Respectfully submitted,

Clinton E. Gabbard President	Robert Tenuta CFO/Treasurer

Talia Koronkiewicz-Interim Vice President of Human Resources

Carolyn Walsh
Executive Director of Human Resources

Luanne Mayorga
Director of Employee Development

Anita Roewer
Director of Human Resources Operations

Robert Tenuta
Chief Financial Officer/ Treasurer

Lynn Cowlin
Assistant Vice President of Finance

James Julison
Director of Business Services

Sandra Johnston
Director of Food Services

Timothy Hopkins
Chief Information Officer

Vernon Carter
Director of Client Technology Services

Rob Rasmussen
Director of Infrastructure and Security

Christina Haggerty
Vice President of Marketing, Communications, and Development

Katherine Bellan
Manager of Conference and Event Services

Brian DiBona
Executive Director/ Friends of MCC Foundation

Ryan Klos
Executive Director of Marketing and Creative Services

Wendy Lauen
Director of Grants

Alma Wilhelm
Director of The MCC Store

Talia Kor
Vice Preside
Af

Sonia Reising
Assistant Vice President of Student Affairs

Rachel Boldman
Director of Student Engagement and Support

Lisa Brncich
Director of Student Retention and Conduct

Rene Govea
Director of Upward Bound Program

Karen Wiley
Director of Athletics, Intramurals, and Recreation

Chelsey Wintersteen
Director of Access and Disability Services

McHenry County College

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PRINCIPAL OFFICIALS

OFFICERS OF THE COLLEGE

Clint Gabbard	President
Christina Haggerty	Vice President of Marketing, Communications, and Development
Arlene Santos-George	Vice President of Academic Affairs and Workforce Development
Talia Koronkiewicz	Vice President of Student Affairs/Interim Assistant Vice President of Human Resources
Robert Tenuta	CFO/Treasurer
Timothy Hopkins	CIO

OFFICIAL ISSUING REPORT

Robert Tenuta	CFO/Treasurer

DIVISION ISSUING REPORT

Finance Office

Lynn Cowlin	Assistant Vice President of Finance
Paula Gardner	Assistant Vice President of Finance (Trainee)
Ellen Benson	Accountant
Laura Lagerhausen	Accountant
Christine Howatt	Accountant
Margaret Nalepa	Accounting Assistant

FINANCIAL SECTION

SIKICH.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
McHenry County College
Community College District Number 528
Crystal Lake, 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, Friends of McHenry County College Foundation (the Foundation), of McHenry County College, Community College District Number 528 (the College) as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the College's basic 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 respective financial position of the business-type activities and the discretely presented component unit, Friends of McHenry County College Foundation, of McHenry County College, Community College District Number 528, as of June 30, 2024, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the College as of June 30, 2023 were audited by Sikich LLP, whose report dated January 24, 2024, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

Basis for Opinions

We conducted our audits 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards.* Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental financial information, uniform financial statements, and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental financial information, uniform financial statements, and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental financial information, uniform financial statements, and supplemental data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
January 29, 2025

SIKICH.

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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
McHenry County College,
Community College District Number 528
Crystal Lake, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of McHenry County College, Community College District Number 528 (the College) as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise College's basic financial statements, and have issued our report thereon dated January 29, 2025. The financial statements of the Friends of McHenry County 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 the Friends of McHenry County College Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
January 29, 2025

Management's Discussion and Analysis

This section of the McHenry County College's Annual Comprehensive Financial Report presents management's discussion and analysis of the College's financial performance for the fiscal years ended June 30, 2024, 2023, and 2022.

Since this management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the transmittal letter, the College's basic financial statements, and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Overview of the Financial Statements

The financial statements focus on the College as a whole, versus the traditional presentation by fund type. The College financial statements are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total.

The Statement of Net Position presents the financial position of the College at the end of the fiscal year and requires classification of assets and liabilities into current and noncurrent categories. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is reflected in the net position section, which displays net position in three broad categories: net investment in capital assets, restricted, and unrestricted. Net position is one indicator of the current financial condition of the College, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized as operating and non-operating, and expenses are reported by natural classification. This approach is intended to summarize and simplify the user's analysis of the cost of various College services to the students and the public.

In accordance with Government Accounting Standards Board Statement Nos. 39 and 61, the College has included the Friends of McHenry County College Foundation as a discretely presented component unit of the District as it is a separate legal entity.

Financial Highlights

For the fiscal year ended June 30, 2024, the college recorded total operating revenues of $16,718,740 and total operating expenses of $72,136,160. The difference produced an operating loss of $55,417,420. Net non-operating revenue of $60,995,540 and capital contributions of $23,412,864 offset this loss and resulted in an overall increase in net position of $28,990,984.

For the fiscal year ended June 30, 2023, the college recorded total operating revenues of $16,049,416 and total operating expenses of $67,269,942. The difference produced an operating loss of $51,220,526. Net non-operating revenue of $56,389,719 and capital contributions of $1,329,670 offset this loss and resulted in an overall increase in net position of $6,498,863.

For the fiscal year ended June 30, 2022, the college recorded total operating revenues of $15,894,311 and total operating expenses of $76,224,001. The difference produced an operating loss of $60,329,690. Net non-operating revenue of $62,483,701 and capital contributions of $2,329,840 offset this loss and resulted in an overall increase in net position of $4,483,851.

For the years ended June 30, 2024, 2023, and 2022, non-operating revenue included local property taxes of $28,721,142, $28,714,579, and $28,700,675, state sources of $20,634,078, $15,401,920, and $20,107,220, federal grants and contracts of $9,341,547, $11,231,539, and $14,209,368, and other net non-operating revenue of $2,820,443, $1,392,194, and $(165,316), respectively.

For the years ended June 30, 2024, 2023, and 2022, both operating expenses and non-operating revenues included pension expense and related revenue in accordance with GASB Statement No. 68 for the College's share of pension expense from the State of Illinois in the amount of $11,494,706, $11,658,904, and $14,177,693, respectively, as described in Notes 1 and 3 of the financial statements. For the year ended June 30, 2024, 2023, and 2022, both operating expenses and non-operating revenues include other post-employment benefit (OPEB) (retiree health insurance) expense and related revenue in accordance with GASB Statement No. 75 for the College's share of the States OPEB expense in the amount of $(3,718,342), $(3,950,752), and $(409,539), respectively, as described in Note 4 of the financial statements.

For the year ended June 30, 2024, operating revenue accounted for 21.51% of the College's total revenue, while net non-operating revenues accounted for the other 78.49% of the College's total revenue. Operating revenues consisted of tuition and fees net of scholarships totaling $13,374,955 and auxiliary enterprises revenue totaling $3,343,785.

For the year ended June 30, 2023, operating revenue accounted for 22.16% of the College's total revenue, while net non-operating revenues accounted for the other 77.84% of the College's total revenue. Operating revenues consisted of tuition and fees net of scholarships totaling $13,015,055 and auxiliary enterprises revenue totaling $3,034,361.

For the year ended June 30, 2022, operating revenue accounted for 20.28% of the College's total revenue, while net non-operating revenues accounted for the other 79.72% of the College's total revenue. Operating revenues consisted of tuition and fees net of scholarships totaling $13,261,976 and auxiliary enterprises revenue totaling $2,632,335.

The College had a net position on June 30, 2023 totaling $85,401,031. The increase in net position of $28,990,984 for the year ended June 30, 2024 brought the total net position to $114,392,015 at June 30, 2024.

The College had a net position on June 30, 2022 totaling $78,902,168. The increase in net position of $6,498,863 for the year ended June 30, 2023 brought the total net position to $85,401,031 at June 30, 2023.

The College had a net position on June 30, 2021 totaling $74,418,317. The increase in net position of $4,483,851 along with a change in accounting principle decrease of $337,973 for the implementation of GASB 96 Subscription Based Information Technology Arrangements for the year ended June 30, 2022 brought the total net position to $78,902,168 at June 30, 2022.

Financial Analysis of the College as a Whole

The following information is a condensed version of the College's assets, deferred outflows, liabilities, deferred inflows and net position and is prepared from the Statement of Net Position.

(In Millions)

	June 30, 2024	June 30, 2023	June 30, 2022
Current Assets	$ 76.1	$ 70.8	$ 67.5
Non-current Assets			
Lease Receivable	0.4	0.4	0.4
Capital Assets, Net of Accumulated Depreciation	93.5	72.4	71.6
Intangible Assets, Net of Accumulated Amortization	5.3	4.5	5.0
Total Assets	175.3	148.1	144.5
Deferred Outflows of Resources	0.9	0.4	0.5
Total Assets and Deferred Outflows of Resources	176.2	148.5	145.0
Current Liabilities	15.8	13.5	11.9
Non-current Liabilities	19.1	19.0	32.7
Total Liabilities	34.9	32.5	44.6
Deferred Inflows of Resources	26.9	30.6	21.5
Total Liabilities and Deferred Inflows of Resources	61.8	63.1	66.1
Net Position			
Net Investment in Capital Assets	85.5	64.3	63.6
Restricted for:			
Liability, protection and settlement	0.6	0.6	0.6
Working Cash	1.8	1.8	1.8
Capital Improvements	15.4	9.6	7.9
Other Restricted	0.1	0.1	0.1
Unrestricted	11.0	9.0	4.9
Total Net Position	$ 114.4	$ 85.4	$ 78.9

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the fiscal years ended June 30, 2024, 2023, and 2022, by $114,392,015, $85,401,031, and 78,902,168, respectively.

The College's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding, reflects approximately 74.8%, 75.3%, and 80.6%, of total net position at June 30, 2024, June 30, 2023, and June 30, 2022, respectively. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. (See Note 6, Capital Assets, for additional information on capital asset activity.)

As of June 30, 2024, the College had recorded $155.8 million invested in capital and intangible assets, $57.0 million in accumulated depreciation and amortization for net capital assets of $98.8 million and related debt of $12.5 million for an investment of $85.5 million in net capital assets. (See Note 5, Long Term Debt, for additional information on debt activity). The increase in the current year is due to the renovations of existing spaces funded by federal grants and fund balance reserves.

As of June 30, 2023, the College had recorded $129.1 million invested in capital and intangible assets, $52.1 million in accumulated depreciation and amortization for net capital assets of $77.0 million and related debt of $12.7 million for an investment of $64.3 million in net capital assets. (See Note 5, Long Term Debt, for additional information on debt activity). The increase in the current year is due to the renovations of existing spaces funded by federal grants and fund balance reserves.

As of June 30, 2022, the College had recorded $124.7 million invested in capital and intangible assets, $48.1 million in accumulated depreciation and amortization for net capital assets of $76.6 million and related debt of $13.0 million for an investment of $63.6 million in net capital assets. (See Note 5, Long Term Debt, for additional information on debt activity). The increase in the current year is due to the renovations of existing spaces funded by fund balance reserves.

(In Millions)

	June 30, 2024	June 30, 2023	June 30, 2022
Operating Revenues			
Tuition and Fees, net of scholarships	$ 13.4	$ 13.0	$ 13.3
Auxiliary	3.3	3	2.6
Total Operating Revenue	16.7	16.0	15.9
Non-operating Revenue			
State sources	19.9	14.3	19.1
Property Taxes	28.7	28.7	28.7
Federal grants and contracts	9.3	11.2	14.2
Other	1.3	1.8	1.6
Investment income	2.2	0.8	(0.8)
Interest expense	(0.4)	(0.4)	(0.3)
Total Non-operating Revenue	61.0	56.4	62.5
Total Revenues	77.7	72.4	78.4
Operating Expenses	72.1	67.3	75.9
Capital Contributions	23.4	1.4	2.3
Change in Net Position	29.0	6.5	4.8
Net Position, Beginning of Year	85.4	78.9	74.4
Change In Accounting Principle	-	-	(0.3)
Net Position, End of Year	$ 114.4	$ 85.4	$ 78.9

Operating revenues totaled $16.7 million for the year ended June 30, 2024. The College's main source of operating revenues is derived from tuition and fees which accounted for 80.0% of total operating revenues for year ended June 30, 2024. Operating revenue increased from FY 23 by $.7 million as a result of higher Auxiliary enterprises revenue and higher tuition and fees.

Operating revenues totaled $16.0 million for the year ended June 30, 2023. The College's main source of operating revenues is derived from tuition and fees which accounted for 81.1% of total operating revenues for year ended June 30, 2023. Operating revenue increased from FY 22 by $0.1 million as a result of higher Auxiliary enterprises revenue and slightly lower tuition and fees. Auxiliary enterprises services continue to increase after being shut down due to COVID-19.

Operating revenues totaled $15.9 million for the year ended June 30, 2022. The College's main source of operating revenues is derived from tuition and fees which accounted for 83.4% of total operating revenues for year ended June 30, 2022. Operating revenue increased from FY 21 by $1.5 million as a result of higher Auxiliary enterprises revenue and slightly higher tuition and fees. Auxiliary enterprises services were operating again after being shut down due to COVID-19.

Non-operating revenues (expenses) totaled $61.0 million for the year ended June 30, 2024. Property taxes represent the main source of non-operating revenues (expenses) and accounted for 47.1% of total non-operating revenues for year ended June 30, 2024.

A large portion of the revenue included in the federal grants and contracts category represents student financial assistance, which is used to pay tuition and fees for students to attend the College. An approximation of tuition and fees paid from this source has been recognized as a reduction of tuition and fees in the forms of scholarship allowances, in order to eliminate the duplication of revenues. Federal grants and contracts revenues decreased 16.9% from FY 23 to FY 24 due to less Higher Education Emergency Relief funds being expended as a result of COVID-19.

Non-operating revenues (expenses) totaled $56.4 million for the year ended June 30, 2023. Property taxes represent the main source of non-operating revenues (expenses) and accounted for 51% of total non-operating revenues for year ended June 30, 2023.

A large portion of the revenue included in the federal grants and contracts category represents student financial assistance, which is used to pay tuition and fees for students to attend the College. An approximation of tuition and fees paid from this source has been recognized as a reduction of tuition and fees in the forms of scholarship allowances, in order to eliminate the duplication of revenues. Federal grants and contracts revenues decreased 21% from FY 22 to FY 23 due to less Higher Education Emergency Relief funds being expended as a result of COVID-19.

Non-operating revenues (expenses) totaled $62.5 million for the year ended June 30, 2022. Property taxes represent the main source of non-operating revenues (expenses) and accounted for 46% of total non-operating revenues for year ended June 30, 2022.

A large portion of the revenue included in the federal grants and contracts category represents student financial assistance, which is used to pay tuition and fees for students to attend the College. An approximation of tuition and fees paid from this source has been recognized as a reduction of tuition and fees in the forms of scholarship allowances, in order to eliminate the duplication of revenues. Federal grants and contracts revenues increased 47% from FY 21 to FY 22 due to Higher Education Emergency Relief funds expended as a result of COVID-19.

Operating expenses totaled $72.1 million for the year ended June 30, 2024. The most significant operating expense is instruction which totaled $23.8 million, or 33.0%, of total operating expenses.

Operating expenses totaled $67.3 million for the year ended June 30, 2023. The most significant operating expense is instruction which totaled $22.7 million, or 33.7%, of total operating expenses. The main reason for the decrease in operating expenses is the decrease in state expense to the retirement system of $6.5 million. There also was a decrease in other expenses including Higher Education Emergency Relief funds of $2.4 which resulted in a net decrease in operating expenses of $8.9 million.

Operating expenses totaled $76.2 million for the year ended June 30, 2022. The most significant operating expense is instruction which totaled $26.2 million, or 34.3%, of total operating expenses.

The main reason for the change in operating expenses is the decrease in state expense to the retirement system of $6.2 million. This decrease was offset by an increase in other expenses mainly due to increased usage of the Higher Education Emergency Relief funds of $6.3 million which resulted in a net increase in operating expenses of $0.1 million.

Operating Expenses
For the Years Ended June 30, 2024, June 30, 2023 and June 30, 2022
(in millions)

	June 30, 2024	June 30, 2023	June 30, 2022
Operating Expense:			
Instruction	$23.8	$22.7	$26.2
Academic Support	4.5	3.6	3.6
Student Services	6.0	5.3	6.6
Public Services	1.6	1.6	1.6
Operations and Maintenance	5.0	3.7	5.5
Auxiliary Enterprises	0.7	3.1	4.5
Depreciation and Amortization	5.1	4.9	4.5
Institutional Support and Scholarships	25.3	22.4	23.7
Total	$72.1	$67.3	$76.2

Capital Assets

	June 30, 2024	June 30, 2023	June 30, 2022
Land (non-depreciable)	6,735,697	6,735,697	6,821,353
Construction in progress (non-depreciable)	27,137,636	3,800,383	3,805,496
Buildings, additions, and improvements	95,075,662	94,589,209	91,074,502
Equipment	26,850,750	23,934,201	22,962,618
Total	155,799,745	129,059,490	124,663,969
Less: Accumulated Depreciation and Amortization	57,004,074	52,088,330	48,090,478
Net Capital Assets	98,795,671	76,971,160	76,573,491

As of June 30, 2024, the College had a total of $21,510,845 of long-term capital related debt liabilities, an increase of $169,655 over the fiscal year 2023 figure. During fiscal year 2024, the College had purchases of leases in the amount of $2,354,885, had recognition of subscriptions of $420,153 and had payments on retirements during the year in the amount of $3,017,494. Please refer to Note 5, Long Term Debt, in the notes to the financial statements for more detailed information on long-term debt activity.

