

SALE DATE AND TIME:**January 26, 2026****10:00 A.M. CST****NEW ISSUE – BOOK-ENTRY ONLY
– BANK QUALIFIED****RATING⁺: MOODY'S "Aaa"**

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

\$8,350,000***COMMUNITY COLLEGE DISTRICT NO. 516****COUNTIES OF KANE, KENDALL, DEKALB, LASALLE AND WILL AND STATE OF ILLINOIS
(WAUBONSEE COMMUNITY COLLEGE)****GENERAL OBLIGATION LIMITED TAX COMMUNITY COLLEGE BONDS, SERIES 2026****Dated: Date of Issuance****Due: December 15, as Shown on the Inside Cover Page**

The General Obligation Limited Tax Community College Bonds, Series 2026 (the "Bonds"), of Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the "District"), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on June 15 and December 15 of each year, with December 15, 2026, as the first interest payment date. Amalgamated Bank of Chicago, Chicago, Illinois, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District and (ii) pay costs associated with the issuance of the Bonds. See "USE OF PROCEEDS" herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "THE BONDS – Limited Bonds" herein.

The Bonds are subject to optional redemption prior to maturity on the dates and at the redemption price described herein under "THE BONDS – Optional Redemption."

The Bonds are offered at public sale, subject to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Robbins Schwartz, Chicago, Illinois, will pass on certain matters for the District. Delivery of the Bonds through the facilities of DTC will be on or about February 17, 2026.

**AS MUNICIPAL ADVISOR**

The date of this Official Statement is January __, 2026.

*Preliminary, subject to change.

+See "BOND RATING" herein.

MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$8,350,000* General Obligation Limited Tax Community College Bonds, Series 2026

<u>Maturity</u> <u>(December 15)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾</u> <u>(484062)</u>
2026	105,000			
2027	265,000			
2028	280,000			
2029	295,000			
2030	310,000			
2031	325,000			
2032	340,000			
2033	360,000			
2034	380,000			
2035	400,000			
2036	420,000			
2037	440,000			
2038	460,000			
2039	485,000			
2040	510,000			
2041	535,000			
2042	565,000			
2043	595,000			
2044	625,000			
2045	655,000			

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(1) CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment), except for the omission of certain information permitted to be omitted pursuant to such Rule.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, LLC, Naperville, Illinois, is serving as municipal advisor (the “Municipal Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District’s beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

**Community College District No. 516
Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois
(Waubonsee Community College)
Route 47 at Waubonsee Drive
Sugar Grove, Illinois 60554
(630) 466-7900**

* * * * *

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* * * * *

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- A. Form of Legal Opinion of Bond Counsel
- B. Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025
- C. Form of Continuing Disclosure Undertaking
- D. Official Notice of Sale and Bid Form

\$8,350,000*
Community College District No. 516
Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois
(Waubonsee Community College)
General Obligation Limited Tax Community College Bonds, Series 2026

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the “District”), in connection with the offering and sale of its \$8,350,000* General Obligation Limited Tax Community College Bonds, Series 2026 (the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully-registered form, without coupons, in denominations of \$5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and registrar (the “Registrar”).

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 15 and December 15, beginning December 15, 2026. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in Chicago, Illinois. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 1st day of the month of the interest payment date (the “Record Date”).

The Bonds are subject to optional redemption prior to maturity as discussed under “Optional Redemption” herein.

*Preliminary, subject to change.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar (the “Register”), and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully-registered Bond or Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered Bond or Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully-registered Bond shall constitute full and due authorization of such Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

Authority and Purpose

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois (the “Act”), the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Trustees (the “Board”) of the District on January 21, 2026, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the working cash fund (“Working Cash Fund”) of the District and (ii) pay costs associated with the issuance of the Bonds. See “USE OF PROCEEDS” herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”). See “Limited Bonds” herein.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds to the amount of the Base (as hereinafter defined). The District expects to pay debt service on the Bonds in excess of the Base, if any, from funds of the District on hand and lawfully available for such purpose. The Bond Resolution will be filed with the County Clerks of The Counties of Kane, Kendall, DeKalb, LaSalle and Will, Illinois (the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel.

Limited Bonds

The Bonds are limited bonds and are issued pursuant to the Act, as supplemented by the Debt Reform Act. Although the obligation of the District to pay the Bonds is a general obligation under the Act and all taxable property in the District is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Limitation Law.

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the “Base”), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law, the “CPI”) during the 12-month calendar year preceding the levy year (the “Annual Increase”). The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds hereafter issued by the District shall not exceed the Base.

As of the closing of the Bonds, the Bonds will constitute the only series of limited bonds of the District that are payable from the Base. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds. The amount of the Base for the 2025 levy year has been determined to be \$657,144.17, and 2026 levy year has been determined to be \$674,887.06, which are calculated as follows:

Levy Year	The Base	Annual Increase (%) or 5%	Annual Increase (\$)	New Base (\$)
2009	\$ 451,463.00	0.10%	\$ 451.46	\$ 451,914.46
2010	451,914.46	2.70%	12,201.69	464,116.15
2011	464,116.15	1.50%	6,961.74	471,077.89
2012	471,077.89	3.00%	14,132.33	485,210.22
2013	485,210.22	1.70%	8,248.57	493,458.79
2014	493,458.79	1.50%	7,401.88	500,860.67
2015	500,860.67	0.80%	4,006.88	504,867.55
2016	504,867.55	0.70%	3,534.07	508,401.62
2017	508,401.62	2.10%	10,676.43	519,078.05
2018	519,078.05	2.10%	10,900.63	529,978.68
2019	529,978.68	1.90%	10,069.59	540,048.27
2020	540,048.27	2.30%	12,421.11	552,469.38
2021	552,469.38	1.40%	7,734.57	560,203.95
2022	560,203.95	5.00%	28,010.19	588,214.14
2023	588,214.14	5.00%	29,410.70	617,624.84
2024	617,624.84	3.40%	20,999.24	638,624.08
2025	638,624.08	2.90%	18,520.09	657,144.17
2026	657,144.17	2.70%	17,742.89	674,887.06

The following chart shows the Base of the District, the debt service on the Bonds, and the available Base after the issuance of the Bonds.

Levy Year	Fiscal Year	Debt Service on the Bonds*	Base ⁽¹⁾	Available Base*
2025	2027	\$ 656,722	\$ 657,144	\$ 422
2026	2028	670,625	674,887	4,262
2027	2029	672,000	674,887	2,887
2028	2030	672,625	674,887	2,262
2029	2031	672,500	674,887	2,387
2030	2032	671,625	674,887	3,262
2031	2033	670,000	674,887	4,887
2032	2034	672,500	674,887	2,387
2033	2035	674,000	674,887	887
2034	2036	674,500	674,887	387
2035	2037	674,000	674,887	887
2036	2038	672,500	674,887	2,387
2037	2039	670,000	674,887	4,887
2038	2040	671,375	674,887	3,512
2039	2041	671,500	674,887	3,387
2040	2042	670,375	674,887	4,512
2041	2043	672,875	674,887	2,012
2042	2044	673,875	674,887	1,012
2043	2045	673,375	674,887	1,512
2044	2046	671,375	674,887	3,512
		<u>\$ 13,428,347</u>		

*Preliminary, subject to change.

(1) Pursuant to Public Act 96-0501, the District's Base will increase by the lesser of CPI or 5% each year. In this chart, the applicable CPI increase has been applied to levy years 2025 and 2026, and is assumed to be 0% per year thereafter.

Note: Amounts are rounded.

Optional Redemption

The Bonds due on or after December 15, 2036, are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 15, 2035, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Redemption Procedures

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of Bonds, the respective principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption

price), such Bonds or portion of Bonds will cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

USE OF PROCEEDS

After proper abatement and transfer from the Working Cash Fund, proceeds of the Bonds will be used to pay the costs of capital projects throughout the District. Specifically, such proceeds will be used to rebuild the District’s central plant boiler system and repair its well house reservoir and renovate, repair and equip other District facilities (collectively, the “Project”). The District expects to complete the Project by December 2027.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds.....	
[Net] Original Issue Premium/(Discount).....	
Total Sources	\$ <u> -</u>

Estimated Uses of Funds

Deposit into the Working Cash Fund.....	
Costs of Issuance..... ⁽¹⁾	
Total Uses	\$ <u> -</u>

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Municipal Advisor’s fee, Registrar’s fee, rating agency fee and other costs of issuance.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of

sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to

Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the

delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the Counties of Kane, Kendall, DeKalb, LaSalle and Will, Illinois. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the “Department”) assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers’ valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county’s assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.5% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the

unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which

he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION - Tax Rates” herein. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District’s limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law (such as the Bonds). See “THE BONDS – Security” herein.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and Illinois Property Tax Appeal Board (“PTAB”) decisions. For levy year 2024, the additional amount added to the District’s tax levy as a result of this change was \$214,468.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of “recognition” or “review” according to the Illinois State Board of Education’s School District Financial Profile System, park districts, library districts and community college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the

limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State of Illinois (the "State"). The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

State funding sources constituted 9.13% of the District's combined Education Account and Operations and Maintenance Account revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Federal Revenues

Illinois community college districts receive direct and indirect funding from various federal programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois community college districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues or the District's ability to comply with federal laws and regulations in the future. See "FEDERAL AID" herein for more information.

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors impact the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

Bond Rating

The Bonds have received a credit rating from Moody's Ratings, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see “CONTINUING DISCLOSURE” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Commission under the Exchange Act, and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to

finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

General Description

The District encompasses an area of over 600 square miles and includes southern Kane County and portions of Kendall, DeKalb, LaSalle and Will Counties. The District serves the residents of more than 20 municipalities, including Aurora, East Aurora, West Aurora, North Aurora, Batavia, Geneva, Kaneville, Maple Park, Elburn, Hinckley, Big Rock, Plano, Sandwich, Leland, Millington, Montgomery, Somonauk, Oswego, Yorkville, Bristol and Sugar Grove. The District serves 12 public high schools and eight private high schools. The current District population is estimated to be 431,200.

The District is a comprehensive community college offering a variety of programs and services, including transfer programs, career programs, adult education, business training, student services, and personal and professional learning. The District’s faculty members are experts in their fields, with more than 90 percent holding a masters degree or doctorate degree.

The District officially organized in 1966 and currently maintains four campuses to serve the educational needs of its students. The first permanent campus was established in 1967 in Sugar Grove on a 243-acre tract of land and continues to serve as the main campus. A second campus was opened in downtown Aurora in 1986. The Copley Campus was later established in 1997 on the Rush-Copley Medical Center campus in Aurora. This campus was later renamed to the Aurora Fox Valley Campus. As part of its 2020 College Master Plan, the District opened the new nine-acre Plano Campus in early 2011.

The District is accredited by the Higher Learning Commission and is recognized by federal and state agencies administering financial aid. The District is also approved by the Illinois Community College Board (“ICCB”), the Illinois Board of Higher Education (“IBHE”) and the U.S. Department of Education.

Credit Hours

In 2025, the District unveiled its new Strategic Plan, “RISE 2030”. RISE 2030 reaffirms foundational commitments and identified four priorities that call the District to: redefine its relationship with the community; invest in academic innovation; strengthen the student experience; and enrich the employee experience over the next five years. Within each priority, specific goals and strategic actions have been identified in support of reaching these goals.

The District constructed a 100,000 square foot Technical Education Center (TEC) that opened in Fall 2025. The TEC houses programs in automotive technology, autobody and welding. Expanded facilities have resulted in increased enrollment in these disciplines. The total “all in” cost (construction and equipment) of the TEC was approximately \$62 million, and will be paid from \$30 million of bond proceeds from the District’s General Obligation Bonds (Alternate Revenue Source), Series 2023 (the “2023 Bonds”), \$2 million of internal earnings and the remaining amounts from the District’s Operations and Maintenance Restricted Account.

The District is continuing to help students make space for education in their lives, as a result of the flexibility of classes and availability of increased financial resources. The five MyChoice modalities have continued, with a particular increase in flex courses. Essentially, this option allows students to choose from among face-to-face, sync online or online delivery methods throughout the course, depending on what works best for them on any given day.

The District has continued the Waubensee Success Scholarship program that provides students with financial-need scholarships if they complete the Free Application for Federal Student Aid (FAFSA). This retention effort has supported improved retention and completion rates by providing \$700,000 annually in scholarships.