As of June 30, 2023, the College had a total of $21,341,190 of long-term capital related debt liabilities, a decrease of $13,631,793 over the fiscal year 2022 figure. During fiscal year 2023, the College had purchases of leases in the amount of $463,056, had recognition of subscriptions of $756,229, recorded a note payable of $1,017,695, and had payments on retirements during the year in the amount of $15,868,773. Please refer to Note 5, Long Term Debt, in the notes to the financial statements for more detailed information on long-term debt activity.

As of June 30, 2022, the College had a total of $34,972,983 of long-term capital related debt liabilities, an increase of $641,370 over the fiscal year 2021 figure. During fiscal year 2022, the College had purchases of leases in the amount of $946,185, had recognition of subscriptions of $3,572,487, and had payments on retirements during the year in the amount of $3,877,302. Please refer to Note 5, Long Term Debt, in the notes to the financial statements for more detailed information on long-term debt activity.

Currently Known Facts and Conditions

In FY 2024, the College's reporting obligations related to COVID-19 were limited to the Federal Government, the State of Illinois, and local government units. Any remaining reportable expenditures under the Higher Education Emergency Relief Fund (HEERF) were due to the Federal Government by September 5, 2024, covering the final quarter of FY 2023. This quarterly report was submitted on time. All other required COVID-19-related reporting to the State of Illinois and local governments was discontinued as of June 30, 2024.

Currently, the primary uncertainty facing the College is the potential change in funding for higher education from the State of Illinois. The Illinois Community College Board (ICCB) has established a task force to evaluate various funding mechanisms, models, and formulas that could impact the College's future revenue. Following the recent funding received through the Equalization Grant, there may be changes in how future funds are allocated to the College. It remains unclear whether future allocations will be reduced, increased, or remain unchanged as a result of the task force's recommendations.

Given this uncertainty, the College has adopted a cautious approach, treating the current Equalization Grant funding as a one-time event. To avoid deficit spending if this funding source diminishes, the College is committed to avoiding decisions that would introduce recurring expenses into the operating budget that rely on Equalization Grant funds.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of McHenry County College's finances and to demonstrate the College's fiscal responsibility for the revenues it receives. If you have questions concerning this report or need additional information, contact Robert M. Tenuta, CFO/Treasurer, at 8900 U.S. Highway 14, Crystal Lake, IL 60012 or 815-455-3700.

BASIC FINANCIAL STATEMENTS

STATEMENT 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash	$ 12,087,854	$ 5,326,050
Investments	30,907,513	37,679,450
Property tax receivable	14,034,047	13,631,868
Tuition and fees receivable	7,157,788	6,530,661
Federal and state claims receivable	2,386,630	2,306,992
Accrued interest receivable	191,075	114,726
Lease receivable	12,730	12,574
Receivable from Foundation	4,400,000	-
Other accounts receivable	3,513,523	3,774,167
Inventory	190,571	213,173
Prepaid items	1,209,366	1,145,496
Total current assets	76,091,097	70,735,157
Noncurrent assets		
Lease receivable	413,023	425,753
Capital assets not being depreciated	33,873,333	10,536,079
Capital assets, net of accumulated depreciation	59,597,286	61,906,207
Intangible assets, net of accumulated amortization	5,325,052	4,528,874
Total noncurrent assets	99,208,694	77,396,913
Total assets	175,299,791	148,132,070
DEFERRED OUTFLOWS OF RESOURCES		
Pension items	183,588	78,144
OPEB items	695,009	268,537
Unamortized loss on refunding	12,179	16,239
Total deferred outflows of resources	890,776	362,920
Total assets and deferred outflows of resources	176,190,567	148,494,990

(This statement is continued on the following page.)

STATEMENT 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATEMENTS OF NET POSITION (Continued)

June 30, 2024 and 2023

	2024	2023
LIABILITIES		
Current liabilities		
Accounts payable	$ 3,376,977	$ 2,139,882
Accrued payroll	1,207,100	1,338,208
Accrued compensated absences	1,267,700	1,020,408
Accrued interest payable	126,522	121,691
Unearned tuition and fees	6,220,830	5,663,152
Other unearned revenue	913,793	529,300
Current portion of long-term obligations	2,451,465	2,349,308
Other current liabilities	270,100	309,953
Total current liabilities	15,834,487	13,471,902
Noncurrent liabilities		
Debt certificates payable	6,662,312	7,306,677
Note payable	482,393	754,841
Leases	1,583,037	539,579
Subscription liabilities	1,501,471	1,892,706
Other postemployment benefit obligation	8,830,167	8,498,079
Total noncurrent liabilities	19,059,380	18,991,882
Total liabilities	34,893,867	32,463,784
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	14,348,826	14,351,176
OPEB items	12,158,030	15,862,011
Leases	397,829	416,988
Total deferred inflows of resources	26,904,685	30,630,175
Total liabilities and deferred inflows of resources	61,798,552	63,093,959
NET POSITION		
Net investment in capital assets	85,499,885	64,270,829
Restricted for		
Liability, protection, and settlement	624,132	602,799
Working cash	1,750,000	1,750,000
Capital improvements	15,372,013	9,578,171
Pension contributions	183,588	78,144
Other restricted	34,170	48,973
Unrestricted	10,928,227	9,072,115
TOTAL NET POSITION	$ 114,392,015	$ 85,401,031

See accompanying notes to financial statements.

STATEMENT 2

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	**2023**
REVENUES		
Operating revenues		
Tuition and fees, net of scholarship allowances	$ 13,374,955	$ 13,015,055
Auxiliary enterprises revenue	3,343,785	3,034,361
Total operating revenues	16,718,740	16,049,416
EXPENSES		
Operating expenses		
Instruction	23,841,925	22,670,762
Academic support	4,509,692	3,563,089
Student services	6,025,403	5,336,786
Public services	1,601,925	1,571,226
Operations and maintenance	5,046,093	3,675,448
Auxiliary enterprises	707,371	3,073,203
Depreciation and amortization	5,137,570	4,905,874
Scholarships, student grants, and waivers	3,687,768	3,032,763
Institutional support	21,578,413	19,440,791
Total operating expenses	72,136,160	67,269,942
OPERATING INCOME (LOSS)	(55,417,420)	(51,220,526)
NON-OPERATING REVENUES (EXPENSES)		
State sources	19,912,284	14,306,092
Personal property replacement taxes	721,794	1,095,828
Property taxes	28,721,142	28,714,579
Federal grants and contracts	9,341,547	11,231,539
Investment income	2,151,202	787,560
Interest expense	(440,735)	(351,057)
Other non-operating revenues	669,241	604,634
Loss on disposal of capital assets	(80,935)	544
Net non-operating revenues (expenses)	60,995,540	56,389,719
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	5,578,120	5,169,193
Capital contributions	23,412,864	1,329,670
CHANGE IN NET POSITION	28,990,984	6,498,863
NET POSITION, JULY 1	85,401,031	78,902,168
NET POSITION, JUNE 30	$ 114,392,015	$ 85,401,031

See accompanying notes to financial statements.

STATEMENT 3

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 13,305,506	$ 12,553,848
Payment to suppliers	(24,840,871)	(23,760,706)
Payment to employees	(37,766,834)	(35,478,098)
Auxiliary enterprise charges	3,241,874	2,949,737
Net cash from operating activities	(46,060,325)	(43,735,219)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Real estate taxes	28,316,613	28,686,619
Replacement taxes	721,794	1,095,828
State sources	12,487,108	5,726,668
Federal grants and contracts	9,341,547	11,231,539
Other non-operating	985,463	70,484
Net cash from noncapital financing activities	51,852,525	46,811,138
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(5,621,263)	(325,841)
Proceeds from sale of capital assets	-	86,200
Bond and note principal payments	(862,854)	(580,000)
Capital contributions	1,200,000	29,184
Lease principal payments	(1,254,597)	(991,422)
Subscription liability payments	(875,677)	(947,828)
Interest paid on capital debt	(456,210)	(395,706)
Net cash from capital and related financing activities	(7,870,601)	(3,125,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	25,394,827	6,896,434
Interest on investments	1,371,045	738,107
Purchase of investments	(17,925,667)	(15,587,614)
Net cash from investing activities	8,840,205	(7,953,073)
NET INCREASE (DECREASE) IN CASH	6,761,804	(8,002,567)
CASH, JULY 1	5,326,050	13,328,617
CASH, JUNE 30	$ 12,087,854	$ 5,326,050

(This statement is continued on the following page.)

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	$ (55,417,420)	$ (51,220,526)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	5,137,570	4,905,874
SURS proportionate share of revenue/expense	11,389,262	7,702,092
CIP proportionate share of revenue/expense	(7,436,684)	(3,954,389)
Changes in assets and liabilities		
Receivables (net)	(682,705)	(446,617)
Inventories	22,602	(12,433)
Prepaid expenses	(63,870)	(248,071)
Accounts payable	403,244	(612,336)
Accrued salaries and benefits	116,184	137,838
Other accrued liabilities	(39,853)	112,563
Unearned tuition and fees	557,678	(16,190)
Other unearned revenues	(46,333)	(83,024)
NET CASH FROM OPERATING ACTIVITIES	$ (46,060,325)	$ (43,735,219)
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES		
SURS/CIP proportionate share of revenue/expense	$ 7,776,364	$ 7,708,152
Change in fair value of investments	703,808	274
Contributed capital assets	17,812,864	1,300,486
Equipment acquired through accounts payable	833,851	1,525,892
Equipment acquired through leases	2,354,885	463,056
Subscription assets acquired through subscription liabilities	420,153	756,229
Issuance of note payable	-	1,017,695
TOTAL NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES	$ 29,901,925	$ 12,771,784

See accompanying notes to financial statements.

STATEMENT 4

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

COMPONENT UNIT - FRIENDS OF McHENRY COUNTY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 5,162,892	$ 2,744,828
Pledges receivable, net	61,881	92,954
Donated art	972,585	632,600
Donated sculptures	1,273,750	1,273,750
Pledges receivable, long term purposes, net	1,453,527	2,114,308
Investments, long-term	10,848,271	9,546,228
TOTAL ASSETS	$ 19,772,906	$ 16,404,668
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 88,470	$ 2,058
Deferred revenue	32,100	27,000
Grants payable	4,400,000	-
Total liabilities	4,520,570	29,058
NET ASSETS		
Without donor restrictions		
Board designated	2,082,876	1,935,615
Undesignated	744,024	434,632
Total without donor restricitons	2,826,900	2,370,247
With donor restrictions	12,425,436	14,005,363
Total net assets	15,252,336	16,375,610
TOTAL LIABILITIES AND NET ASSETS	$ 19,772,906	$ 16,404,668

See accompanying notes to financial statements.

STATEMENT 5

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

COMPONENT UNIT - FRIENDS OF McHENRY COUNTY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions	$ 202,080	$ 3,424,837	$ 3,626,917	$ 323,948	$ 5,668,533	$ 5,992,481
In-kind donations	8,633	5,300	13,933	989	7,034	8,023
Special events - net	264,287	51,409	315,696	283,692	8,665	292,357
Investment income - net	150,952	1,068,734	1,219,686	159,799	474,370	634,169
Appreciation of art collection	-	339,985	339,985	-	-	-
Net assets released from restrictions	6,470,192	(6,470,192)	-	591,160	(591,160)	-
Total revenue, gains, and other support	7,096,144	(1,579,927)	5,516,217	1,359,588	5,567,442	6,927,030
EXPENSES						
Program services	6,599,931	-	6,599,931	856,753	-	856,753
Management and general	226,405	-	226,405	206,064	-	206,064
Fundraising	178,888	-	178,888	281,175	-	281,175
Costs of direct benefits to donors	39,267	-	39,267	69,607	-	69,607
Total expenses	7,044,491	-	7,044,491	1,413,599	-	1,413,599
TRANSFER FROM AFFILIATE - MCHENRY COUNTY COLLEGE - In-kind services	405,000	-	405,000	356,809	-	356,809
CHANGE IN NET ASSETS	456,653	(1,579,927)	(1,123,274)	302,798	5,567,442	5,870,240
NET ASSETS, JULY 1	2,370,247	14,005,363	16,375,610	2,067,449	8,437,921	10,505,370
NET ASSETS, JUNE 30	$ 2,826,900	$ 12,425,436	$ 15,252,336	$ 2,370,247	$ 14,005,363	$ 16,375,610

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of McHenry County College - Community College District Number 528 (the College) conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)) applicable to government units and Illinois community colleges. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. These authoritative pronouncements are consistent with the accounting practices prescribed or permitted by the Illinois Community College Board (ICCB), as set forth in the ICCB Fiscal Management Manual.

a. Reporting Entity

The College is a separate legal entity established under Illinois Compiled Statutes (ILCS) governed by an elected Board of Trustees. The College is fiscally independent and is considered a primary government pursuant to GASB Statement No. 14 as amended by GASB Statement No. 61. The College has determined that the Friends of McHenry County College Foundation (the Foundation), a fundraising organization that supports the College, meets the requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an Amendment of GASB Statement 14*, which has resulted in the Foundation being reported as a discretely presented component unit of the College as it is legally separate from the College. Separate financial statements of the Foundation are available from the Foundation's Executive Director, 8900 U.S. Highway 14, Crystal Lake, Illinois 60012.

b. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. This means that all assets, deferred outflows, and all liabilities and deferred inflows (whether current or noncurrent) associated with these activities are included on the statements of net position. The College's operating statement presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of related cash flows. All significant intra-agency transactions have been eliminated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. Non-exchange transactions are recognized in the year in which all eligibility requirements have been satisfied.

On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the College on a reimbursement basis.

c. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of $5,000 for equipment; $10,000 for land improvements; $25,000 for software; and $50,000 for land, buildings, and building improvements. Assets also have 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 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 the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Right-to-use intangible assets for leases and software are amortized over the shorter of the lease/subscription term or useful life of the underlying asset. Property, plant, and equipment of the College are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-20
Buildings	40-60
Building improvements	10-20
Technology equipment	3-5
Other equipment	5-10
Software	3-5

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Capital Assets (Continued)

Intangible assets represent the College's right-to-use leased assets and software. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets and software.

d. Property Tax Revenue Recognition

The College's property taxes are levied each calendar year on all taxable real property. Property taxes are recorded on the accrual basis of accounting. Pursuant to action by the Board of Trustees, property tax levies passed in December 2022 (2021) were allocated 50% to fiscal year 2023 (2022) and 50% to fiscal year 2024 (2023). Each County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in their County.

Property taxes receivable are extensions less cash collected.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the taxing bodies their respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, generally on June 1st and September 1st. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

Following are the tax rates for the last three years. The 2023 (2022) rate is for tax levy payable in calendar year 2024 (2023), per $100 of assessed valuation.

Fund	2021 Rate	2022 Rate	2023 Rate
Education Fund**	0.2932	0.2719	0.2508
Operations and Maintenance Fund	0.0270	0.0250	0.0231
Audit Fund	0.0009	0.0008	0.0007
Liability, Protection, and Settlement Fund	0.0079	0.0074	0.0068
Social Security/Medicare Subfund*	0.0001	0.0001	0.0001
TOTAL	0.3291	0.3052	0.2815

*The Social Security/Medicare tax levy and related expenses are recorded in the Liability, Protection, and Settlement Subfund.
**Includes revenue recapture and prior year adjustments

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Property Tax Revenue Recognition (Continued)

The 2024 tax levy, which attached as an enforceable lien on property as of January 1, 2024, has not been recorded as a receivable as of June 30, 2024, as the tax has not yet been levied and will not be levied until December 2024 and, therefore, the levy is not measurable at June 30, 2024.

e. Cash and Investments

For purposes of the statements of cash flows, the College considers all pooled cash and investments and, for separate accounts, all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments having a maturity date of less than one year from the time of purchase, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values for the investments in The Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

f. Inventory and Prepaid Items

Inventory is valued at the lower of cost first-in/first-out (FIFO) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the statements of net position. Payments for goods or services that benefit future periods are recorded as prepaid items. The costs of inventory and prepaid items are recorded as expenses when consumed.

g. Unearned Tuition and Fee Revenue

Tuition and fee revenues collected or accrued during the fiscal year which relate to the period after June 30, 2024 and 2023 have been recognized as unearned revenues.

h. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums, discounts, and gains/losses on refundings are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

The College records a liability for employees' vacation leave earned, but not taken. As of June 30, 2024 and 2023, the College has recorded a liability for vacation leave earned but not taken at salary rates then in effect, which total $1,267,700 and $1,020,408, respectively. The College considers this liability current and due within one year.

A summary of compensated absences transactions for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Compensated absences	$ 1,020,408	$ 1,267,700	$ 1,020,408	$ 1,267,700

A summary of compensated absences transactions for the year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Compensated absences	$ 931,037	$ 1,020,408	$ 931,037	$ 1,020,408

The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System (SURS or the System).

j. Classification of Revenues and Expenses

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

Operating expenses include the costs of delivering educational programs and services, facility operations, auxiliary enterprises, administrative expenses, and depreciation. All other expenses not meeting this definition are reported as non-operating expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Net Position

The College's net position is classified as follows:

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

Restricted net position - This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, and then unrestricted resources when they are needed. None of the College's net position is restricted due to enabling legislation adopted by the College.