Below are the historical and projected credit hour enrollment totals for the District (includes both unrestricted and restricted credit hour enrollments).

<u>School Year</u>	<u>Credit Hours</u>	<u>School Year</u>	<u>Credit Hours</u> ⁽¹⁾
2020-2021	137,157	2025-2026	167,334
2021-2022	134,023	2026-2027	165,449
2022-2023	147,814	2027-2028	163,569
2023-2024	156,932	2028-2029	160,612
2024-2025	165,296	2029-2030	163,120

(1) Enrollment projections for the higher education sector as a whole are difficult to predict. Following an extended enrollment decline trend, the District has seen a recent uptick in enrollments that administration believes are attributable to both the COVID-19 pandemic coming to an end and specific Strategic Enrollment Management (SEM) initiatives, which address both new student recruiting and current student retention efforts. The projected numbers above are based on enrollment in K-12 schools within the district and enrollment trends.

Source: District Records and Estimates

The District attributes the growth in 2024-2025 credit hours largely to dual-credit and degree or certificate seeking programs. The District's degree or certificate seeking enrollment for Spring 2025 compared to Spring 2024 showed a strong increase of 8.5% over the previous year. The District anticipates modest growth over the next year and continues to focus on new programming to meet the needs of the service area.

Student Tuition and Fees

<u>Fiscal Year</u>	<u>Tuition & Fees (\$)</u>	<u>Percent of Growth (%)</u>	<u>Tuition Per Credit Hour- Residents Rate (\$)</u>
2019	21,577,079	-4.57%	128
2020	20,949,837	-2.91%	130
2021	19,250,298	-8.11%	132
2022	18,114,593	-5.90%	132
2023	18,367,176	+ 1.39%	132
2024	19,580,481	+ 6.61%	135
2025	20,671,874	+ 5.57%	138
2026	20,665,500	-0.03%	141

Source: The District

The Board of Trustees

The Board is comprised of seven trustees elected at large for staggered six-year terms and a non-voting student member. The daily administrative and educational functions of the District are the responsibility of the President, who is appointed by the Board. The President chooses the Executive Leadership Team and administration, with approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the Executive Leadership Team and the administration. The Board elects a Chair, Vice Chair and Secretary from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
Chair.....	Rebecca D. Oliver	2027
Vice Chair.....	Patrick Kelsey	2027
Secretary.....	Greg Thomas	2029
Member.....	Rick Guzman	2029
Member.....	Daniel Jaquez	2031
Member.....	Stacey Ries	2029
Member.....	Tina Willson	2031
Student Trustee.....	Maria Santillan	2026

Administration

The President is Dr. Brian Knetl, who has served as President since January 30, 2023. Dr. Knetl has over 25 years of service in higher education as a faculty member and administrator, having most recently served as Provost and Executive Vice President of Academic and Student Affairs at Grand Rapids Community College in Michigan. Dr Knetl earned a bachelor's degree in Theatre from Saint Mary's University, a master's degree in Theatre from Texas State University, and a doctorate in Curriculum and Instruction from Loyola University-Chicago. John Bryant joined the District in March 2023 as the Assistant Vice President of Finance. He was appointed Vice President of Finance and Administration on June 2, 2025.

Employees

The District currently has 88 full-time faculty members, 491 adjunct faculty members, 46 administrators and 642 support staff employees (350 full-time and 292 part-time). The District considers its relationships with its employees to be good. Full- and part-time faculty in the District are organized as follows:

<u>Union</u>	<u># of Employees</u>	<u>Expiration Date</u>
Waubonsee Community College Faculty Council Local #604 (IFT).....	88	June 30, 2028
Waubonsee Community College Adjunct Faculty Association – Credit (IEA).....	289	August 15, 2026
Waubonsee Community College Adjunct Faculty Association – Adult Education (IEA).....	71	June 30, 2028

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the larger municipalities in the District, including the Villages of Oswego and Sugar Grove (the “Villages”) and the Cities of Aurora, Batavia and Geneva (the “Cities”), Kane County, Kendall County and the State.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010-2020</u>
City of Aurora.....	142,990	197,899	180,542	-8.77
City of Batavia.....	23,866	26,045	26,098	+ 0.20
City of Geneva.....	19,515	21,495	21,393	-0.47
Village of Oswego.....	12,326	30,355	34,585	+ 13.94
Village of Sugar Grove.....	3,909	8,997	9,278	+ 3.12
Kane County.....	404,119	515,269	516,522	+ 0.24
Kendall County.....	54,544	114,736	131,869	+ 14.93
The State	12,419,293	12,830,632	12,812,508	-0.14

Source: U.S. Census Bureau, 2000 Census, 2010 Census and 2020 Census

Income and Housing

The following table sets forth the comparative income and home value levels for the Cities, the Villages, Kendall County, Kane County, the State and the United States.

	City of <u>Aurora</u>	City of <u>Batavia</u>	City of <u>Geneva</u>	Village of <u>Oswego</u>	Village of <u>Sugar Grove</u>
Median Home Value.....	\$260,400	\$358,000	\$415,800	\$319,000	\$372,000
Median Household Income.....	90,109	119,167	136,621	119,881	116,250
Median Family Income.....	102,087	148,750	170,539	127,077	138,310
Per Capita Income.....	55,346	55,346	70,240	43,279	59,536

	Kendall <u>County</u>	Kane <u>County</u>	The <u>State</u>	United <u>States</u>
Median Home Value.....	\$298,900	\$303,000	\$250,500	\$303,400
Median Household Income.....	110,474	100,678	81,702	78,538
Median Family Income.....	119,150	116,477	103,504	96,922
Per Capita Income.....	43,127	46,013	45,104	43,289

Source: 2019-2023 American Community Survey 5-year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau on December 12, 2024

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Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in the Cities and Villages for each of the years listed.

Year	<u>City of Aurora</u>		<u>City of Batavia</u>		<u>City of Geneva</u>	
	Reported	Construction	Reported	Construction	Reported	Construction
	Number of Building Permits	Cost	Number of Building Permits	Cost	Number of Building Permits	Cost
2020.....	92	\$ 29,940,579	35	\$ 16,488,738	24	\$ 7,193,200
2021.....	59	18,824,741	20	13,323,479	68	18,855,661
2022.....	113	23,223,589	34	11,549,376	8	5,539,900
2023.....	340	137,386,349	39	12,802,799	12	7,310,460
2024.....	466	195,014,341	47	16,072,055	11	4,571,245
2025..... ⁽¹⁾	210	99,907,803	40	13,682,911	23	9,552,735

Year	<u>Village of Oswego</u>		<u>Village of Sugar Grove</u>	
	Reported	Construction	Reported	Construction
	Number of Building Permits	Cost	Number of Building Permits	Cost
2020.....	110	\$ 21,500,250	15	\$ 4,548,986
2021.....	130	24,848,166	9	3,463,780
2022.....	236	64,738,162	29	8,275,000
2023.....	163	88,863,701	44	13,644,100
2024.....	195	62,065,721	5	3,890,000
2025..... ⁽¹⁾	218	68,269,202	13	4,535,000

(1) Through August.

Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Cities and Villages for the last five calendar years and through the third quarter of 2025.

Calendar Year	City of Aurora	City of Batavia	City of Geneva	Village of Oswego	Village of Sugar Grove
2020	\$ 2,172,295,824	\$ 507,686,606	\$ 444,549,049	\$ 643,503,319	\$ 105,530,194
2021	2,857,777,730	587,581,113	614,663,915	792,129,256	140,848,392
2022	2,932,044,547	630,143,896	636,176,417	853,289,755	146,473,573
2023	3,180,958,054	693,144,590	648,860,240	856,281,195	162,543,213
2024	3,304,566,611	681,010,445	673,520,858	931,568,836	169,582,428
2025 ⁽¹⁾	2,829,606,217	521,806,078	582,439,246	776,952,212	147,879,763

(1) Through the third quarter of 2025.

Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes (“CPPRT”) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the “Personal Property Tax”) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the “Sharing Act”) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2021, through the most recently completed fiscal year of June 30, 2025, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2026:

<u>Fiscal Year Ended June 30</u>	<u>CPPRT Receipts</u>
2021	\$ 1,262,849
2022	2,752,682
2023	3,111,339
2024	2,049,360
2025	1,358,909
2026 ⁽¹⁾	1,386,909

(1) Estimated.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-2025 and the Department for fiscal year 2026.

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Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

Company Name	Product or Service	Approximate employees at location
Aldi.....	Grocery.....	3,483
Oswego CUSD #308.....	Education.....	2,238
Rush-Copley Medical Center.....	Medical center.....	2,200
Aurora School District #129.....	Education.....	1,650
Lederman Science Education Center at Fermi Lab.....	Laboratory.....	1,532
Aurora School District #131.....	Education.....	1,320
Diageo.....	Warehouse.....	1,319
Amita Health Mercy Medical Center.....	Medical center.....	1,300
City of Aurora.....	Government.....	1,200
Indian Prairie CUSD #204.....	Education.....	1,200

Source: The District

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Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for August 2024 and August 2025 for Cities and Villages compared to Kendall County, Kane County and the State.

	City of <u>Aurora</u>	City of <u>Batavia</u>	City of <u>Geneva</u>	Village of <u>Oswego</u>
Average, 2020..... ⁽¹⁾	8.7%	7.2%	6.9%	8.1%
Average, 2021.....	5.7	4.4	3.9	4.7
Average, 2022.....	4.3	3.4	3.2	3.7
Average, 2023.....	4.6	4.0	4.0	4.1
Average, 2024.....	4.9	4.0	3.9	4.3
August, 2024.....	5.2	4.5	N/A ⁽²⁾	4.6
August, 2025.....	4.8	4.4	N/A ⁽²⁾	4.5

	Village of <u>Sugar Grove</u>	Kendall <u>County</u>	Kane <u>County</u>	The <u>State</u>
Average, 2020..... ⁽¹⁾	8.1%	8.1%	8.7%	9.3%
Average, 2021.....	4.7	5.1	5.7	6.1
Average, 2022.....	3.9	4.0	4.5	4.6
Average, 2023.....	4.4	4.5	5.0	4.5
Average, 2024.....	4.6	4.5	5.0	5.0
August, 2024.....	N/A ⁽²⁾	4.6	4.8	5.3
August, 2025.....	N/A ⁽²⁾	4.5	4.7	4.7

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) There is no monthly data available for the City of Geneva and Village of Sugar Grove since they are communities with a population of less than 25,000.

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

(Estimated 33-1/3% of Fair Market Value)

The following table reflects the EAV trend of the District by property type, growth rate and new property.

<u>Property Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential	\$ 8,360,171,277	\$ 8,731,385,787	\$ 9,368,373,579	\$ 10,194,263,102	\$ 11,560,726,421
Farm.....	320,516,496	335,709,954	353,876,517	375,823,722	413,987,284
Commercial	1,266,845,323	1,316,684,507	1,403,341,798	1,527,650,094	1,664,752,881
Industrial	670,639,721	691,232,473	740,961,649	830,347,587	929,220,321
Railroad	39,125,308	45,321,017	50,559,128	53,435,977	50,538,642
Mineral	-	-	526,275	502,221	1,294,321
Total ⁽¹⁾	<u>\$ 10,657,298,125</u>	<u>\$ 11,120,333,738</u>	<u>\$ 11,917,638,946</u>	<u>\$ 12,982,022,703</u>	<u>\$ 14,620,519,870</u>
% of Change.....	4.32% ⁽²⁾	4.34%	7.17%	8.93%	12.62%
New Property.....	\$ 106,072,758	\$ 120,837,309	\$ 129,719,612	\$ 166,594,070	\$ 199,560,938

(1) Excludes tax increment financing ("TIF") incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.

(2) Based on the District's 2019 EAV of \$10,215,782,251.

Source: County Clerks' Offices

EAV by County

<u>County</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
DeKalb.....	\$ 386,517,708	\$ 401,178,806	\$ 424,561,113	\$ 459,741,695	\$ 512,305,024
Kane.....	6,585,334,997	6,843,555,563	7,307,848,282	7,861,575,187	8,794,497,251
Kendall.....	3,062,053,372	3,228,880,219	3,495,314,275	3,886,284,226	4,411,121,993
LaSalle.....	249,763,208	259,984,324	279,322,235	302,339,793	341,132,538
Will.....	373,628,840	386,734,826	410,593,041	472,081,802	561,463,064
Total ⁽¹⁾	<u>\$ 10,657,298,125</u>	<u>\$ 11,120,333,738</u>	<u>\$ 11,917,638,946</u>	<u>\$ 12,982,022,703</u>	<u>\$ 14,620,519,870</u>

(1) Excludes TIF incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.