Unrestricted net position - This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational department and auxiliary enterprises. These resources are used for transactions relating to the educational and general obligations of the College and may be used at the discretion of the governing board to meet current expenses for any purposes.

l. Revenue and Expense for Pensions and OPEB

The College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* whereby the State of Illinois (the State) is responsible for the employer contribution and the total pension liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2024 and 2023, the College has reported its proportionate share of the collective pension expense and revenue for the State's pension expense. In addition, the College applies the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* whereby the State is responsible for 50% of both the employer contribution and the total other postemployment benefit (OPEB) liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2024 and 2023, the College has reported its proportionate share of the collective OPEB expense and revenue for the State's contribution in addition to reporting the College's proportionate share of the OPEB liability and related expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

n. Federal Financial Assistance

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work Study, Federal Family Education Loans, and Perkins Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the Uniform Guidance, the U.S. Office of Management and Budget Revised Circular A-133 *Audit of States, Local Governments and Non-Profit Organizations* and the Compliance Supplement.

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The College’s investment policy authorizes the College to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district of the State, of any other state, or of any political subdivision or agency of the State or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law, investment options offered by the Illinois Trust, IIIT Class, the Illinois School District Liquid Asset Fund Plus, the Illinois Metropolitan Investment Fund, and The Illinois Funds.

2. CASH AND INVESTMENTS (Continued)

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

It is the policy of the College to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the College and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield, and maintaining the public trust.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the College's deposits may not be returned to it. The College's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an independent third party in the College's name. During the fiscal year ended June 30, 2024, collateral pledged by one bank was held in the form of a letter of credit. At June 30, 2024, the College had bank balances of $3,012,562 which were uninsured and uncollateralized. The College did not have any uninsured or uncollateralized deposits as of June 30, 2023.

Investments

The following table presents the investment in debt securities of the College as of June 30, 2024, by type of investment:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	$ 4,447,364	$ 366,295	$ 3,535,564	$ 196,732	$ 348,773
U.S. Treasury securities	11,348,899	1,123,248	10,225,651	-	-
Municipal bonds	265,987	97,999	167,988	-	-
Corporate bonds	3,908,400	309,249	3,599,151	-	-
Negotiable CDs	225,125	225,125	-	-	-
TOTAL	$ 20,195,775	$ 2,121,916	$ 17,528,354	$ 196,732	$ 348,773

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

The following table presents the investment in debt securities of the College as of June 30, 2023, by type of investment:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	$ 4,923,092	$ 688,185	$ 3,131,229	$ 658,751	$ 444,927
U.S. Treasury securities	8,393,693	-	8,393,693	-	-
Municipal bonds	1,286,358	807,432	478,926	-	-
Corporate bonds	5,563,631	-	5,563,631	-	-
Fixed income mutual funds	1,118,720	-	1,118,720	-	-
TOTAL	$ 21,285,494	$ 1,495,617	$ 18,686,199	$ 658,751	$ 444,927

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

The College has the following recurring fair value measurements as of June 30, 2024: U.S. Treasury securities of $11,348,899 are valued using quoted market prices (Level 1 inputs). U.S. agency securities, corporate bonds, municipal bonds, and negotiable certificates of deposit of $8,846,876 are valued using a matrix pricing model (Level 2 inputs).

The College has the following recurring fair value measurements as of June 30, 2023: U.S. Treasury securities and fixed income mutual funds of $9,512,413 are valued using quoted market prices (Level 1 inputs). U.S. agency securities, corporate bonds, and municipal bonds of $11,733,081 are valued using a matrix pricing model (Level 2 inputs).

In accordance with its investment policy, the College limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a two-year period. The investment policy does not strictly limit the maximum maturity lengths of investments.

The College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government, and state and local government bonds and commercial paper rated at the time of purchase within the three highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions. At June 30, 2024, the

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

U.S. agency securities were rated between AA+ and AAA, corporate bonds were rated between BBB+ and AA+, U.S. Treasury agencies were all rated AA+, the municipal bonds were rated between A+ and AAA, and the negotiable certificates of deposit were rate A-1. At June 30, 2023, the U.S. agency securities were rated between AA+ and AAA, corporate bonds were rated between BBB+ and AA+, U.S. Treasury agencies were all rated AA+, fixed income mutual funds were comprised of corporate bonds with investment grade ratings or higher, and the municipal bonds were rated between A+ and AAA

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the College will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the College's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the College's or Broker/Dealer's agent separate from where the investment was purchased. The Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk - At June 30, 2024, the College had no investments greater than 5% of its overall portfolio, and at June 30, 2023, the College had no investments greater than 5% of its overall portfolio. This is in accordance with the College's investment policy, which does not allow for more than 5% of the College's funds to be invested in any one single issuer, with the exception of the U.S. Treasury or any of the federal agencies or instrumentalities.

Derivatives - The College's investment policy specifically prohibits the use of or the investment in derivatives.

3. DEFINED BENEFIT PENSION PLANS

Plan Description

The College contributes to SURS, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the ILCS. 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.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided

A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2024 and 2023 can be found in SURS' annual comprehensive financial report (ACFR) notes to the financial statements.

Contributions

The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of 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's normal cost for fiscal year 2024 and 2023 was 12.53% and 12.83%, respectively, 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% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of affected annuitants or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy

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

Net Pension Liability

At June 30, 2023, SURS reported a net pension liability of $29,444,538,098. The net pension liability was measured as of June 30, 2023. At June 30, 2022, SURS reported a net pension liability of $29,078,053,857. The net pension liability was measured as of June 30, 2022.

Employer Proportionate Share of Net Pension Liability

The amount of the proportionate share of the net pension liability to be recognized for the College is $0 at June 30, 2024. The amount of the proportionate share of the State's net pension liability associated with the College is $172,742,861 or 0.5867%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2023 and the total pension used to calculate the net pension liability was determined based on the June 30, 2022 actuarial valuation. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2022.

The amount of the proportionate share of the net pension liability to be recognized for the College is $0 at June 30, 2023. The amount of the proportionate share of the State's net pension liability associated with the College is $170,712,602 or 0.5871%. This amount is not recognized in the financial statement due to the special funding situation. The net pension liability was measured as of June 30, 2022 and the total pension used to calculate the net pension liability was determined based on the June 30, 2021 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2021.

Pension Expense

For the year ended June 30, 2023, SURS reported a collective net pension expense of $1,884,388,521. For the year ended June 30, 2022, SURS reported a collective net pension expense of $1,903,314,699.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

a. Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective net pension expense is recognized as both nonoperating revenue and matching operating expense in the 2024 and 2023 financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable earnings made to SURS during fiscal year 2023 and 2022. As a result, the College recognized revenue and pension expense of $11,055,180 and $11,174,056 for the fiscal years ended June 30, 2024 and 2023, respectively.

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

Deferred outflows of resources are the consumption of net assets by the College that is applicable to future reporting periods. The College paid $183,588 and $78,144 in federal, trust, or grant contributions for the fiscal years ended June 30, 2024 and 2023, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2023 and 2022 and are recognized as deferred outflows of resources as of June 30, 2024 and 2023, respectively.

b. Assumptions and Other Inputs

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2023, valuations were based on the results of an actuarial experience study for the period June 30, 2017 to 2020. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

Mortality rates used in the June 30, 2023 valuation were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and separate mortality assumption for disabled participants.

The actuarial assumptions used in the June 30, 2022, valuations were based on the results of an actuarial experience study for the period June 30, 2017 to 2020. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% to 12.75%, including inflation
Investment rate of return	6.50%

Mortality rates used in the June 30, 2022 valuation were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and separate mortality assumption for disabled participants.

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

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2023 and 2022, these best estimates are summarized in the following table:

2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	36.00%	7.97%
Core Real Assets	8.00%	4.68%
Public Credit Fixed Income	6.50%	4.52%
Private Credit	2.50%	7.36%
Private Equity	11.00%	11.32%
Non-Core Real Assets	4.00%	8.67%
U.S. TIPS	5.00%	2.09%
Core Fixed Income	10.00%	1.13%
Systematic Trend Following	10.00%	3.18%
Alternative Risk Premia	3.00%	3.27%
Long Duration	2.00%	3.02%
Long Volatility/Tail Risk	2.00%	(1.14)%
Total	100.00%	5.98%
Inflation		2.60%
EXPECTED ARITHMETIC NORMAL RETURN		8.58%

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	38.00%	7.62%
Public Credit Fixed Income	9.00%	4.20%
Credit Real Assets	4.50%	4.98%
Options Strategies	2.50%	4.91%
Private Credit	1.00%	7.45%
Private Equity	10.50%	11.91%
Non-Core Real Assets	2.50%	9.43%
U.S. TIPS	5.00%	1.23%
Core Fixed Income	8.00%	1.79%
Systematic Trend Following	10.00%	4.33%
Alternative Risk Premia	5.00%	3.59%
Long Duration	4.00%	2.16%
Total	100.00%	6.08%
Inflation		2.25%
EXPECTED ARITHMETIC NORMAL RETURN		8.33%

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate

2024

A single discount rate of 6.37% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.86% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2023). 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 2074. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.37%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.37%)	Current Single Discount Rate Assumption (6.37%)	1% Increase (7.37%)
Net pension liability	$ 35,695,434,682	$ 29,444,538,098	$ 24,236,489,318

3. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

<u>2023</u>

A single discount rate of 6.39% 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 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). 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 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.39%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.39%)	Current Single Discount Rate Assumption (6.39%)	1% Increase (7.39%)
Net pension liability	$ 35,261,802,968	$ 29,078,053,857	$ 23,928,731,076

Additional information regarding the SURS basic financial statements including the plan net position can be found in the SURS ACFR by accessing the website at www.SURS.org.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Defined Contribution Pension Plan

2024

a. Plan Description

The College contributes to the RSP administered by SURS, a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

b. 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, 2023, can be found in SURS ACFR - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8.00% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60% 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 7.60% 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.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Defined Contribution Pension Plan (Continued)

2024 (Continued)

d. 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.

e. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2023, the State's contributions to the RSP on behalf of individual employers totaled $90,330,044. Of this amount, $81,991,471 was funded via an appropriation from the State and $8,338,573 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 2023. The College's share of pensionable contributions was 0.4866%. As a result, the College recognized revenue and defined contribution pension expense of $439,526 from this special funding situation during the year ended June 30, 2024, of which $40,574 constituted forfeitures.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Defined Contribution Pension Plan (Continued)

2023

a. Plan Description

The College contributes to the RSP administered by SURS, a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.SURS.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

b. 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, 2022, can be found in SURS ACFR - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8.00% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.60% 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 7.60% 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.

3. DEFINED BENEFIT PENSION PLANS (Continued)

Defined Contribution Pension Plan (Continued)

2023 (Continued)

d. 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.

e. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense

For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled $89,770,940. Of this amount, $80,902,699 was funded via an appropriation from the State and $8,868,241 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 2022. The College's share of pensionable contributions was 0.5401%. As a result, the College recognized revenue and defined contribution pension expense of $484,848 from this special funding situation during the year ended June 30, 2023, of which $47,897 constituted forfeitures.

4. RETIREE HEALTH PLAN

Plan Description

In addition to the pension plan described previously, the College contributes to the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State. CIP provides health, vision, and dental benefits to retired staff and beneficiaries of participating community colleges. The benefits, employer, employee, retiree, and state contributions are dictated by ILCS through the State Group Insurance Act of 1971 (the Act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois 62763.

The Act requires every active contributor (employee) of SURS to contribute 0.50% of covered payroll and every community college district to contribute 0.50% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State to contribute 0.50% of estimated covered payroll directly to the plan. The result is pay-as-you-go financing of the plan.

The following disclosures are for the years ended June 30, 2024 and 2023, in accordance with GASB Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CIP and additions to/deductions from CIP's fiduciary net position have been determined on the same basis as they are reported by CIP. For this purpose, CIP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

2024

At June 30, 2024 the College reported a liability of $9,036,731 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of $9,036,731 resulting in a total OPEB liability associated with the College of $18,073,462. The OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to June 30, 2023. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined. At June 30, 2024 and 2023, the College's proportions were 1.279386% and 1.259878%, respectively.

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2024 (Continued)

For the year ended June 30, 2023, the College recognized OPEB expense of $(3,718,342) for it proportionate share of the CIP OPEB expense and revenue and expense of $(3,718,342) for support provided by the State. At June 30, 2024 the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 136,008	$ 2,720,569
Changes in assumption	-	8,834,210
Changes in proportionate share and differences between College contributions and proportionate share of contributions	352,437	601,319
Contributions made after the measurement date	206,564	-
Net difference between projected and actual earnings on OPEP plan investments	-	1,932
TOTAL	$ 695,009	$ 12,158,030

$206,564 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2025	$ (3,575,824)
2026	(3,205,092)
2027	(2,751,758)
2028	(2,107,963)
2029	(28,948)
TOTAL	$ (11,669,585)

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2024 (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.00% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25%
Asset valuation method	Fair 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.

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 bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.86% as of June 30, 2023 and 3.69% as of June 30, 2022.

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2024 (Continued)

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.86% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86%) or 1 percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
OPEB liability	$ 9,859,163	$ 9,036,731	$ 8,328,541

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key claims trend rates are 8.00% in 2025 decreasing to an ultimate trend rate of 4.25% in 2040

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 8,117,160	$ 9,036,731	$ 10,145,611

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

2023

At June 30, 2023 the College reported a liability of $8,624,620 for its proportionate share of the total OPEB liability that reflected a reduction for state OPEB support of $8,624,620 resulting in a total OPEB liability associated with the College of $17,249,240. The OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to June 30, 2022. The College's proportion of the net OPEB liability was based on the College's actual contributions to the OPEB plan relative to the projected contributions of all participating colleges and the State, statutorily determined. At June 30, 2023 and 2022, the College's proportions were 1.259878% and 1.264728%, respectively.

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2023 (Continued)

For the year ended June 30, 2023, the College recognized OPEB expense of $(3,950,752) for it proportionate share of the CIP OPEB expense and revenue and expense of $(3,950,752) for support provided by the State. At June 30, 2023 the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 68,133	$ 3,592,422
Changes in assumption	-	11,625,719
Changes in proportionate share and differences between College contributions and proportionate share of contributions	73,840	643,424
Contributions made after the measurement date	126,564	-
Net difference between projected and actual earnings on OPEP plan investments	-	446
TOTAL	$ 268,537	$ 15,862,011

$126,564 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	$ (3,901,426)
2025	(3,610,169)
2026	(3,245,089)
2027	(2,798,668)
2028	(2,164,686)
TOTAL	$ (15,720,038)

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2023 (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, the measurement date, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.00% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25%
Asset valuation method	Fair 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.

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 bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates were 3.69% as of June 30, 2022 and 1.92% as of June 30, 2021.

4. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2023 (Continued)

Rate Sensitivity

The following is a sensitivity analysis of the OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the OPEB liability of the College calculated using the discount rate of 3.69% as well as what the College's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.69%) or 1 percentage point higher (4.69%) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
OPEB liability	$ 9,441,186	$ 8,624,620	$ 7,926,345

The table below presents the College's OPEB liability, calculated using the healthcare cost trend rates as well as what the College's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key claims trend rates are 8.00% in 2023 decreasing to an ultimate trend rate of 4.25% in 2039.

	1% Decrease	Current Healthcare Rate	1% Increase
OPEB liability	$ 7,707,422	$ 8,624,620	$ 9,745,364

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

5. LONG-TERM DEBT

A summary of long-term debt transactions for the year ended June 30, 2024, is as follows:

	Balances July 1, 2023	Issuance	Repayment/ Refunding	Balances June 30, 2024	Current Portion
General Obligation Limited Tax Refunding Debt Certificates, Series 2015	$ 995,000	$ -	$ 240,000	$ 755,000	$ 245,000
General Obligation Limited Tax Debt Certificates, Series 2017	6,600,000	-	360,000	6,240,000	375,000
Note payable	1,017,695	-	262,854	754,841	272,448
Leases (Note 11)	1,082,079	2,354,885	1,254,597	2,182,367	599,329
Subscription liabilities (Note 7)	2,685,753	420,153	875,677	2,230,229	728,758
Other postemployment benefit obligation (Note 4)	8,624,620	412,111	-	9,036,731	206,564
Unamortized premium on certificates	336,043	-	24,366	311,677	24,366
TOTAL	$ 21,341,190	$ 3,187,149	$ 3,017,494	$ 21,510,845	$ 2,451,465

A summary of long-term debt transactions for the year ended June 30, 2023, is as follows:

	Balances July 1, 2022	Issuance	Repayment/ Refunding	Balances June 30, 2023	Current Portion
General Obligation Limited Tax Refunding Debt Certificates, Series 2015	$ 1,230,000	$ -	$ 235,000	$ 995,000	$ 240,000
General Obligation Limited Tax Debt Certificates, Series 2017	6,945,000	-	345,000	6,600,000	360,000
Note payable	-	1,017,695	-	1,017,695	262,854
Leases	1,610,445	463,056	991,422	1,082,079	542,500
Subscription liabilities	2,877,352	756,229	947,828	2,685,753	793,047
Other postemployment benefit obligation	21,949,778	-	13,325,158	8,624,620	126,541
Unamortized premium on certificates	360,408	-	24,365	336,043	24,366
TOTAL	$ 34,972,983	$ 2,236,980	$ 15,868,773	$ 21,341,190	$ 2,349,308

5. LONG-TERM DEBT (Continued)

The following is information relative to the long-term debt outstanding as of June 30, 2024.

$2,555,000 General Obligation Limited Tax Refunding Debt Certificates, Series 2015

On December 22, 2015, the College issued $2,555,000 of General Obligation Limited Tax Refunding Debt Certificates. The purpose of the debt certificates was to advance refund the General Obligation Limited Tax Debt Certificates, Series 2008. The $2,555,000 General Obligation Limited Tax Refunding Debt Certificates, Series, 2015, are due in annual installments of $40,000 to $260,000 through February 1, 2027 (commencing on February 1, 2016), bearing interest of 2.178% payable on February 1 and August 1 (commencing on February 1, 2016). The following are the debt service requirements remaining for these debt certificates:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 245,000	$ 16,444	$ 261,444
2026	250,000	11,108	261,108
2027	260,000	5,663	265,663
TOTAL	$ 755,000	$ 33,215	$ 788,215

The College's General Obligation Limited Tax Refunding Debt Certificates, Series 2015 is not rated.

$8,770,000 General Obligation Limited Tax Debt Certificates, Series 2017

On April 17, 2017, the College issued $8,770,000 of General Obligation Limited Tax Debt Certificates. The purpose of the debt certificates was to finance the construction of a new 40,355 square foot, two-story science center on the College's Crystal Lake campus. The debt certificates will be repaid from the bond and interest subfund.

5. LONG-TERM DEBT (Continued)

$8,770,000 General Obligation Limited Tax Debt Certificates, Series 2017 (Continued)

The $8,770,000 General Obligation Limited Tax Debt Certificates, Series, 2017, are due in annual installments of $300,000 to $600,000 through February 1, 2037 (commencing on February 1, 2018), bearing interest from 2% to 4% payable on February 1 and August 1 (commencing on August 1, 2017). The following are the debt service requirements remaining for these debt certificates:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 375,000	$ 249,600	$ 624,600
2026	390,000	234,600	624,600
2027	405,000	219,000	624,000
2028	420,000	202,800	622,800
2029	440,000	186,000	626,000
2030-2034	2,475,000	652,000	3,127,200
2035-2037	1,735,000	140,600	1,875,600
TOTAL	$ 6,240,000	$ 1,884,600	$ 8,124,600

The College's General Obligation Limited Tax Refunding Debt Certificates, Series 2017, is rated Aa1 by Moody's Investors Service.

Note Payable

On May 24, 2023, the College purchased real property for $1,400,000, with an initial payment of $300,000 due at closing and the remainder due in the form of a promissory note, with payments due annually each July 1, commencing on July 1, 2024 and maturing on July 1, 2026. The note bears interest at 3.65%. The following are the debt service requirements remaining for this note:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 272,448	$ 27,552	$ 300,000
2026	482,393	17,607	500,000
TOTAL	$ 754,841	$ 45,159	$ 800,000

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Tangible capital assets not being depreciated				
Land	$ 6,735,697	$ -	$ -	$ 6,735,697
Construction in progress	3,800,382	23,823,708	486,454	27,137,636
Total tangible capital assets not being depreciated	10,536,079	23,823,708	486,454	33,873,333
Tangible capital assets being depreciated				
Buildings additions and improvements	94,488,910	486,454	-	94,975,364
Equipment	15,318,704	444,270	58,266	15,704,708
Total tangible capital assets being depreciated	109,807,614	930,724	58,266	110,680,072
Intangible capital assets being amortized				
Building additions and improvements	100,298	-	-	100,298
Equipment	4,218,530	2,354,885	-	6,573,415
Subscription assets	4,396,969	420,153	244,495	4,572,627
Total intangible capital assets being amortized	8,715,797	2,775,038	244,495	11,246,340
Less accumulated depreciation for				
Buildings additions and improvements	36,477,514	2,405,161	-	38,882,675
Equipment	11,423,893	834,484	58,266	12,200,111
Total accumulated depreciation	47,901,407	3,239,645	58,266	51,082,786
Less accumulated amortization for				
Building additions and improvements	92,583	7,715	-	100,298
Equipment	2,750,800	998,384	-	3,749,184
Subscription assets	1,343,540	891,826	163,560	2,071,806
Total accumulated amortization	4,186,923	1,897,925	163,560	5,921,288
Total capital assets being depreciated and amortized, net	66,435,081	(1,431,808)	80,935	64,922,338
CAPITAL ASSETS, NET	$ 76,971,160	$ 22,391,900	$ 567,389	$ 98,795,671

6. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Tangible capital assets not being depreciated				
Land	$ 6,821,353	$ -	$ 85,656	$ 6,735,697
Construction in progress	3,805,496	2,239,774	2,244,888	3,800,382
Total tangible capital assets not being depreciated	10,626,849	2,239,774	2,330,544	10,536,079
Tangible capital assets being depreciated				
Buildings additions and improvements	90,974,204	3,514,706	-	94,488,910
Equipment	15,615,904	610,822	908,022	15,318,704
Total tangible capital assets being depreciated	106,590,108	4,125,528	908,022	109,807,614
Intangible capital assets being amortized				
Building additions and improvements	100,298	-	-	100,298
Equipment	3,755,474	463,056	-	4,218,530
Subscription assets	3,591,240	805,729	-	4,396,969
Total intangible capital assets being amortized	7,447,012	1,268,785	-	8,715,797
Less accumulated depreciation for				
Buildings additions and improvements	34,136,284	2,341,230	-	36,477,514
Equipment	11,535,262	796,653	908,022	11,423,893
Total accumulated depreciation	45,671,546	3,137,883	908,022	47,901,407
Less accumulated amortization for				
Building additions and improvements	61,722	30,861	-	92,583
Equipment	1,781,527	969,273	-	2,750,800
Subscription assets	575,683	767,857	-	1,343,540
Total accumulated amortization	2,418,932	1,767,991	-	4,186,923
Total capital assets being depreciated and amortized, net	65,946,642	488,439	-	66,435,081
CAPITAL ASSETS, NET	$ 76,573,491	$ 2,728,213	$ 2,330,544	$ 76,971,160

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA),* the District's SBITA activity is as follows:

The College has entered into SBITA agreements for the right to use various software. The SBITAs are payable in annual principal and interest installments of $2,087 to $359,379 annually through November 2030. The total intangible right-to-use assets acquired under these SBITAs was $4,572,627 and $4,396,969 at June 30, 2024 and June 30, 2023, respectively. During the fiscal year ended June 30, 2024 and 2023, the College paid $875,677 and $947,828, respectively, in principal towards the SBITA and recognized amortization expense of $891,826, and $767,857, respectively.

The following schedule reflects the College's future obligations under the SBITA payable:

Fiscal Year Ending June 30,	SBITA Principal	SBITA Interest
2025	$ 728,758	$ 27,548
2026	750,431	19,209
2027	398,724	9,417
2028	299,110	4,199
2029	49,603	533
2030	3,603	31
TOTAL	$ 2,230,229	$ 60,937

8. RISK MANAGEMENT

The College 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 College is covered under the following types of insurance:

General Liability and Workers Compensation Insurance

The College participates in the Illinois Community College Risk Management Consortium (the Consortium) which operates as a public entity risk pool for the member colleges. The Consortium was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance for its college members. The main purpose of the Consortium is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. Since the Consortium requests initial payments to cover substantially any losses to be incurred for that policy year, the College anticipates no future liabilities for incurred losses.

8. RISK MANAGEMENT (Continued)

Health Care Insurance

Effective July 1, 2014, the College joined the Community College Health Care Consortium which provides employees insurance coverage for medical and prescription drugs. The College pays the Community College Health Care Consortium a monthly premium based on the number of participants and the type of coverage that has been elected. The College maintains voluntary, fully insured dental coverage through a third-party administrator for its dental insurance. The College currently allocates all expenses associated with the employee health plans to Education Fund. Claims and expenses are reported when incurred. To limit its exposure of risk, the Consortium maintains a specific excess policy that provides coverage in excess of $250,000 per covered person as of June 30, 2024. A liability of $12,139 and $10,949 for dental claims incurred but not paid as of June 30, 2024 and 2023, respectively, was recorded. Additionally, there was an estimate of incurred but not reported medical claims of $377,000 and $291,000 as of June 30, 2024 and 2023, respectively. The incurred but not reported medical claims as of June 30, 2024 and 2023 is recorded as a reduction of the other receivable.

A reconciliation of the health claim liability for the last three years is as follows:

	2024	2023	2022
CLAIMS PAYABLE, JULY 1	$ 301,949	$ 275,716	$ 239,716
Claims paid	(5,738,346)	(5,068,514)	(5,151,271)
Claims incurred	5,825,536	5,094,747	5,187,271
CLAIMS PAYABLE, JUNE 30	$ 389,139	$ 301,949	$ 275,716

9. LIABILITY, PROTECTION, AND SETTLEMENT EXPENSES

A summary of tort expenses for the year ended June 30, 2024, is as follows:

Category	Amount
Insurance	$ 826,199
Other	2,325
TOTAL	$ 828,524

9. LIABILITY, PROTECTION, AND SETTLEMENT EXPENSES (Continued)

A summary of tort expenses for the year ended June 30, 2023, is as follows:

Category	Amount
Insurance	$ 753,858
Other	1,710
TOTAL	$ 755,568

These expenses are recorded within the Liability, Protection, and Settlement Subfund.

10. TAX ABATEMENTS

The College rebates or abates certain taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these arrangements are specified within written agreements with the businesses concerned.

The College has an agreement with a manufacturer to abate all property taxes in excess of the manufacturer's aggregate 2014 base property taxes ($51,209) with all taxing bodies. The property consists of 3.10 acres and contains an approximately 43,928 square foot building. If at any time during the abatement term the sum of the 2014 base property taxes for all taxing bodies is less than $51,209, there shall be no property tax abatement required by any taxing body for that year. The 2014 base property tax amount refers to the existing tax bills prior to the new capital investment and reoccupation of a previously vacant building on the property. Each taxing body agrees to abate their portion of the real estate taxes levied against the property for a ten-year term commencing with the 2016 property tax bill payable in 2017 through the 2025 property tax bill payable in 2026. The maximum cumulative total property tax abatement levied against the property shall not exceed $314,270. As of June 30, 2024 and 2023, the cumulative amount that has been paid or accrued under this agreement was $4,896 and $3,536, respectively.

The College has an agreement with a manufacturer to abate their proportionate share of the property taxes in excess of the manufacturer's 2018 base property taxes ($32,371) with certain taxing bodies for five years beginning with the 2021 tax year. As of June 30, 2024 and 2023, the cumulative amount that has been paid or accrued under this agreement was $6,793 and $4,534, respectively.

11. LEASES

Lessee

The College enters into leases for the right to use facility space, equipment, and vehicles. The leases are payable in both monthly and annual installments. The lease periods extend through May 31, 2029. The total intangible right-to-use assets acquired under these leases were $6,673,713 and $4,318,828 as of June 30, 2024 and 2023, respectively.

The following is a summary of changes in lease payable for the fiscal years ended June 30, 2024 and 2023:

2024	Beginning Balance	Additions	Reductions	Ending Balances	Current Portion
Leases	$ 1,082,079	$ 2,354,885	$ 1,254,597	$ 2,182,367	$ 599,329
TOTAL	$ 1,082,079	$ 2,354,885	$ 1,254,597	$ 2,182,367	$ 599,329

2023	Beginning Balance	Additions	Reductions	Ending Balances	Current Portion
Leases	$ 1,610,445	$ 463,056	$ 991,422	$ 1,082,079	$ 542,500
TOTAL	$ 1,610,445	$ 463,056	$ 991,422	$ 1,082,079	$ 542,500

The following schedule reflects the College's future obligations under the lease payable:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 599,329	$ 131,511	$ 730,840
2026	687,963	89,250	777,213
2027	563,781	54,129	617,910
2028	259,983	15,426	275,409
2029	71,311	735	72,046
TOTAL	$ 2,182,367	$ 291,051	$ 2,473,418

Lessor

The College has also entered into leases to lease out cell towers, radio towers, and parking lot space to unrelated third parties. The leases are payable in both monthly and annual installments. The lease periods extend through April 30, 2051. The total amount of lease revenue earned was $19,159 and $25,077 for the years ended June 30, 2024 and 2023, respectively. The total amount of interest revenue earned was $5,320 and $5,490 for the years ended June 30, 2024 and 2023, respectively.

12. DISCRETELY PRESENTED COMPONENT UNIT

The Friends of McHenry County College Foundation (the Foundation) is a not-for-profit corporation organized under the laws of the State of Illinois. The Foundation was formed through an article of merger, filed May 18, 1999, which merged McHenry County College Foundation and Friends of McHenry County College into a single corporation named Friends of McHenry County College Foundation. There was no change in the Foundation's tax-exempt status as a result of this merger. The Foundation is a not-for-profit organization which was formed to promote the educational development and general educational welfare of the McHenry County College, Community College District 528 (the College). The Foundation is operated in conjunction with, and in support of the educational mission of the College. The Foundation supports the College through solicitation and administration of scholarships, gifts, grants or bequests of money or property or certain educational and cultural activities of the College as approved by the Board of Directors of the Foundation. The following is a summary of the significant accounting policies of the Foundation.

a. Basis of Presentation

The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specific by donors.

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

<u>Net Assets Without Donor Restrictions</u>

Net assets available for use in general operations and not subject to donor-imposed restrictions. The Board may impose stipulations on these assets for a specific purpose or future use.

<u>Net Assets With Donor Restrictions</u>

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

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

a. Basis of Presentation (Continued)

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.

b. Revenue Recognition

Contributions

The Foundation recognizes contributions when an unconditional promise to give cash, securities, other assets, services or space is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. There were no conditional contributions at June 30, 2024 and 2023.

All contributions and special event revenue are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in more than one year are initially reported at fair value determined using the discounted present value of estimated future cash flows technique based on a risk adjusted rate at the date the promise is made. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity. Management has determined an allowance was not necessary as of June 30, 2024 and 2023.

Special Event Revenue

The portion of sponsorship revenue and ticket sales that relates to the commensurate value the sponsor and attendee receives in return is recognized at the point in time when the events are held, and performance obligations are met. Revenue received for events held during the year were $315,096 and $418,580 as of June 30, 2024 and 2023, respectively. Ticket sales received in advance of the event are recorded as deferred revenue on the statement of financial position. Deferred revenue as of June 30, 2024 and 2023 was $32,100 and $27,000, respectively.

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

b. Revenue Recognition (Continued)

Contributions In-Kind

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

c. Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less when purchased are deemed cash equivalents. CDs are investments with an original maturity greater than three months and are recorded at amortized cost.

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2024, the amounts exceeded federal insured limits by $3,329,640. As of June 30, 2023, the Foundation's accounts did not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and is not exposed to any significant credit risk on cash.

d. Investments

The Foundation's investments consist of shares held in bonds, common stock and exchange traded funds (ETF), which are stated at fair value. The realized and unrealized gain or loss on investments is reflected in investment return on the statement of activities. Investment return is reported net of external and direct internal investment expenses.

e. Grants Payable

Grants payable represent amounts awarded unconditionally but not yet paid, due to the College through 2025.

f. Functional Allocation of Expenses

The cost of providing various program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

f. Functional Allocation of Expenses (Continued)

services benefited. These costs consist of payroll and benefits and occupancy within the statements of functional expenses. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The allocated expenses are allocated on the basis of estimates of time and effort.

g. Art Collection

The Foundation has capitalized its donated art and sculptures since inception. Donated items are capitalized at their current appraisal or fair value on the accession date (date on which the item is accepted by the Foundation). Additions of donated art and sculpture items are classified on the statement of activities as without donor restriction or with donor restriction support depending on donor restrictions, if any, placed on the item at the time of accession. The most recent art appraisal was performed in May 2024 and estimated the replacement value of the art collection at $2,246,335. The replacement value could differ from the amount on the financial statements which is based on historical cost or fair value as described above. Proceeds from the sale of art pieces not permanently restricted by the donor are not restricted and utilized in general operations.

h. 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. Accordingly, no provision for income tax expense is included in the accompanying financial statements. The Foundation evaluates their uncertain tax position on an annual basis, and there have been no recorded uncertain tax positions recorded in 2024 and 2023. Therefore, no provision or liability for income taxes has been included in the financial statements. The Foundation files various federal or 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 2022 and 2021, respectively.

i. Use of Estimates

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

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

Last Ten Fiscal Years

MEASUREMENT DATE JUNE 30,	2024	2023	2022	2021
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension	$ -	$ -	$ -	$ -
(c) Portion of non-employer contributing entities' total proportion of collective net pension liability associated with employer	172,742,861	170,712,602	173,290,814	185,993,280
TOTAL (b) + (c)	$ 172,742,861	$ 170,712,602	$ 173,290,814	$ 185,993,280
Covered payroll	$ 34,055,811	$ 31,624,157	$ 29,875,384	$ 29,257,621
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	507.23%	539.82%	580.05%	635.71%
SURS plan net position as a percentage of total pension liability	44.06%	43.65%	45.45%	39.05%
McHENRY COUNTY COLLEGE - DISTRICT NUMBER 528				
Federal, trust, grant, and other contribution	$ 183,588	$ 78,144	$ 72,084	$ 119,183
Contribution in relation to required contribution	183,588	78,144	72,084	119,183
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 34,055,811	$ 31,624,157	$ 29,875,384	$ 29,257,621
Contributions as a percentage of covered payroll	0.54%	0.25%	0.24%	0.41%

Notes to Required Supplementary Information

Changes of benefit terms - Public Act 103-0080, effective January 9, 2023, created a disability benefit for police officers in the line of duty on or after January 1, 2022. This benefit was first reflected in the Total Pension Liability as of June 30, 2023.