Source: County Clerks' Offices

Tax Increment Financing Districts Located within the District

A portion of the District's EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The TIF districts are not expected to expire in the near future, except as shown in the table below, and the District is not aware of any new TIF districts planned in the immediate future.

In October 2022, the Aurora City Council approved the relocation of the Hollywood Casino from downtown Aurora to a location across from the Chicago Premium Outlets Mall near Interstate 88. The Casino will be located in a TIF district. The \$360 million new casino resort will include a 220-room hotel and a 12,000 square foot convention center. Construction will be complete in early 2026. The City issued \$58 million of bonds to finance a portion of the public infrastructure in connection with the construction of the Casino.

In September 2024, the Sugar Grove Village Board approved the annexation and TIF district for 760 acres at the interchange of Route 47 and Interstate 88. This development will feature industrial, retail and office spaces, as well as a town center and residential areas (1,400 new residences, including multi-family, single-family, townhomes and duplex units). Construction of the first residential phase is underway, with expected completion in 2026. The Village agreed to set aside 10% of TIF funds as surplus each year, which will be distributed to taxing bodies (including the District) over the life of the TIF district.

<u>Location</u>	<u>Year Established</u>	<u>Adjusted Base EAV</u>	<u>2024 EAV</u>	<u>Incremental EAV</u>
Aurora TIF 3..... ⁽¹⁾	1999	\$ 2,045,651	\$ 12,100,177	\$ 10,054,526
Aurora TIF 4.....	2004	285,873	1,749,908	1,464,035
Aurora TIF 5.....	2006	14,319,324	23,969,584	9,650,260
Aurora TIF 6.....	2006	9,763,290	14,309,247	4,545,957
Aurora TIF 7.....	2011	7,536,588	20,176,188	12,639,600
Aurora TIF 8.....	2011	481,663	20,941,938	20,460,275
Aurora TIF 9.....	2018	381,867	1,550,295	1,168,428
Aurora TIF 10.....	2019	131,670	1,167,947	1,036,277
Aurora TIF 11.....	2019	1,056,965	1,966,530	909,565
Aurora TIF 12.....	2019	119,747	746,123	626,376
Aurora TIF 13.....	2020	214,340	716,623	502,283
Aurora TIF 16.....	2021	84,367	112,036	27,669
Aurora TIF 19.....	2022	125,213	320,199	194,986
Batavia TIF 1.....	2017	1,298,924	14,829,307	13,530,383
Batavia TIF 3.....	2017	9,562,201	16,127,447	6,565,246
Batavia TIF 4.....	2015	3,265,834	4,942,443	1,676,609
Batavia TIF 6.....	2020	1,353,686	1,739,235	385,549
Countryside TIF.....	2003	1,263,910	4,183,139	2,919,229
Geneva TIF 2..... ⁽¹⁾	1998	2,957,089	7,007,862	4,050,773
Geneva TIF 3.....	2015	6,832,644	10,081,433	3,248,789
Geneva TIF 4.....	2023	480,454	597,948	117,494
Maple Park TIF 1.....	2010	10,619,905	17,623,602	7,003,697
Montgomery Rt 30 & 5th.....	2005	36,408	362,375	325,967
Montgomery TIF 1.....	2006	48,044	354,762	306,718
Montgomery TIF 2.....	2013	21,263,686	51,472,597	30,208,911
Montgomery TIF 3.....	2023	124,157	142,983	18,826
Montgomery Caterpillar Dr.....	2021	10,234,114	20,072,203	9,838,089
North Aurora TIF 1.....	2001	7,718,729	18,033,680	10,314,951
North Aurora TIF 4.....	2020	16,656,154	36,943,789	20,287,635
Oswego Main & Washington.....	2015	6,778,236	20,524,661	13,746,425
Sugar Grove TIF 1.....	2010	8,011,720	15,806,218	7,794,498
Sugar Grove TIF 2.....	2014	1,090,116	5,294,320	4,204,204
Sugar Grove TIF 3.....	2023	646,649	708,977	62,328
Sugar Grove I 88 & IL 47 TIF.....	2024	619,940	716,232	96,292
Yorkville Downtown.....	2005	2,961,977	7,525,474	4,563,497
Yorkville Downtown 2.....	2016	4,395,301	7,815,544	3,420,243
Total.....		<u>\$ 154,766,436</u>	<u>\$ 362,733,026</u>	<u>\$ 207,966,590</u>

(1) TIF terminated in 2024. No extensions have been filed.
Source: Kendall, Kane and DeKalb County Clerks' Offices

Tax Rates

(Per \$100 EAV)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	Maximum Rate
Education	\$ 0.3582	\$ 0.3521	\$ 0.3494	\$ 0.3417	\$ 0.3186	\$ 0.7500
Operations & Maintenance.....	0.0669	0.0658	0.0653	0.0638	0.0595	0.1000
Liability, protection, and settlement.....	0.0118	0.0116	0.0115	0.0113	0.0105	0.0050
Audit.....	0.0009	0.0008	0.0008	0.0008	0.0008	N/A
Bond and Interest.....	0.0000	0.0394	0.0369	0.0340	0.0286	N/A
Prior Year Adjustment.....	(0.0091)	0.0000	0.0000	0.0000	0.0000	N/A
Revenue Recapture..... ⁽¹⁾	0.0000	0.0012	0.0016	0.0018	0.0020	N/A
Total.....	<u>\$ 0.4286</u>	<u>\$ 0.4710</u>	<u>\$ 0.4656</u>	<u>\$ 0.4534</u>	<u>\$ 0.4201</u>	

(1) See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – Property Tax Extension Limitation Law” herein for information on the property tax refund revenue recapture provisions of the Limitation Law.

Source: Kane County Clerk’s Office

Representative Tax Rates for Property within the District

(Per \$100 EAV)

The following table of representative tax rates is for a resident of the District living in the City of Aurora.