Changes of Assumptions - In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017, to June 30, 2020, was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below. Only the disability rates assumption changed for the June 30, 2023, actuarial valuation.

- Salary increase. The overall assumed rates of salary increase range from 3.00% to 12.75% based on years of service, with an underlying wage inflation rate of 2.25%.
- Investment return. The investment return is assumed to be 6.50%. This reflects an assumed real rate of return to 4.25% and assumed price inflation of 2.25%.
- Effective rate of interest. The long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50%.
- Normal retirement rates. Separate rates are assumed for members in academic positions and non-academic positions to reflect that retirement rates for academic positions are lower than for non-academic positions.
- Early retirement rates. Separate rates are assumed for members in academic positions and nonacademic positions to reflect that retirement rates for academic positions are lower than for nonacademic positions.
- Turnover rates. Assumed rates maintain the pattern of decreasing termination rates as years of service increase.
- Mortality rates. Use of Pub-2010 mortality tables reflects its high applicability to public pensions. The projection scale utilized is the MP-2020 scale.
- Disability rates. Separate rates are assumed for members in academic positions and nonacademic positions, as well as for males and females. New for the June 30, 2023, valuation, 50% of police officer disability incidence is assumed to be line-of-duty related.
- Plan election. For non-academic members, assumed plan election rates are 75 percent for Tier 2 and 25 percent for Retirement Savings Plan (RSP). For academic members, assumed plan election rates are 55 percent for Tier 2 and 45 percent for Retirement Savings Plan (RSP).

2020	2019	2018	2017	2016	2015
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
$ -	$ -	$ -	$ -	$ -	$ -
175,910,436	167,304,337	158,849,215	165,192,755	140,514,057	127,293,406
$ 175,910,436	$ 167,304,337	$ 158,849,215	$ 165,192,755	$ 140,514,057	$ 127,293,406
$ 30,096,750	$ 29,171,071	$ 29,031,399	$ 29,018,739	$ 28,792,147	$ 28,030,413
584.48%	573.53%	547.16%	569.26%	488.03%	454.13%
40.71%	41.27%	42.04%	39.57%	42.37%	44.39%
$ 49,101	$ 44,698	$ 38,066	$ 35,452	$ 34,875	$ 33,069
49,101	44,698	38,066	35,452	34,875	33,069
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,096,750	$ 29,171,071	$ 29,031,399	$ 29,018,739	$ 28,792,147	$ 28,030,413
0.16%	0.15%	0.13%	0.12%	0.12%	0.12%

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF
THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY
AND SCHEDULE OF CONTRIBUTIONS
COLLEGE INSURANCE PLAN

Last Seven Fiscal Years

MEASUREMENT DATE JUNE 30,	**2023**	**2022**	**2021**	**2020**
College's proportion of the net OPEB liability	1.279386%	1.259878%	1.264728%	1.282768%
College's proportionate share of the net OPEB liability	$ 9,036,731	$ 8,624,620	$ 21,949,778	$ 23,381,826
Portion of State's total proportion of net OPEB liability associated with the College	9,036,731	8,624,620	21,949,778	23,381,826
Total	$ 18,073,462	$ 17,249,240	$ 43,899,556	$ 46,763,652
Covered payroll	$ 26,473,064	$ 25,718,416	$ 25,640,604	$ 25,339,599
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	68.27%	67.07%	171.21%	184.55%
CIP plan net position as a percentage of total OPEB liability	(17.87%)	(22.03%)	(6.38%)	(5.07%)
FISCAL YEAR ENDED JUNE 30,	**2024**	**2023**	**2022**	**2021**
Statutorily required contribution	$ 206,564	$ 126,541	$ 118,812	$ 117,593
Contribution in relation to the statutorily required contribution	206,564	126,541	118,812	117,593
CONTRIBUTION EXCESS (DEFICIENCY)	$ -	$ -	$ -	$ -
Covered payroll	$ 26,473,064	$ 25,718,416	$ 25,640,604	$ 25,339,599
Contributions as a percentage of covered payroll	0.78%	0.49%	0.46%	0.46%

Note: The College implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The schedule is intended to show information for ten years.

Notes to Required Supplementary Information

Changes of Benefit Terms
There were no benefit changes recognized in the total OPEB liability as of June 30, 2018 - 2023.

Changes in Assumptions
The discount rate changed from 3.69% at June 30, 2022 to 3.86% at June 30, 2023.
The discount rate changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022.
The discount rate changed from 2.45% at June 30, 2020 to 1.92% at June 30, 2021.
The discount rate changed from 3.13% at June 30, 2019 to 2.45% at June 30, 2020.
The discount rate changed from 3.62% at June 30, 2018 to 3.13% at June 30, 2019.
The discount rate changed from 3.56% at June 30, 2017 to 3.62% at June 30, 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

2019		2018		2017	
	1.276091%		1.299732%		1.337431%
$	24,099,502	$	24,503,226	$	24,389,883
	24,099,502		24,503,226		24,068,656
$	48,199,004	$	49,006,452	$	48,458,539
$	24,606,920	$	25,574,999	$	25,323,617
	195.88%		191.62%		191.36%
	(4.13%)		(3.54%)		(2.87%)

2020		2019		2018	
$	117,972	$	114,548	$	113,502
	117,972		114,548		113,502
$	-	$	-	$	-
$	24,606,920	$	25,574,999	$	25,323,617
	0.48%		0.45%		0.45%

SUPPLEMENTAL FINANCIAL INFORMATION

EDUCATION PURPOSES SUBFUND

The Education Purposes Subfund is established by Section 3-1 of the Illinois Public Community College Act. The Education Purposes Subfund is used to account for the revenues and expenditures of the academic and service programs of the College.

OPERATIONS AND MAINTENANCE PURPOSES SUBFUND

The Operations and Maintenance Purposes Subfund is established by Section 3-1 and Section 3-20.3 of the Illinois Public Community College Act. The Operations and Maintenance Purposes Subfund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property.

AUXILIARY ENTERPRISES SUBFUND

The Auxiliary Enterprises Subfund is established by Section 3-31.1 of the Illinois Public Community College Act. The Auxiliary Enterprises Subfund exists to furnish a service to students and staff for which a fee is charged that is directly related to, although not necessarily equal to, the cost of the service.

RESTRICTED PURPOSES SUBFUND

The Restricted Purposes Subfund is for the purpose of accounting for monies that have restrictions regarding their use. Each specific project should be accounted for separately using a complete group of self-balancing accounts within the Restricted Purposes Subfund.

BOND AND INTEREST SUBFUND

The Bond and Interest Fund is established by Section 3A-1 of the Public Community College Act. This fund is used to account for payment of principal, interest, and related charges on the 2017 Debt Certificates.

AUDIT SUBFUND

The Audit Subfund is established by Chapter 50, Act 310, Section 9 of the Illinois Compiled Statutes for recording the payment of auditing expenditures.

LIABILITY, PROTECTION, AND SETTLEMENT SUBFUND

The Liability, Protection, and Settlement Subfund is established by 745 ILCS 10/9-107 of the Illinois Compiled Statutes. The tort liability, unemployment insurance, and workers' compensation levies should be recorded in this subfund.

The Social Security and Medicare Fund is a subfund of the Liability, Protection, and Settlement Fund established by 40 ILCS 5/21-110.1 of the Illinois Compiled Statutes. Monies in this subfund, including interest earned on the assets of this subfund, should be used only for the cost of participation in the federal Medicare program for those employees hired on or after March 1, 1986, and Social Security program for employees who do not participate in the SURS.

OPERATIONS AND MAINTENANCE (RESTRICTED) SUBFUND

The Operations and Maintenance (Restricted) Subfund is established by Section 3-14 of the Illinois Public Community College Act. The local Board of Trustees may establish this subfund by permitting an accumulation of funds for building purposes and site acquisition not to exceed an amount equal to 5% of the College's equalized assessed valuation.

WORKING CASH SUBFUND

The Working Cash Subfund is established by Chapter 110, Act 805, Section 3-33.1 of the Illinois Compiled Statutes. The Working Cash Subfund was first established without voter approval by resolution of the local Board of Trustees for the purpose of enabling the College to have on hand at all times sufficient cash to meet the demands for ordinary and necessary expenditures. Additional bonds may not be issued without voter approval.

ACTIVITY SUBFUND

The Activity Subfund (the agency subfund prior to the implementation of GASB Statement No. 84, *Fiduciary Activities)* is established by Section 3-27c of the *Public Community College Act*, is used to receive and hold funds when the college serves as a custodian or fiscal agent for another body, with some level of administrative control by the College.

RETIREE HEALTH INSURANCE SUBFUND

The Retiree Health Insurance Subfund is used to account for the College's proportionate share of the Community College Health Insurance Security Fund (the College Insurance Program or CIP) other postemployment benefit (OPEB) obligation and the revenue and expense related to the State of Illinois share of the College's OPEB obligation due to a special funding situation.

LONG-TERM OBLIGATIONS SUBFUND

The Long-Term Obligations Subfund is used to record long-term liabilities.

CAPITAL ASSETS SUBFUND

The Capital Assets Subfund is used to record the value of plant assets and is supported by detailed inventory records.

EXHIBIT 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

COMBINING SCHEDULE OF NET POSITION BY SUBFUND

June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Auxiliary Enterprises	Restricted Purposes	Bond and Interest	Audit
ASSETS						
Current assets						
Cash and cash equivalents	$ 11,334,093	$ 306,930	$ 718,114	$ 36,559	$ 813,128	$ 34,988
Investments	8,940,405	5,556,241	-	-	-	-
Property tax receivable	12,502,040	1,151,773	-	-	-	36,701
Tuition and fees receivable	7,157,788	-	-	-	-	-
Federal and state claims receivable	-	-	-	2,386,630	-	-
Accrued interest receivable	86,906	25,530	-	-	-	-
Lease receivable	12,730	-	-	-	-	-
Receivable from Foundation	-	-	-	-	-	-
Other receivables	3,512,802	-	721	-	-	-
Due from other funds	1,332,278	417,923	-	-	-	-
Inventory	-	-	190,571	-	-	-
Prepaid items	1,125,630	9,405	3,480	70,851	-	-
Total current assets	46,004,672	7,467,802	912,886	2,494,040	813,128	71,689
Noncurrent assets						
Lease receivable	413,023	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	-	-
Capital assets, net of accumulated depreciation	-	-	-	-	-	-
Intangible assets, net of accumulated amortization	-	-	-	-	-	-
Total noncurrent assets	413,023	-	-	-	-	-
Total assets	46,417,695	7,467,802	912,886	2,494,040	813,128	71,689
DEFERRED OUTFLOWS OF RESOURCES						
Pension items	-	-	-	-	-	-
OPEB items	-	-	-	-	-	-
Unamortized loss on refunding	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	46,417,695	7,467,802	912,886	2,494,040	813,128	71,689

Liability, Protection, and Settlement	Operations and Maintenance (Restricted)	Working Cash	Activity	Retiree Health Insurance	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
$ (1,603,203)	$ 346,298	$ (1,187,847)	$ 388,794	$ 900,000	$ -	$ -	$ -	$ -	$ 12,087,854
2,221,868	11,064,528	3,124,471	-	-	-	-	-	-	30,907,513
343,533	-	-	-	-	-	-	-	-	14,034,047
-	-	-	-	-	-	-	-	-	7,157,788
-	-	-	-	-	-	-	-	-	2,386,630
14,454	45,016	19,169	-	-	-	-	-	-	191,075
-	-	-	-	-	-	-	-	-	12,730
-	4,400,000	-	-	-	-	-	-	-	4,400,000
-	-	-	-	-	-	-	-	-	3,513,523
-	200,579	-	45,253	-	-	-	(1,996,033)	-	-
-	-	-	-	-	-	-	-	-	190,571
-	-	-	-	-	-	-	-	-	1,209,366
976,652	16,056,421	1,955,793	434,047	900,000	-	-	(1,996,033)	-	76,091,097
-	-	-	-	-	-	-	-	-	413,023
-	-	-	-	-	-	33,873,333	-	-	33,873,333
-	-	-	-	-	-	59,597,286	-	-	59,597,286
-	-	-	-	-	-	5,325,052	-	-	5,325,052
-	-	-	-	-	-	98,795,671	-	-	99,208,694
976,652	16,056,421	1,955,793	434,047	900,000	-	98,795,671	(1,996,033)	-	175,299,791
-	-	-	-	-	183,588	-	-	-	183,588
-	-	-	-	695,009	-	-	-	-	695,009
-	-	-	-	-	12,179	-	-	-	12,179
-	-	-	-	695,009	195,767	-	-	-	890,776
976,652	16,056,421	1,955,793	434,047	1,595,009	195,767	98,795,671	(1,996,033)	-	176,190,567

(This schedule is continued on the following pages.)

EXHIBIT 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

COMBINING SCHEDULE OF NET POSITION BY SUBFUND (Continued)

June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Auxiliary Enterprises	Restricted Purposes	Bond and Interest	Audit
LIABILITIES						
Current liabilities						
Accounts payable	$ 2,555,602	$ 5,606	$ 3,034	$ 156,757	$ -	$ -
Accrued payroll	1,207,100	-	-	-	-	-
Accrued compensated absences	1,067,922	45,418	154,360	-	-	-
Accrued interest payable	-	-	-	-	-	-
Due to other funds	300,000	-	-	1,696,033	-	-
Unearned tuition and fees	5,911,336	-	-	-	279,543	-
Other unearned revenue	2,391	-	243,319	668,083	-	-
Current portion of long-term obligations	-	-	-	-	-	-
Other current liabilities	74,231	-	195,869	-	-	-
Total current liabilities	11,118,582	51,024	596,582	2,520,873	279,543	-
Noncurrent liabilities						
Debt certificates payable	-	-	-	-	-	-
Note payable	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Subscription liabilities	-	-	-	-	-	-
Other postemployment benefit obligation	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	11,118,582	51,024	596,582	2,520,873	279,543	-
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	12,782,464	1,177,613	-	-	-	37,519
OPEB items	-	-	-	-	-	-
Leases	397,829	-	-	-	-	-
Total deferred inflows of resources	13,180,293	1,177,613	-	-	-	37,519
Total liabilities and deferred inflows of resources	24,298,875	1,228,637	596,582	2,520,873	279,543	37,519
NET POSITION						
Net investment in capital assets	(769,731)	(64,120)	-	-	-	-
Restricted for						
Liability, protection, and settlement	-	-	-	-	-	-
Working cash	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Pension contributions	-	-	-	-	-	-
Other restricted	-	-	-		-	34,170
Unrestricted (deficit)	22,888,551	6,303,285	316,304	(26,833)	533,585	-
TOTAL NET POSITION (DEFICIT)	$ 22,118,820	$ 6,239,165	$ 316,304	$ (26,833)	$ 533,585	$ 34,170

Liability, Protection, and Settlement	Operations and Maintenance (Restricted)	Working Cash	Activity	Retiree Health	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
$ 1,290	$ 654,457	$ 231	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,376,977
-	-	-	-	-	-	-	-	-	1,207,100
-	-	-	-	-	-	-	-	-	1,267,700
-	-	-	-	-	126,522	-	-	-	126,522
-	-	-	-	-	-	-	(1,996,033)	-	-
-	29,951	-	-	-	-	-	-	-	6,220,830
-	-	-	-	-	-	-	-	-	913,793
-	-	-	-	206,564	2,244,901	-	-	-	2,451,465
-	-	-	-	-	-	-	-	-	270,100
1,290	684,408	231	-	206,564	2,371,423	-	(1,996,033)	-	15,834,487
-	-	-	-	-	6,662,312	-	-	-	6,662,312
-	-	-	-	-	482,393	-	-	-	482,393
-	-	-	-	-	1,583,037	-	-	-	1,583,037
-	-	-	-	-	1,501,471	-	-	-	1,501,471
-	-	-	-	8,830,167	-	-	-	-	8,830,167
-	-	-	-	8,830,167	10,229,213	-	-	-	19,059,380
1,290	684,408	231	-	9,036,731	12,600,636	-	(1,996,033)	-	34,893,867
351,230	-	-	-	-	-	-	-	-	14,348,826
-	-	-	-	12,158,030	-	-	-	-	12,158,030
-	-	-	-	-	-	-	-	-	397,829
351,230	-	-	-	12,158,030	-	-	-	-	26,904,685
352,520	684,408	231	-	21,194,761	12,600,636	-	(1,996,033)	-	61,798,552
-	-	-	-	-	(12,461,935)	98,795,671	-	-	85,499,885
624,132	-	-	-	-	-	-	-	-	624,132
-	-	1,750,000	-	-	-	-	-	-	1,750,000
-	15,372,013	-	-	-	-	-	-	-	15,372,013
-	-	-	-	-	183,588	-	-	-	183,588
-	-	-	-	-	-	-	-	-	34,170
-	-	205,562	434,047	(19,599,752)	(126,522)	-	-	-	10,928,227
$ 624,132	$ 15,372,013	$ 1,955,562	$ 434,047	$ (19,599,752)	$ (12,404,869)	$ 98,795,671	$ -	$ -	$ 114,392,015

EXHIBIT 2

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

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

For the Year Ended June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Auxiliary Enterprises	Restricted Purposes	Bond and Interest	Audit
REVENUES						
Operating revenues						
Tuition and fees	$ 12,300,444	$ 1,578,674	$ 894,802	$ -	$ 714,081	$ -
Auxiliary enterprises revenue	61,176	-	3,404,163	-	-	-
Total operating revenues	12,361,620	1,578,674	4,298,965	-	714,081	-
EXPENSES						
Operating expenses						
Instruction	25,852,794	-	-	3,070,348	-	-
Academic support	4,456,426	-	-	722,896	-	-
Student services	5,233,708	-	-	1,653,348	-	-
Public services	1,499,920	-	-	361,493	-	-
Operations and maintenance	232,176	5,186,133	-	15,000	-	-
Auxiliary enterprises	585,739	-	4,611,759	-	-	-
Depreciation and amortization	-	-	-	-	-	-
Scholarships, student grants, and waivers	-	-	-	5,950,500	-	-
Institutional support	16,996,735	5,821	-	4,542	-	89,730
Total operating expenses	54,857,498	5,191,954	4,611,759	11,778,127	-	89,730
OPERATING INCOME (LOSS)	(42,495,878)	(3,613,280)	(312,794)	(11,778,127)	714,081	(89,730)
NON-OPERATING REVENUES (EXPENSES)						
State sources						
Other state grants and contracts	8,845,179	1,067,126	-	2,223,615	-	-
State Universities Retirement System pension	11,494,706	-	-	-	-	-
Community College Health Insurance Security Fund (OPEB)	-	-	-	-	-	-
Personal property replacement taxes	451,121	270,673	-	-	-	-
Property taxes	25,593,562	2,351,355	-	-	-	74,927
Federal grants and contracts	1,776	-	-	9,339,771	-	-
Investment income	833,446	370,797	-	-	-	-
Interest expense	(180,011)	-	-	(12,199)	(264,000)	-
Debt service	(2,480,000)	-	(42,987)	(110,141)	(360,000)	-
Issuance of long-term debt	-	-	-	-	-	-
Other non-operating revenues	179,800	6,057	-	324,543	-	-
Gain (Loss) on disposal of capital assets	-	-	-	-	-	-
Transfers in	-	-	550,000	-	-	-
Transfers (out)	(4,844,358)	-	-	-	-	-
Net non-operating revenues (expenses)	39,895,221	4,066,008	507,013	11,765,589	(624,000)	74,927
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	(2,600,657)	452,728	194,219	(12,538)	90,081	(14,803)
Contributions	-	-	-	-	-	-
CHANGE IN NET POSITION	(2,600,657)	452,728	194,219	(12,538)	90,081	(14,803)
NET POSITION (DEFICIT), JULY 1	24,719,477	5,786,437	122,085	(14,295)	443,504	48,973
NET POSITION (DEFICIT), JUNE 30	$ 22,118,820	$ 6,239,165	$ 316,304	$ (26,833)	$ 533,585	$ 34,170

	Liability, Protection, and Settlement	Operations and Maintenance (Restricted)	Working Cash	Activity	Retiree Health Insurance	Long-Term Obligations	Capital Assets	Eliminations	Adjustments	Total
	$ -	$ 76,507	$ -	$ -	$ -	$ -	$ -	$ (2,189,553)	$ -	$ 13,374,955
	-	-	-	-	-	-	-	(121,554)	-	3,343,785
	-	76,507	-	-	-	-	-	(2,311,107)	-	16,718,740
	-	-	-	-	(3,860,383)	(57,851)	(1,162,983)	-	-	23,841,925
	-	-	-	-	(637,324)	(32,306)	-	-	-	4,509,692
	-	-	-	79,770	(733,257)	4,316	(212,482)	-	-	6,025,403
	-	-	-	-	(232,768)	(20,091)	(6,629)	-	-	1,601,925
	-	-	-	-	(153,196)	-	(234,020)	-	-	5,046,093
	-	-	-	-	(382,989)	-	(4,107,138)	-	-	707,371
	-	-	-	-	-	-	5,137,570	-	-	5,137,570
	-	-	-	66,223	(17,848)	-	-	(2,311,107)	-	3,687,768
	828,524	8,575,123	3,270	-	(1,418,919)	487	(3,506,900)	-	-	21,578,413
	828,524	8,575,123	3,270	145,993	(7,436,684)	(105,445)	(4,092,582)	(2,311,107)	-	72,136,160
	(828,524)	(8,498,616)	(3,270)	(145,993)	7,436,684	105,445	4,092,582	-	-	(55,417,420)
	-	-	-	-	-	-	-	-	-	12,135,920
	-	-	-	-	-	-	-	-	-	11,494,706
	-	-	-	-	(3,718,342)	-	-	-	-	(3,718,342)
	-	-	-	-	-	-	-	-	-	721,794
	701,298	-	-	-	-	-	-	-	-	28,721,142
	-	-	-	-	-	-	-	-	-	9,341,547
	148,559	589,568	208,832	-	-	-	-	-	-	2,151,202
	-	-	-	-	-	15,475	-	-	-	(440,735)
	-	-	-	-	-	2,993,128	-	-	-	-
	-	2,775,039	-	-	-	(2,775,039)	-	-	-	-
	-	-	-	158,841	-	-	-	-	-	669,241
	-	-	-	-	-	-	(80,935)		-	(80,935)
	-	5,327,851	-	-	250,000	-	-	(6,127,851)	-	-
	-	-	(1,283,493)	-	-	-	-	6,127,851	-	-
	849,857	8,692,458	(1,074,661)	158,841	(3,468,342)	233,564	(80,935)	-	-	60,995,540
	21,333	193,842	(1,077,931)	12,848	3,968,342	339,009	4,011,647	-	-	5,578,120
	-	5,600,000	-	-	-	-	17,812,864	-	-	23,412,864
	21,333	5,793,842	(1,077,931)	12,848	3,968,342	339,009	21,824,511	-	-	28,990,984
	602,799	9,578,171	3,033,493	421,199	(23,568,094)	(12,743,878)	76,971,160	-	-	85,401,031
	$ 624,132	$ 15,372,013	$ 1,955,562	$ 434,047	$ (19,599,752)	$ (12,404,869)	$ 98,795,671	$ -	$ -	$114,392,015

(See independent auditor's report.)

STATISTICAL SECTION (UNAUDITED)

This part of the McHenry County College, Community College District Number 528's annual comprehensive financial report presents additional historical perspective, context, and detailed information to assist the reader in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the College's overall economic condition.

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

TABLE 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	201
NET POSITION								
Net investment in capital assets	$ 85,499,885	$ 64,270,829	$ 63,570,584	$ 59,525,803	$ 60,420,313	$ 54,855,554	$ 50,602,214	$ 44,77
Restricted								
Liability, protection, and settlement	624,132	602,799	635,329	618,749	593,619	696,447	736,571	80
Working cash	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,75
Capital projects	15,372,013	9,578,171	7,914,874	5,654,508	5,541,186	5,221,169	7,466,552	9,49
Pension contributions	183,588	78,144	72,084	119,183	49,101	44,698	38,066	35,4
Other purpose	34,170	48,973	52,685	58,348	61,147	76,122	98,545	11
Unrestricted	10,928,227	9,072,115	4,906,612	6,691,726	2,850,506	3,116,892	2,049,731	25,87
TOTAL NET POSITION	$ 114,392,015	$ 85,401,031	$ 78,902,168	$ 74,418,317	$ 71,265,872	$ 65,760,882	$ 62,741,679	$ 82,84

The College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* during fiscal year 2018.

Source: College records

TABLE 2

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	20
OPERATING REVENUES								
Tuition and fees	$ 13,374,955	$ 13,015,055	$ 13,261,976	$ 12,671,394	$ 12,326,812	$ 12,230,993	$ 12,197,676	$ 11,3
Auxiliary enterprises revenue	3,343,785	3,034,361	2,632,335	1,736,467	2,718,334	3,343,507	3,531,936	3,6
Total operating revenues	16,718,740	16,049,416	15,894,311	14,407,861	15,045,146	15,574,500	15,729,612	15,0
OPERATING EXPENSES								
Instruction	23,841,925	22,670,762	26,178,767	29,287,718	28,572,460	27,722,980	28,684,790	26,0
Academic support	4,509,692	3,563,089	3,576,025	4,079,643	4,752,219	3,745,353	3,290,454	3,7
Student services	6,025,403	5,336,786	6,620,034	6,558,240	6,453,650	6,470,508	6,339,681	6,2
Public services	1,601,925	1,571,226	1,615,839	1,774,966	2,048,049	1,968,599	1,592,074	1,5
Operations and maintenance	5,046,093	3,675,448	5,544,257	3,599,184	4,471,227	3,820,345	3,633,896	3,3
Auxiliary enterprises	707,371	3,073,203	4,483,378	3,992,862	4,868,752	5,134,416	5,197,666	5,6
Institutional support	25,266,181	22,473,554	23,687,243	22,441,559	20,463,102	19,887,275	18,164,164	18,2
Depreciation and amortization	5,137,570	4,905,874	4,518,458	4,339,189	4,242,349	4,001,517	4,061,445	3,4
Total operating expenses	72,136,160	67,269,942	76,224,001	76,073,361	75,871,808	72,750,993	70,964,170	68,3
OPERATING INCOME (LOSS)	(55,417,420)	(51,220,526)	(60,329,690)	(61,665,500)	(60,826,662)	(57,176,493)	(55,234,558)	(53,2
NON-OPERATING REVENUES (EXPENSES)								
Property taxes	28,721,142	28,714,579	28,700,675	28,576,737	28,251,262	27,903,156	27,882,106	27,9
State sources	20,634,078	15,401,920	20,107,220	26,219,882	24,980,307	22,215,578	21,576,884	21,1
Federal grants and contracts	9,341,547	11,231,539	14,209,368	9,668,551	7,566,483	6,019,849	5,294,224	5,3
Investment income	2,151,202	787,560	(761,083)	206,765	1,470,436	1,478,925	270,955	2
Interest expense and fiscal charges	(440,735)	(351,057)	(368,246)	(321,874)	(415,381)	(418,188)	(435,467)	(2
Other non-operating revenues (expenses)	669,241	604,634	595,767	565,268	821,877	402,583	338,415	3
Gain (loss) on sale of capital assets	(80,935)	544	-	-	(37,014)	(56,207)	(28,052)	(
Total non-operating revenues (expenses)	60,995,540	56,389,719	62,483,701	64,915,329	62,637,970	57,545,696	54,899,065	54,6
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	5,578,120	5,169,193	2,154,011	3,249,829	1,811,308	369,203	(335,493)	1,4
CAPITAL CONTRIBUTIONS								
Capital grants and appropriations	23,412,864	1,329,670	2,329,840	129,415	3,330,000	2,650,000	4,035,898	
Total capital contributions	23,412,864	1,329,670	2,329,840	129,415	3,330,000	2,650,000	4,035,898	
CHANGE IN NET POSITION	$ 28,990,984	$ 6,498,863	$ 4,483,851	$ 3,379,244	$ 5,141,308	$ 3,019,203	$ 3,700,405	$ 1,4

Source: College records

TABLE 3

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Mineral Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate
2023	$ 8,314,853,698	$ 1,046,512,294	$ 408,743,091	$ 394,423,625	$ 6,831,846	$ 23,963,757	$ 10,195,328,311	0.2815
2022	7,681,956,713	958,733,852	374,009,871	360,778,118	7,330,368	22,250,684	9,405,059,606	0.3052
2021	7,117,325,130	890,720,632	354,153,579	330,595,675	8,460,130	19,604,295	8,720,859,441	0.3291
2020	6,821,580,567	854,041,399	343,015,235	312,014,353	8,251,902	17,757,276	8,356,660,732	0.3434
2019	6,546,252,620	844,832,103	328,145,767	298,126,831	6,668,047	17,157,508	8,041,182,876	0.3570
2018	6,227,769,086	804,754,208	312,980,677	282,884,059	6,778,166	16,328,872	7,651,495,068	0.3655
2017	5,903,486,223	777,434,600	301,192,515	267,604,324	5,230,020	15,033,590	7,269,981,272	0.3847
2016	5,565,670,660	749,890,034	288,451,974	254,656,386	5,498,276	14,082,605	6,878,249,935	0.4066
2015	5,205,146,972	700,172,188	268,020,865	239,729,695	5,627,522	14,077,472	6,432,774,714	0.4348
2014	5,063,013,972	698,974,771	266,815,699	234,504,552	5,663,021	11,886,912	6,280,858,927	0.4453

Source: Office of the County Clerk

TABLE 4

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
McHenry County College (1)								
Education Purposes	0.2508	0.2719	0.2932	0.3059	0.3043	0.3114	0.3278	0.3
Audit	0.0007	0.0008	0.0009	0.0009	0.0010	0.0010	0.0010	0.0
Operations and Maintenance Purposes (Unrestricted)	0.0231	0.0250	0.0270	0.0282	0.0343	0.0351	0.0369	0.0
Liability, Protection, and Settlement	0.0069	0.0075	0.0080	0.0084	0.0174	0.0180	0.0190	0.0
Bond and Interest	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0
Total Direct Rate	0.2815	0.3052	0.3291	0.3434	0.3570	0.3655	0.3847	0.4
Overlapping Rates (2)								
County	1.091	0.736	0.762	0.782	0.832	0.902	1.054	1.
Municipalities	0.000-1.920	0.000-1.920	0.246 - 1.980	0.254 - 1.208	0.000 - 2.188	0.000 - 2.387	0.276 - 2.474	0.289 - 2.
High Schools	2.105-2.665	2.167-2.671	2.238 - 2.512	2.393 - 3.091	2.613 - 3.253	2.702 - 3.440	2.749 - 3.547	2.943 - 3.
Unit Districts	4.857-6.630	4.853-6.883	4.694 - 6.652	5.325 - 6.962	4.572 - 6.972	4.505 - 7.055	4.797 - 7.613	4.749 - 8.
Elementary Schools	2.779-4.689	1.280-4.710	1.967 - 4.754	3.039 - 4.830	3.159 - 5.433	3.321 - 5.590	3.307 - 5.802	3.434 - 6.
Community College	0.306-0.482	.3300-.4650	0.343 - 0.461	0.356 - 0.510	0.366 - 0.524	0.385 - 0.512	0.407 - 0.572	0.424 - 0.
Townships and Roads	0.041-0.231	.0410-.5220	0.015 - 0.434	0.003 - 0.449	0.051 - 0.477	0.057 - 0.522	0.070 - 0.258	0.083 - 0.
Fire Protection	0.329-0.940	.3380-.9580	0.346 - 0.987	0.354 - 0.995	0.310 - 0.985	0.317 - 1.013	0.324 - 1.044	0.338 - 0.
Park Districts	0.058-0.726	.0550-.7450	0.054 - 0.753	0.048 - 0.763	0.019 - 0.780	0.046 - 0.805	0.050 - 0.836	0.049 - 0.
Sanitary Districts	0.025-0.073	.0760-.2740	0.030 - 0.077	0.039 - 0.070	0.046 - 0.083	0.053 - 0.086	0.058 - 0.089	0.064 - 0.
Library Districts	0.105-0.450	.1080-.4580	0.110 - 0.465	0.111 - 0.439	0.111 - 0.480	0.119 - 0.576	0.123 - 0.596	0.129 - 0.
Cemetery Districts	0.002-0.011	.0020-.0120	0.002 - 0.012	0.002 - 0.012	0.000 - 0.000	0.002 - 0.013	0.001 - 0.013	0.002 - 0.
Conservation District	0.212-0.212	.2220-.2220	0.224 - 0.224	0.229 - 0.229	0.238 - 0.238	0.245	0.259	0.
Rescue Squad	0.348-0.348	.3570-.3570	0.369 - 0.369	0.387 - 0.387	0.187 - 0.187	0.189	0.193	0.

Note: 97% of the McHenry County College District lies in McHenry County.

Sources: (1) College records
(2) McHenry County Annual Comprehensive Financial Report dated November 30, 2023.