<u>Taxing Body</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Kane County.....	\$ 0.3618	\$ 0.3522	\$ 0.3322	\$ 0.3094	\$ 0.2878
Kane County Forest Preserve District.....	0.1477	0.1435	0.1367	0.1289	0.1468
Aurora Township.....	0.2002	0.1884	0.1709	0.1604	0.1456
City of Aurora.....	1.9064	1.8461	1.7683	1.6975	1.5737
Aurora City Library.....	0.3360	0.3331	0.3336	0.3294	0.3046
North Aurora Fire District.....	0.9194	0.9169	0.9063	1.0044	0.9265
Fox Valley Park District.....	0.4557	0.4337	0.4199	0.4058	0.3779
School District Number 129.....	5.4393	5.2857	5.1444	5.0026	4.5892
The District	0.4286	0.4710	0.4656	0.4534	0.4201
Total.....	<u>\$ 10.1952</u>	<u>\$ 9.9706</u>	<u>\$ 9.6780</u>	<u>\$ 9.4917</u>	<u>\$ 8.7723</u>

Source: Kane County Clerk’s Office

Tax Extensions and Collections

	<u>2020</u> ⁽¹⁾	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Extensions	\$46,073,747	\$52,364,866	\$55,338,295	\$58,528,171	\$61,283,918
Collections	46,027,193	52,132,349	55,081,225	58,578,773	61,861,725
% Collected	99.90%	99.56%	99.54%	100.09%	100.94%

(1) The lower tax extension and collection numbers in this year are due to a tax abatement the District voluntarily executed during the COVID-19 pandemic to provide relief for District property taxpayers.

Source: County Treasurers’ Offices

Largest Taxpayers

The taxpayers listed below represent 2.05% of the District's 2024 EAV which is \$14,620,519,870 (which excludes TIF incremental EAV totaling \$207,966,590). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

<u>Taxpayer</u>	<u>2024 EAV</u>	<u>% of EAV</u>
Simon/Chelsea Chicago Development LLC.....	\$ 75,303,382	0.52%
Prologis LP.....	37,616,129	0.26%
LPF Geneva Commons LLC..... ⁽¹⁾	31,368,092	0.21%
BA Leasing BSC LLC.....	27,197,630	0.19%
USICVI Orchard Gateway Inc..... ⁽²⁾	26,978,102	0.18%
Menards, Inc.....	25,393,375	0.17%
Chicago Premium Outlets Expansion LLC.....	20,942,069	0.14%
325 South Route 31 LLC.....	20,072,203	0.14%
Montgomery Properties LLC.....	19,966,248	0.14%
NR Kirkland Crossing LLC.....	14,502,752	0.10%
Total.....	<u>\$ 299,339,982</u>	<u>2.05%</u>

Source: Kane and Kendall County Clerks' Offices

(1) There are 2023 and 2024 appeals pending at the PTAB regarding Geneva Commons located at 602 Commerce Drive in Geneva. The parties negotiated a multi-year settlement agreement for the 2023-2026 quadrennial, in which refunds were reduced significantly, and the assessed value of the property was set for tax years 2023 through 2026. The agreed upon assessed values have been submitted to the PTAB for its approval for tax years 2023 and 2024, which approval is anticipated in the coming months. Refunds provided pursuant to this agreement will be subject to refund recapture (see "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for more information regarding the refund recapture). -The agreement provides for the following assessed values for the property:

	Assessed Value	Fair Market Value
2023	\$25,664,100	\$77,000,000
2024	\$22,997,700	\$69,000,000
2025	\$24,147,585	\$72,450,000
2026	Up to \$25,654,964	Up to \$76,072,500

(2) There were 2023 and 2024 PTAB appeals filed for USICVI Orchard Gateway that were resolved. -The parties entered into a multi-year settlement agreement. The PTAB set the 2023 and 2024 assessed values of this property, which was \$26,300,000 for tax year 2024, and closed both appeals in August 2025.

Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded debt of the District as of the closing of the Bonds.

<u>Issue Description</u>	<u>Dated Date</u>	<u>Original Amount of Issue</u>	<u>Current Amount Outstanding</u>	<u>Final Maturity Date</u>
Taxable G.O. Refunding Bonds, Series 2021B.....	02/16/21	\$ 32,645,000	\$ 18,495,000	12/15/30
The 2023 Bonds.....	07/17/23	27,820,000	26,905,000	06/15/43
The Bonds.....	02/17/26	8,350,000	* 8,350,000 *	12/15/45 *
Total.....			<u>\$ 53,750,000</u> *	

*Preliminary, subject to change.

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding bonded debt of the District as of the closing of the Bonds.

<u>Fiscal Year</u>	<u>Principal Outstanding</u>	<u>The Bonds*</u>	<u>Total Principal*</u>	<u>Cumulative Amount*</u>	<u>Retirement Percent*</u>
2026	\$ 960,000	\$ -	\$ 960,000	\$ 960,000	1.79%
2027	4,635,000	105,000	4,740,000	5,700,000	10.60
2028	4,720,000	265,000	4,985,000	10,685,000	19.88
2029	4,810,000	280,000	5,090,000	15,775,000	29.35
2030	4,905,000	295,000	5,200,000	20,975,000	39.02
2031	5,000,000	310,000	5,310,000	26,285,000	48.90
2032	1,285,000	325,000	1,610,000	27,895,000	51.90
2033	1,350,000	340,000	1,690,000	29,585,000	55.04
2034	1,420,000	360,000	1,780,000	31,365,000	58.35
2035	1,490,000	380,000	1,870,000	33,235,000	61.83
2036	1,565,000	400,000	1,965,000	35,200,000	65.49
2037	1,645,000	420,000	2,065,000	37,265,000	69.33
2038	1,725,000	440,000	2,165,000	39,430,000	73.36
2039	1,810,000	460,000	2,270,000	41,700,000	77.58
2040	1,900,000	485,000	2,385,000	44,085,000	82.02
2041	1,980,000	510,000	2,490,000	46,575,000	86.65
2042	2,060,000	535,000	2,595,000	49,170,000	91.48
2043	2,140,000	565,000	2,705,000	51,875,000	96.51
2044	-	595,000	595,000	52,470,000	97.62
2045	-	625,000	625,000	53,095,000	98.78
2046	-	655,000	655,000	53,750,000	100.00
	<u>\$ 45,400,000</u>	<u>\$ 8,350,000</u>	<u>\$ 53,750,000</u>		

*Preliminary, subject to change.