TABLE 5

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

ASSESSED VALUATIONS AND TAX EXTENSIONS

Last Ten Levy Years

	Taxes Extended					
Levy Year	**Education Purposes**	**Operations and Maintenance Purposes (Unrestricted)**	**Bond & Interest Fund**	**Audit Fund**	**Liability, Protection and Settlement**	**Total**
2023	$ 25,564,927	$ 2,355,227	$ -	$ 75,038	$ 702,460	$ 28,697,652
2022	25,569,142	2,355,575	-	75,052	702,581	28,702,350
2021	25,565,465	2,355,243	-	75,000	702,466	28,698,174
2020	25,565,365	2,355,242	-	75,043	702,461	28,698,111
2019	24,423,721	2,751,103	-	74,929	1,405,300	28,655,053
2018	23,828,165	2,684,062	-	74,985	1,380,786	27,967,998
2017	23,827,996	2,684,020	-	75,026	1,380,795	27,967,837
2016	23,827,221	2,683,962	-	74,973	1,380,742	27,966,898
2015	23,827,255	2,683,947	-	75,006	1,380,795	27,967,003
2014	23,827,255	2,683,937	-	103,823	1,351,893	27,966,908

	Assessed Valuation				
Levy Year	**Total Assessed Valuation**	**McHenry County**	**Kane County**	**Lake County**	**Boone County**
2023	$ 10,195,328,311	$ 9,774,079,595	$ 365,739,592	$ 50,320,041	$ 5,189,083
2022	9,405,059,606	9,021,592,840	335,036,948	43,718,104	4,711,714
2021	8,720,859,441	8,361,594,529	312,098,931	42,796,269	4,369,712
2020	8,356,660,732	8,006,641,165	303,058,698	42,829,953	4,130,916
2019	8,041,182,876	7,697,854,815	296,986,460	42,387,485	3,954,116
2018	7,651,495,068	7,333,522,216	274,596,594	39,569,937	3,806,321
2017	7,269,981,272	6,957,624,248	270,109,164	38,745,539	3,502,321
2016	6,878,249,935	6,584,946,024	252,663,636	37,331,727	3,308,548
2015	6,432,774,714	6,178,560,032	213,872,603	37,190,472	3,151,607
2014	6,280,858,927	6,041,338,599	198,566,016	37,842,505	3,111,807

Source: College records

TABLE 6

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2023				2014	
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Assessed Valuation**	**Taxpayer**	**Tax Asse Va**
Cunat Exchange	$ 40,125,211	1	0.27%	Nimed Corp.	$ 27,9
Walmart Real Estate Business	19,260,795	2	0.13%	Walmart Stores	22,9
Nimed Corp.	18,279,587	3	0.12%	Federal National Mortgage Assn.	13,9
Skyridge LLC/Chern Randall	16,717,922	4	0.11%	Inland Real Estate Group	13,1
Fox River Owner LLC	11,950,914	5	0.08%	DDR McHenry SQ LLC	10,6
Inland Crystal Point LLC	11,238,086	6	0.07%	Federal Home Loan Mortgage Co.	8,4
Sage Products LLC	10,296,532	7	0.07%	Meijer Stores	7,7
Continental 544 Fund LLC	8,066,794	8	0.05%	Target Corp.	7,5
Meijer Stores LTD Partnership	8,013,795	9	0.05%	Skyridge Partners LP	7,5
HSRE Algonquin LLC	7,464,917	10	0.05%	Rubloff	7,5
	$ 151,414,553		1.00%		$ 127,5

Note: 97% of the McHenry County College District lies in McHenry County.

Source: McHenry County Annual Comprehensive Financial Report dated November 30, 2023.

TABLE 7

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

		Collected within the Fiscal Year of the Levy		Collections	Total Collections to Date	
Levy Year	**Tax Levied**	**Amount**	**Percentage of Levy**	**in Subsequent Years**	**Amount**	**Percentage of Levy**
2023	$ 28,697,652	$ 14,663,605	51.10%	$ -	$ 14,663,605	51.10%
2022	28,702,350	15,070,481	52.51%	13,582,531	28,653,012	99.83%
2021	28,698,174	15,096,019	52.60%	13,547,986	28,644,005	99.81%
2020	28,698,111	14,791,988	51.54%	13,883,949	28,675,937	99.92%
2019	28,655,053	13,430,118	46.87%	15,130,244	28,560,362	99.67%
2018	27,967,998	14,344,200	51.29%	13,564,276	27,908,476	99.79%
2017	27,967,837	14,981,142	53.57%	12,922,349	27,903,491	99.77%
2016	27,966,898	14,347,927	51.30%	13,533,250	27,881,177	99.69%
2015	27,967,003	14,076,566	50.33%	13,828,356	27,904,922	99.78%
2014	27,966,908	14,149,610	50.59%	13,754,660	27,904,270	99.78%

Source: College records

TABLE 8

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

ENROLLMENT, TUITION AND FEE RATES, CREDIT HOURS CLAIMED, AND TUITION AND FEE R

Last Ten Fiscal Years

	Fall Term 10th Day Enrollment		Tuition and Fee Rates			
Fiscal Year	**FTE Credit Courses**	**Headcount Credit Courses**	**In-District Tuition and Fees per Semester Hour**	**Out-of-District Tuition and Fees per Semester Hour**	**Out-of-State Tuition and Fees per Semester Hour**	**Total Credit Ho Claimed**
2024	4,317	9,051	$ 133.25	$ 333.73	$ 478.94	128,11
2023	4,256	8,874	128.25	360.77	472.47	131,98
2022	4,226	8,765	128.25	369.72	464.38	121,38
2021	3,976	7,814	128.25	394.91	486.88	112,23
2020	3,893	7,475	126.75	394.91	486.88	113,60
2019	3,777	7,032	123.75	412.15	494.02	109,34
2018	3,747	6,844	121.00	394.71	474.27	104,75
2017	3,586	6,371	113.00	347.21	431.93	102,94
2016	3,741	6,562	110.00	346.06	440.41	108,16
2015	3,880	6,551	105.00	312.11	393.36	117,77

Source: College records

TABLE 9

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Debt Certificates	Unamortized Premium	Capital Leases	Leases	Subscription Liabilities	Note Payable	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value
2024	$ 6,995,000	$ 311,677	$ -	$ 2,182,367	$ 2,230,229	$ 754,841	$ 12,474,114	$ 30,586,290,796	0.04%
2023	7,595,000	336,043	-	1,082,079	2,685,753	1,017,695	12,716,570	28,215,460,973	0.05%
2022	8,175,000	360,408	-	1,610,445	2,877,352	-	13,023,205	26,162,839,951	0.05%
2021	8,740,000	384,774	-	1,825,013	-	-	10,949,787	25,070,232,899	0.04%
2020	9,280,000	409,140	-	1,828,553	-	-	11,517,693	24,123,789,867	0.05%
2019	10,120,000	448,128	1,614,508	-	-	-	12,182,636	22,954,714,751	0.05%
2018	10,925,000	487,117	1,431,219	-	-	-	12,843,336	21,810,161,918	0.06%
2017	11,980,000	526,106	1,956,575	-	-	-	14,462,681	20,634,749,805	0.07%
2016	3,685,000	58,493	1,829,254	-	-	-	5,572,747	19,298,324,142	0.03%
2015	4,110,000	73,117	1,813,794	-	-	-	5,996,911	18,842,576,781	0.03%

*McHenry County Annual Comprehensive Financial Report dated November 30, 2023.

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

Source: College records

TABLE 10

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Debt Certificates	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Total Outstanding Debt Per Capita
2024	$ 6,995,000	$ -	$ 6,995,000	0.023%	$ 22.36
2023	7,595,000	-	7,595,000	0.027%	24.36
2022	8,175,000	-	8,175,000	0.035%	26.73
2021	8,740,000	-	8,740,000	0.033%	28.57
2020	9,280,000	-	9,280,000	0.037%	30.20
2019	10,120,000	-	10,120,000	0.042%	32.88
2018	10,925,000	-	10,925,000	0.048%	35.41
2017	11,980,000	-	11,980,000	0.055%	38.75
2016	3,685,000	-	3,685,000	0.018%	12.00
2015	4,110,000	-	4,110,000	0.021%	13.37

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

Sources: County and College records

TABLE 11

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

DIRECT AND OVERLAPPING DEBT

June 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage of Debt Applicable	Estimated Share of Direct and Overlapping Debt
McHenry County College	$ 12,474,114	100.0%	$ 12,474,114
McHenry County	-	100.0%	-
County Conservation District	50,745,000	100.0%	50,745,000
Municipalities	141,295,031	8.3-100%	121,186,852
Public Library Districts	20,470,000	3.1-100%	10,370,952
Community College Districts	327,599,888	0.0-96.0%	10,655,481
Township and Road Districts	1,476,796	100.0%	1,476,796
Fire Protection Districts	32,064,143	3.1-100%	9,336,822
Park Districts	26,951,399	37.8-100%	26,479,713
Rescue Squad District	-	100.0%	-
Schools			
Elementary			
Grade School District	40,101,154	94.5-100%	39,728,329
High School District	51,543,993	98.7-100%	51,328,629
Unit School Districts	655,294,261	0.0-100%	264,680,562
Subtotal overlapping debt	1,347,541,665		585,989,136
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	$ 1,360,015,779		$ 598,463,250

Note: 97.3% of the McHenry County College District lies in McHenry County.

Sources: College records
McHenry County Annual Comprehensive Financial Report dated November 30, 2023.
(most recent information available)

TABLE 12

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

LEGAL DEBT MARGIN INFORMATION

Last Ten Levy Years

	2024	2023	2022	2021	2020	2019	2018	2017
Legal debt limit	$ 293,115,689	$ 270,395,464	$ 250,724,709	$ 240,253,996	$ 231,184,008	$ 219,980,483	$ 209,011,962	$ 197,749
Total debt applicable to limit	6,995,000	7,595,000	8,175,000	8,740,000	9,280,000	10,120,000	10,925,000	11,980
LEGAL DEBT MARGIN	$ 286,120,689	$ 262,800,464	$ 242,549,709	$ 231,513,996	$ 221,904,008	$ 209,860,483	$ 198,086,962	$ 185,769
TOTAL NET DEBT APPLICABLE TO THE LIMITS AS A PERCENTAGE OF DEBT LIMIT	2.39%	2.81%	3.26%	3.64%	4.01%	4.60%	5.23%	6

Legal Debt Margin Calculation for Levy Year 2023

ASSESSED VALUE	$ 10,195,328,311
Legal debt margin	2.875%
Debt limit	293,115,689
Debt applicable to limit General obligation bonds	6,995,000
LEGAL DEBT MARGIN	$ 286,120,689

Source: College records

TABLE 13

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PERSONAL INCOME PER CAPITA

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2023	312,800	$ 20,515,181,000	$ 65,586	45,806	3.5%
2022	311,747	19,988,905,893	64,119	45,566	3.8%
2021	305,888	18,382,804,000	60,097	45,883	5.3%
2020	307,297	17,454,226,000	56,799	45,883	5.3%
2019	307,774	17,193,564,000	55,864	50,306	2.7%
2018	308,570	16,557,246,000	53,658	48,228	3.5%
2017	309,122	15,427,535,000	49,908	49,147	4.5%
2016	307,004	15,671,668,000	51,047	49,449	5.3%
2015	307,343	14,808,518,000	48,182	49,973	5.3%
2014	307,283	14,356,414,000	46,720	50,652	6.4%

Note: 97% of the McHenry County College District lies in McHenry County.

Sources: McHenry County Annual Comprehensive Financial Report dated November 30, 2023.
U.S. Census Bureau
Bureau of Economic Analysis, U.S. Department of Commerce.
Regional Superintendent of Schools
Illinois Department of Employment Security

TABLE 14

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2023				2014	
Employer	**Number of Employees**	**Rank**	**Percent of Total County Employment**	**Employer**	**Numb Empl**
Northwestern Medicine (Centegra)	5,000	1	3.07%	Northwestern Medicine (Centegra)	
District 47	1,528	2	0.94%	Walmart	
District 158	1,500	3	0.92%	Jewel Osco	
County of McHenry	1,246	4	0.76%	County of McHenry	
Follett Library Resources	1,378	5	0.84%	Follett Library Resources	
Mercy Health System	732	6	0.45%	McHenry County College	
Snap-On Tools, Inc.	590	7	0.36%	Catalent Pharma Solutions	
Stryker-Sage Products	583	8	0.36%	Stryker-Sage Products	
Medela	540	9	0.33%	Snap-On Tools, Inc.	
McHenry County College	500	10	0.31%	Brown Printing	

Note: 97% of the McHenry County College District lies in McHenry County.

Source: McHenry County Annual Comprehensive Financial Report dated November 30, 2023 (most recent information ava

TABLE 15

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

EMPLOYEE COUNT

Last Ten Fiscal Years

Function/Program	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Faculty								
Full-time	94	93	91	88	91	94	94	103
Part-time	305	274	255	261	260	353	364	279
Administrators								
Full-time	53	52	48	50	50	52	52	49
Part-time	-	-	-	-	-	-	-	-
Staff								
Full-time	173	153	137	137	140	137	139	130
Part-time	133	100	87	92	96	53	62	59
Total								
Full-time	320	298	276	275	281	283	285	282
Part-time	438	374	342	353	356	406	426	338

Source: College records

TABLE 16

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	201
Degrees and Certificates Awarded								
A.A., A.S., and A.G.E.	577	584	560	561	542	555	427	
A.E.S.	16	18	21	12	5	7	6	
A.F.A.	4	2	7	6	4	1	3	
A.A.S.	182	215	187	189	190	202	219	
Certificates/Credentials	1,045	955	588	721	514	660	625	
Student Data								
Enrollment by Category (Credit Hours)								
Baccalaureate	108,680	112,105	105,251	94,458	86,955	84,804	83,285	82,
Business Occupational	9,882	10,029	9,684	9,427	8,857	7,998	7,736	7,
Technical Occupational	12,320	12,716	13,029	10,721	11,874	12,537	12,226	12,
Health Occupational	6,497	5,953	5,384	5,099	5,204	6,044	5,740	5,
Remedial Developmental	2,617	4,047	3,065	7,245	9,014	8,620	9,120	5,
Adult Basic/Secondary Education	9,386	8,219	6,900	6,912	8,917	8,364	8,376	9,
TOTAL CREDIT HOURS	149,382	153,069	143,313	133,862	130,821	128,367	126,483	122,
Fall semester average class size at tenth day	21	19	21	19	18	19	18	

Source: College records

TABLE 17

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Facilities Data								
Size of campus (acres)	231	231	230	230	230	203	203	20
Gross square footage	470,395	470,395	448,395	448,395	448,395	448,395	405,340	405,34
Number of classrooms	75	71	71	71	57	57	65	[illegible]
Number of laboratories	38	33	33	33	29	29	36	[illegible]

Source: College records

SPECIAL REPORTS SECTION

SCHEDULE 1

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #1
ALL FUNDS SUMMARY

For the Year Ended June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Operations and Maintenance Restricted Fund	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund
FUND BALANCES, JUNE 30, 2023	$ 24,719,477	$ 5,786,437	$ 9,578,171	$ 443,504	$ 122,085	$ (14,295)	$ 3,033,493	$ 48,97
REVENUES								
Local tax revenue	26,044,683	2,622,028	-	-	-	-	-	74,92
All other local revenue	-	-	-	-	-	-	-	
ICCB grants	8,845,179	1,067,126	-	-	-	681,562	-	
All other state revenue	-	-	-	-	-	9,318,417	-	
Federal revenue	1,776	-	-	-	-	9,339,771	-	
Student tuition and fees	12,300,444	1,578,674	76,507	714,081	894,802	-	-	
All other revenue	1,074,422	376,854	8,964,607	-	3,404,163	324,543	208,832	
Total revenues	48,266,504	5,644,682	9,041,114	714,081	4,298,965	19,664,293	208,832	74,92
EXPENDITURES								
Instruction	19,781,718	-	-	-	-	7,211,234	-	
Academic support	3,469,053	-	-	-	-	1,391,607	-	
Student services	4,146,485	-	-	-	-	2,373,942	-	
Public service/continuing education	1,156,081	-	-	-	-	588,948	-	
Organized research	-	-	-	-	-	-	-	
Auxiliary services	-	-	-	-	4,654,746	394,244	-	
Operations and maintenance	-	5,186,133	-	-	-	170,578	-	
Institutional support	17,469,466	5,821	8,575,123	624,000	-	1,595,778	3,270	89,73
Scholarships, grants, waivers	-	-	-	-	-	5,950,500	-	
Total expenditures	46,022,803	5,191,954	8,575,123	624,000	4,654,746	19,676,831	3,270	89,73
NET TRANSFERS	(4,844,358)	-	5,327,851	-	550,000	-	(1,283,493)	
FUND BALANCES, JUNE 30, 2023	$ 22,118,820	$ 6,239,165	$ 15,372,013	$ 533,585	$ 316,304	$ (26,833)	$ 1,955,562	$ 34,17

(See independent auditor's report.)

SCHEDULE 2

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #2
SUMMARY OF CAPITAL ASSETS AND DEBT

For the Year Ended June 30, 2024

	Beginning Balance June 30, 2023	Additions	Deletions	Ending Balance June 30, 2024
CAPITAL ASSETS				
Sites and improvements	$ 6,735,697	$ -	$ -	$ 6,735,697
Construction in progress	3,800,382	23,823,708	486,454	27,137,636
Buildings, additions, and improvements	94,589,208	486,454	-	95,075,662
Equipment	19,537,234	2,799,155	58,266	22,278,123
Software	4,396,969	420,153	244,495	4,572,627
Subtotal	129,059,490	27,529,470	789,215	155,799,745
Less accumulated depreciation and amortization	52,088,330	5,137,570	221,826	57,004,074
NET CAPITAL ASSETS	$ 76,971,160	$ 22,391,900	$ 567,389	$ 98,795,671
LONG-TERM DEBT				
Debt certificates payable	$ 7,595,000	$ -	$ 600,000	$ 6,995,000
Note payable	1,017,695	-	262,854	754,841
Leases	1,082,079	2,354,885	1,254,597	2,182,367
Subscription liabilities	2,685,753	420,153	875,677	2,230,229
Other postemployment benefit obligation	8,624,620	412,111	-	9,036,731
Unamortized premium on certificates	336,043	-	24,366	311,677
TOTAL LONG-TERM DEBT	$ 21,341,190	$ 3,187,149	$ 3,017,494	$ 21,510,845

SCHEDULE 3

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #3
OPERATING FUNDS REVENUES AND EXPENDITURES

For the Year Ended June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Total Operating Fund
OPERATING REVENUES BY SOURCE			
Local government revenue			
Local taxes	$ 25,593,562	$ 2,351,355	$ 27,944,917
CPPRT	451,121	270,673	721,794
Other	-	-	-
Chargeback revenue	-	-	-
Total local government revenue	26,044,683	2,622,028	28,666,711
State government			
ICCB base operating grant	4,274,738	1,067,126	5,341,864
ICCB equalization grant	4,188,350	-	4,188,350
ICCB career & technical education	382,091	-	382,091
ICCB adult education	-	-	-
Other ICCB grants	-	-	-
Dept. of corrections	-	-	-
Dept. of veterans affairs	-	-	-
Illinois student assistance commission	-	-	-
Other	-	-	-
Total state government	8,845,179	1,067,126	9,912,305
Federal government			
Dept. of Education	-	-	-
Dept. of Labor	-	-	-
Dept. of Health & Human Services	-	-	-
Other	1,776	-	1,776
Total federal government	1,776	-	1,776
Student tuition and fees			
Tuition	9,686,912	1,578,674	11,265,586
Fees	2,613,532	-	2,613,532
Other student assessments	-	-	-
Total student tuition and fees	12,300,444	1,578,674	13,879,118
Other sources			
Sales and service fees	61,176	-	61,176
Facilities revenue	-	-	-
Investment revenue	833,446	370,797	1,204,243
Non-governmental grants	-	-	-
Other	179,800	6,057	185,857
Total other sources	1,074,422	376,854	1,451,276
Total revenue	48,266,504	5,644,682	53,911,186
Less non-operating items*			
Tuition chargeback revenue	-	-	-
Instructional service contracts	-	-	-
ADJUSTED REVENUES	$ 48,266,504	$ 5,644,682	$ 53,911,186

* Enter as negative

(This statement is continued on the following page.)

SCHEDULE 3

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

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

For the Year Ended June 30, 2024

	Education Purposes	Operations and Maintenance Purposes	Total Operating Fund
BY PROGRAM			
Instruction	$ 19,781,718	$ -	$ 19,781,718
Academic support	3,469,053	-	3,469,053
Student services	4,146,485	-	4,146,485
Public service/continuing education	1,156,081	-	1,156,081
Organized research	-	-	-
Auxiliary services	-	-	-
Operations and maintenance	-	5,186,133	5,186,133
Institutional support	17,469,466	5,821	17,475,287
Scholarships, grants, waivers	-	-	-
Transfers (non-add line)	4,844,358	-	4,844,358
Total expenditures	50,867,161	5,191,954	56,059,115
Less non-operating items*			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers to non-operating funds	(4,844,358)	-	(4,844,358)
ADJUSTED EXPENDITURES	$ 46,022,803	$ 5,191,954	$ 51,214,757
BY OBJECT			
Salaries	$ 29,725,720	$ 684,642	$ 30,410,362
Employee benefits	4,909,328	192,601	5,101,929
Contractual services	2,455,448	2,608,080	5,063,528
General materials and supplies	3,004,287	558,375	3,562,662
Library materials**	147,991	-	147,991
Conference and meeting expenses	367,653	15,385	383,038
Fixed charges	2,992,134	61,837	3,053,971
Utilities	196,082	837,014	1,033,096
Capital outlay	149,946	234,020	383,966
Other	2,222,205	-	2,222,205
Student grants & scholarships**	-	-	-
Transfers (non-add line)	4,844,358	-	4,844,358
Total expenditures	50,867,161	5,191,954	56,059,115
Less non-operating items*			
Tuition chargeback	-	-	-
Instructional service contracts	-	-	-
Transfers to non-operating funds	(4,844,358)	-	(4,844,358)
ADJUSTED EXPENDITURES	$ 46,022,803	$ 5,191,954	$ 51,214,757

* Enter as negative
** Non-add item

SCHEDULE 4

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES

For the Year Ended June 30, 2024

REVENUES BY SOURCE	
State government	
ICCB - Adult Education	$ 393,224
ICCB - Career and Technical Education	-
ICCB - Other	288,338
Dept. of Corrections	-
Illinois Student Assistance Commission	-
Other (attach itemization)	
Community Literacy	85,000
All other	9,233,417
Total state government	9,999,979
Federal government	
Dept. of Education	6,678,506
Dept. of Labor	-
Dept. of Health & Human Services	1,193,712
Other	1,467,553
Total federal government	9,339,771
Other sources	
Tuition and fees	-
Other	324,543
Total other sources	324,543
TOTAL RESTRICTED PURPOSES FUND REVENUES	$ 19,664,293

(This statement is continued on the following page.)

SCHEDULE 4

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #4
RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES (Continued)

For the Year Ended June 30, 2024

EXPENDITURES BY PROGRAM	
Instruction	$ 7,211,234
Academic support	1,391,607
Student services	2,373,942
Public service/continuing education	588,948
Organized research	-
Auxiliary services	394,244
Operations and maintenance	170,578
Institutional support	1,595,778
Scholarships, grants, and waivers	5,950,500
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 19,676,831
EXPENDITURES BY OBJECT	
Salaries	$ 1,611,700
Employee benefits	296,633
Contractual services	770,423
General materials and supplies	680,928
Library materials*	-
Travel & conference/meeting expenses	133,727
Fixed charges	122,340
Utilities	-
Capital outlay	1,365,139
Other	14,695,941
Scholarships, grants, and waivers*	473,570
State pension and OPEB expense*	7,776,364
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 19,676,831

* Non-add items

(See independent auditor's report.)

SCHEDULE 5

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

UNIFORM FINANCIAL STATEMENT #5
CURRENT FUNDS* EXPENDITURES BY ACTIVITY

For the Year Ended June 30, 2024

INSTRUCTION	
Instructional programs	$ 26,992,952
Other	-
Total instruction	26,992,952
ACADEMIC SUPPORT	
Library	742,385
Instructional materials center	500,083
Educational media	300,295
Academic computing support	-
Academic administration and planning	2,625,254
Other	692,643
Total academic support	4,860,660
STUDENT SERVICES	
Admissions and records	723,942
Counseling and career services	3,312,977
Financial aid administration	855,385
Administration	563,430
Other	1,064,693
Total student services	6,520,427
PUBLIC SERVICE/CONTINUING EDUCATION	
Community education	960,886
Customized training (instructional)	261,401
Community services	217,529
Other	305,213
Total public service/continuing education	1,745,029
ORGANIZED RESEARCH	-
AUXILIARY	5,048,990

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

(This statement is continued on the following page.)

SCHEDULE 5

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

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

For the Year Ended June 30, 2024

OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	$ 1,876,610
Custodial services	926,278
Grounds	1,043,908
Campus security	-
Transportation	125,080
Utilities	816,591
Administration	-
Other	568,244
Total operations and maintenance of plant	5,356,711
INSTITUTIONAL SUPPORT	
Executive management	644,563
Fiscal operations	1,733,337
Community relations	1,724,689
Administrative support services	1,649,826
Board of trustees	9,975
General institutional	6,381,854
Institutional research	783,421
Administrative data processing	5,323,433
Other	1,738,221
Total institutional support	19,989,319
SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS	5,950,500
TOTAL CURRENT FUNDS EXPENDITURES	$ 76,464,588

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

SCHEDULE 6

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

FISCAL YEAR 2025 CERTIFICATION OF PER CAPITA COST

For the Year Ended June 30, 2024

ALL FISCAL YEAR 2024 NONCAPITAL AUDITED OPERATING EXPENDITURES FROM THE FOLLOWING FUNDS:

1.	Education Fund	$ 43,212,846	
2.	Operations & Maintenance Fund	4,957,934	
3.	Operations & Maintenance Fund (Restricted)	1,123,026	
4.	Bond & Interest Fund	-	
5.	Public Building Commission Rental Fund	-	
6.	Restricted Purposes Fund	10,535,328	
7.	Audit Fund	89,730	
8.	Liability, Protection, Settlement Fund	828,524	
9.	Auxiliary Enterprises Fund (Subsidy Only)	550,000	
10.	**TOTAL NONCAPITAL EXPENDITURES** (sum of lines 1-9)		$ 61,297,388
11.	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	4,588,678	
12.	**TOTAL COSTS INCLUDED** (line 10 plus line 11)		$ 65,886,066
13.	Total semester credit hours for FY 2024	128,117.50	
14.	**PER CAPITA COST** (line 12 divided by line 13)		$ 514.26

(See independent auditor's report.)

SUPPLEMENTAL DATA

SCHEDULE 7

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

June 30, 2024

CSFA Number	Program Name	State	Federal	Match	Total
406-32-0039	Specilaity Crop Block Grant Program - Farm Bill	$ -	$ 5,545	$ -	$ 5,545
420-27-2731	Job Training Economic Development Program (ARPA)	-	6,996	-	6,996
420-35-0083	Small Business Development Centers	-	87,125	-	87,125
601-00-0748	Illinois Cooperative Work Study Program	52,568	-	-	52,568
684-00-0465	Postsecondary Perkins Basic Grants - Federal CTE	-	337,549	-	337,549
684-00-3272	Adult Education - Technology Infrastructure	21,120	-	-	21,120
684-01-1625	Adult Education and Literacy Basic Grants - Federal and State	393,224	291,026	-	684,250
684-01-1670	Innovative Bridge and Transition Grant - State	140,292	-	-	140,292
684-0-2840	College Bridge Programs	-	23,932	-	23,932
684-052-2866	Early Childhood Access Consortium for Equity	-	387,741	-	387,741
	All other federal expenditures	-	8,932,066	-	8,932,066
	TOTALS	$ 607,204	$ 10,071,980	$ -	$ 10,679,184

(See independent auditor's report.)

UNRESTRICTED GRANTS - BASE OPERATING GRANTS

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

The following audit reports are required by the Illinois Community College Board (ICCB):

STATE BASIC ADULT EDUCATION GRANT

Provides funds to establish special classes for the instruction of persons 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 with 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.

STATE PERFORMANCE GRANT

Provides funds to Adult Education and Family Literacy providers based on performance outcomes.

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

Credit hour grants are to be received for courses for each semester credit hour or equivalent for students who were certified as being in attendance at midterm during each semester of the fiscal year. There are no special restrictions on the use of these funds. The Schedule of Enrollment Data and Other Bases upon Which Claims Are Filed provides the information on which such grants are based.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
McHenry County College
Community College District Number 528
Crystal Lake, Illinois

Opinion

We have audited the accompanying balance sheet of McHenry County College, Community College District Number 528's (the College) State Adult Education and Family Literacy Grant Program as of June 30, 2024, and the related statements of revenues, expenditures and changes in fund balance for the year then ended and the notes to financial statements - state grants programs.

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 Grant Program of McHenry County College, Community College District Number 528 as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the guidelines of the Illinois Community College Board *Fiscal Management Manual*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We also reviewed the compliance with the provisions of the agreement between the College and the Illinois Community College Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The accompanying balance sheet and statement of revenues, expenditures and changes in program balances were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the College's revenue and expenditures in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 the guidelines of the Illinois Community College Board *Fiscal Management Manual,* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Sikich CPA LLC

Naperville, Illinois
January 29, 2025

SCHEDULE 8

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
BALANCE SHEET

June 30, 2024

	State Basic	State Performance	Total
ASSETS			
None	$ -	$ -	$ -
TOTAL ASSETS	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	$ -	$ -	$ -
Total liabilities	-	-	-
FUND BALANCES			
None	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -

(See independent auditor's report.)

SCHEDULE 9

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

STATE ADULT EDUCATION AND FAMILY
LITERACY RESTRICTED GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	State Basic	State Performance	Total
REVENUES			
State sources	$ 306,419	$ 86,805	$ 393,224
Total revenues	306,419	86,805	393,224
EXPENDITURES			
Instructional and student services			
Instruction	306,419	-	306,419
Social work services	-	-	-
Guidance services	-	-	-
Social work services	-	-	-
Guidance services	-	-	-
Assessment and testing	-	69,444	69,444
Total instructional and student services	306,419	69,444	375,863
Program support			
Improvement of instructional services	-	-	-
General administration	-	17,361	17,361
Operation and maintenance of plant services	-	-	-
Workforce coordination	-	-	-
Operation and maintenance of plant services	-	-	-
Workforce coordination	-	-	-
Data and information services	-	-	-
Total program support	-	17,361	17,361
Total expenditures	306,419	86,805	393,224
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, JULY 1	-	-	-
FUND BALANCES, JUNE 30	$ -	$ -	$ -

(See independent auditor's report.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of McHenry County College, Community College District Number 528 (the College) conform to accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board. The following is a summary of the more significant accounting policies:

A. General

The accompanying statements include transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Grant Programs. These transactions have been accounted for in the Restricted Purposes Subfund.

B. Basis of Accounting

The statements have been prepared on the accrual basis of accounting and the current financial resources measurement focus. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2024. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, if any, are recorded as restricted fund balances.

C. Capital Assets

Capital asset purchases are recorded as expenditures - capital outlay and are capitalized in the basic financial statements.

2. PAYMENTS 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.

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY

A. Unrestricted Grants

Base Operating Grants

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

3. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (Continued)

B. Restricted Adult Education Grants/State

State Basic

Grants awarded to State 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 childcare facilities or provision.

Performance

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

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INDEPENDENT ACCOUNTANT'S REPORT ON ENROLLMENT DATA AND OTHER BASES UPON WHICH CLAIMS ARE FILED AND SUPPORTING RECONCILIATION OF SEMESTER CREDIT HOURS

Board of Trustees
McHenry County College
Community College District Number 528
Crystal Lake, Illinois

We have examined management of McHenry County College - Illinois Community College District Number 528's (the College) assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying schedule of enrollment data and other bases upon which claims are filed and the reconciliation of total semester credit hours of McHenry County College during the period July 1, 2023, through June 30, 2024. The College's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the College's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, management's assertion that the College complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying schedule of enrollment data and other bases upon which claims are filed and the reconciliation of total semester credit hours of McHenry County College is fairly stated, in all material respects.

Sikich CPA LLC

Naperville, Illinois
January 29, 2025

SCHEDULE 10

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

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

For the Year Ended June 30, 2024

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

Categories	Summer		Fall		Spring	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	8,825.0	-	43,056.0	-	42,965.0	-
Business Occupational	655.0	-	3,971.0	-	4,429.0	-
Technical Occupational	732.0	-	4,472.0	-	4,988.0	-
Health Occupational	498.0	-	2,768.0	-	2,665.0	-
Remedial Developmental	142.0	-	1,067.0	-	783.0	-
Adult Secondary Education	-	901.0	-	2,460.0	-	2,740.5
Total Credit Hours Certified	10,852.0	901.0	55,334.0	2,460.0	55,830.0	2,740.5

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement
Semester credit hours	125,347.5	2,610.5

	Dual Credit	Dual Enrollment
Semester credit hours	31,933.0	546.0

District 2023 Equalized Assessed Valuation

Note: The College has no total reimbursable correctional semester credit hours.

Student addresses are self-reported on the application form by all applicants. As students are accepted and entered into our system the given addresses are verified as either in-district o the system accordingly so that the appropriate tuition rate will be charged. If an out-of-district student indicates an address change to in-district, that address must be verified by a d copy, or property tax bill. Students that live out-of-district but work in-district are charged in-district rates provided they produce documentation on the employer's letterhead that th employer provided documentation is to be submitted each semester. Additionally, all student billing and schedule correspondence is mailed to the address on record for the s undeliverable, college staff follow-up with the student to determine the correct address and ensure that appropriate in-district or out-of-district rates are being charged.

SCHEDULE 11

McHENRY COUNTY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 528

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2024

Categories	Total Unrestricted Credit Hours	Total Unrestricted Credit Hours Certified to the ICCB	Difference	Total Restricted Credit Hours	Total Restricted Credit Hours Certified to the ICCB	Difference
Baccalaureate	94,846.0	94,846.0	-	-	-	-
Business Occupational	9,055.0	9,055.0	-	-	-	-
Technical Occupational	10,192.0	10,192.0	-	-	-	-
Health Occupational	5,931.0	5,931.0	-	-	-	-
Remedial Developmental	1,992.0	1,992.0	-	-	-	-
Adult Secondary Education	-	-	-	6,101.5	6,101.5	-
TOTAL	122,016.0	122,016.0	-	6,101.5	6,101.5	-

MISSION

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Student success is our goal.

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