Overlapping General Obligation Bonds Debt

(As of June 30, 2025)

<u>Taxing Body</u>	<u>Bonded Debt</u> ⁽¹⁾	<u>Allocated to the District</u>	
		<u>Percent</u> ⁽²⁾	<u>Amount</u>
Community Unit School District Number 1 (Leland).....	\$ 1,980,000	99.91%	\$ 1,978,218
Community Unit School District Number 101 (Batavia).....	3,975,000	100.00%	3,975,000
Community Unit School District Number 115 (Yorkville).....	35,435,000	98.06%	34,747,561
Community Unit School District Number 2 (Serena).....	12,765,000	0.20%	25,530
Community Unit School District Number 204 (Indian Prairie).....	51,860,000	0.10%	51,860
Community Unit School District Number 302 (Kaneland).....	34,572,239	100.00%	34,572,239
Community Unit School District Number 304 (Geneva).....	75,295,000	100.00%	75,295,000
Community Unit School District Number 308 (Oswego).....	185,578,061	100.00%	185,578,061
Community Unit School District Number 429 (Hinckley-Big Rock).....	4,015,000	96.88%	3,889,732
Community Unit School District Number 430 (Sandwich).....	6,134,000	100.00%	6,134,000
Community Unit School District Number 432 (Somonauk).....	6,647,000	100.00%	6,647,000
Community Consolidated School District Number 66 (Newark).....	2,732,100	0.58%	15,846
Community Unit School District Number 88 (Plano).....	33,970,000	100.00%	33,970,000
School District Number 129 (West Aurora).....	70,029,000	100.00%	70,029,000
School District Number 131 (East Aurora).....	67,230,000	100.00%	67,230,000
DeKalb County.....	5,320,000	14.30%	760,760
La Salle County.....	10,930,000	9.46%	1,033,978
Kane County Forest Preserve.....	66,925,000	41.46%	27,747,105
Kendall County Forest Preserve.....	12,930,000	84.70%	10,951,710
Will County Forest Preserve.....	101,660,000	1.84%	1,870,544
Campton Township.....	4,580,000	9.91%	453,878
City of Aurora (includes library).....	240,680,000	58.60%	141,038,480
City of Batavia.....	32,680,000	100.00%	32,680,000
City of St. Charles.....	88,465,000	0.12%	106,158
Village of Oswego.....	47,080,000	100.00%	47,080,000
Village of Plainfield.....	2,280,000	12.28%	279,984
Geneva Public Library District.....	15,865,000	100.00%	15,865,000
Oswego Public Library District.....	1,590,000	100.00%	1,590,000
Sandwich Public Library District.....	1,495,000	100.00%	1,495,000
Fox Valley Park District	12,175,000	67.73%	8,246,128
Oswegoland Park District.....	9,575,000	99.41%	9,518,508
Plainfield Park District.....	6,472,525	1.32%	85,437
St. Charles Park District.....	9,475,355	0.08%	7,580
			<u>\$ 824,949,297</u>

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Bonded Debt.....	\$45,400,000
Less: Self-Supporting Debt.....	(\$26,905,000)
The Bonds.....	\$8,350,000 *
Leases.....	\$193,196
Net Direct Debt	\$27,038,196 *
Overlapping Bonded Debt.....	\$824,949,297
Net Direct Debt and Overlapping Bonded Debt.....	\$851,987,493 *
EAV, 2024..... ⁽¹⁾	\$14,620,519,870
Statutory Debt Limit (2.875% of EAV).....	\$420,339,946
Net Direct Debt Applicable to Statutory Debt Limit..... ⁽²⁾	\$27,038,196 *
Statutory Debt Margin	\$393,301,750 *

(1) Excludes TIF incremental EAV. See “Tax Increment Financing Districts Located within the District” herein.

(2) Excludes the 2023 Bonds. Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2023 Bonds) are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection by the County Clerks.

*Preliminary, subject to change.

Debt Ratios ⁽¹⁾

Estimated Market Valuation, 2024.....	\$43,861,559,610
EAV, 2024..... ⁽²⁾	\$14,620,519,870
Estimated Population	431,200
Net Direct Debt to EAV	0.18% *
Net Direct Debt to Estimated Market Valuation	0.06% *
Net Direct Debt and Overlapping Bonded Debt to EAV.....	5.83% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	1.94% *
Net Direct Debt Per Capita	\$62.70 *
Net Direct Debt and Overlapping Debt Per Capita.....	\$1,975.85 *

(1) Excludes the 2023 Bonds. Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2023 Bonds) are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection by the County Clerks.

(2) Excludes TIF incremental EAV. See “Tax Increment Financing Districts Located within the District” herein.

*Preliminary, subject to change.

Short-Term Financing Record

In the last five years, the District has not issued any tax anticipation warrants or revenue anticipation notes and has no plans to issue tax anticipation warrants or revenue anticipation notes in the foreseeable future.

Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

Default Record

The District has no record of default and has met its debt repayment obligations promptly.

SUMMARY OF OPERATING RESULTS

Combined Education Account and Operations and Maintenance Account Revenue Sources (Years Ended June 30)

Below is a combined summary of the Education Account and Operations and Maintenance Account revenue sources exclusive of “on-behalf” payments made by the State to SURS. This summary is provided since Moody’s combines these funds as the “General Fund” in its report.

	<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>	
Local Sources	57.78	%	63.46	% ⁽²⁾	61.92	%	61.13	%	60.92	%
State Sources	7.57		8.12		7.53		7.52		9.13	
Federal Sources.....	0.22		0.25		0.25		0.26		0.23	
Student tuition and fees	24.28		23.74		22.30		22.48		22.77	
Sales and service fees	0.71		0.64		0.81		0.79		0.85	
Facilities Revenues.....	0.38		0.37		0.36		0.60		0.35	
Investment Revenues.....	0.08		(0.17)		2.74		3.57		3.55	
Other Sources	8.99 ⁽¹⁾		3.60		4.09		3.65		2.21	
Total.....	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%	<u>100.00</u>	%

(1) Includes Higher Education Emergency Relief Funds (“HEERF”) funding in Other Sources and distorts the allocation of revenue in comparison to prior years.

(2) Increase reflects continuing trend in allocation of revenue sources.

Source: Compiled from the District’s Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

General Account Statement of Revenues, Expenses and Changes in Net Position ⁽¹⁾
(Years Ended June 30)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues.....	\$ 20,148,242	\$ 18,920,132	\$ 19,355,314	\$ 20,878,453	\$ 21,820,069
Operating Expenses.....	<u>57,592,452</u>	<u>59,254,196</u>	<u>63,315,023</u>	<u>68,983,125</u>	<u>73,778,114</u>
Operating Income (Loss).....	(37,444,210)	(40,334,064)	(43,959,709)	(48,104,672)	(51,958,045)
Non Operating Revenues (Expenses).....	<u>52,062,640</u>	<u>55,530,446</u>	<u>58,617,582</u>	<u>61,692,822</u>	<u>65,946,420</u>
Net Income (Loss) Before Transfers.....	14,618,430	15,196,382	14,657,873	13,588,150	13,988,375
Transfers..... ⁽²⁾	(14,265,737)	(14,425,236)	(13,066,294)	(13,693,252)	(7,163,345)
Beginning Net Position.....	<u>29,081,469</u>	<u>29,434,162</u>	<u>30,205,308</u>	<u>31,796,887</u>	<u>31,691,785</u>
Ending Net Position.....	<u>\$ 29,434,162</u>	<u>\$ 30,205,308</u>	<u>\$ 31,796,887</u>	<u>\$ 31,691,785</u>	<u>\$ 38,516,815</u>

(1) Consists of Education Account and Operations and Maintenance Account.

(2) Transfers primarily to Operations and Maintenance Restricted Account and Retiree Medical Insurance and Retirement Account. The District does not rely on the Base Operating Grant (see "STATE AID—Institutional Grant Programs" herein) in its operating revenue budget (approximately \$5.5 million) and transfers such revenue to the Operations and Maintenance Restricted Account each year.

Source: Compiled from the District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

Operations and Maintenance Restricted Account

The Operations and Maintenance Restricted Account is used to account for funds reserved for capital improvements. Budgeted expenditures in this account may exceed budgeted revenue since projects may take more than one year to complete and funding may accumulate for several years to reach the cost of a project.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues.....	\$ 276,103	\$ (1,990,919)	\$ 1,187,302	\$ 35,033,091 ⁽¹⁾	\$ 5,647,798
Expenditures.....	<u>4,854,501</u>	<u>888,927</u>	<u>1,818,109</u>	<u>9,201,010</u>	<u>47,351,566</u>
Net Surplus (Deficit).....	(4,578,398)	(2,879,846)	(630,807)	25,832,081	(41,703,768)
Transfers.....	(3,772,664)	3,525,180	7,271,915	8,772,312	3,022,000
Beginning Fund Balance.....	<u>79,101,782</u>	<u>70,750,720</u>	<u>71,396,054</u>	<u>78,037,162</u>	<u>112,641,555</u>
Ending Fund Balance.....	<u>\$ 70,750,720</u>	<u>\$ 71,396,054</u>	<u>\$ 78,037,162</u>	<u>\$ 112,641,555</u>	<u>\$ 73,959,787</u> ⁽²⁾

(1) Includes proceeds of the 2023 Bonds.

(2) The District expects to fully renovate Collins Hall, with construction beginning in spring 2026. The approximate cost is between \$25 million and \$30 million and is expected to be paid from the Operations and Maintenance Restricted Account.

Source: Compiled from the District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

Working Cash Fund

The Working Cash Fund is established by Section 3-33.1 of the Act. The fund is established for the purpose of enabling the District to have on hand at all times sufficient money to meet the demands for ordinary and necessary expenditures for all community college purposes. By making temporary transfers, the Working Cash Fund is used as a source of working capital by other funds. Such temporary transfers assist funds in meeting the demands for ordinary and necessary expenditures during periods of temporary low cash balances. Working Cash Fund Bonds may be issued for the purpose of creating or increasing a working cash fund.

Moneys in the Working Cash Fund are not regarded as current assets available for community college purposes and may only be used by to provide moneys with which to meet ordinary and necessary disbursements for salaries and other community college purposes. The moneys may be loaned to the educational or operations and maintenance funds in order to avoid the issuance of tax anticipation warrants and notes.

Public Act 103-0278, effective July 28, 2023, provides that a community college district may abate its working cash fund at any time, upon the adoption of a resolution providing for the same, and may direct the transfer at any time of moneys in the Working Cash Fund to any fund or funds of the district most in need of the money, provided that the district maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then-current value, as equalized or assessed by the Department of the taxable property in the District. The legislation provides community colleges additional flexibility in meeting their operational and capital needs.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues.....	\$ 17,180	\$ (105,811) ⁽¹⁾	\$ 92,147	\$ 219,015	\$ 280,602
Expenditures.....	<u>532</u>	<u>531</u>	<u>502</u>	<u>507</u>	<u>721</u>
Net Surplus (Deficit).....	16,648	(106,342)	91,645	218,508	279,881
Transfers.....	-	-	-	-	-
Beginning Fund Balance.....	<u>4,470,368</u>	<u>4,487,016</u>	<u>4,380,674</u>	<u>4,472,319</u>	<u>4,690,827</u>
Ending Fund Balance.....	<u>\$ 4,487,016</u>	<u>\$ 4,380,674</u>	<u>\$ 4,472,319</u>	<u>\$ 4,690,827</u>	<u>\$ 4,970,708</u>

(1) Loss in investment income.

Source: Compiled from the District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

Budget Summary

Below is the District's budget summary for the fiscal year ending June 30, 2026.

<u>Fund</u>	Fund Balances <u>July 1, 2025</u> ⁽¹⁾	FY26 <u>Revenue</u>	FY26 <u>Expenditures</u>	FY26 <u>Transfers</u>	Estimated Fund Balances <u>June 30, 2026</u>
Education.....	\$ 29,195,244	\$ 78,737,889	\$ 69,637,485	\$ (8,869,450)	\$ 29,426,198
Operations and Maintenance.....	9,321,571	8,995,500	10,536,390	1,590,000	9,370,681
Operations and Maintenance (Restricted).....	73,959,787	13,027,414	42,089,196	3,000,000	47,898,005
Bond and Interest.....	2,195,903	4,187,304	6,339,436	2,224,450	2,268,221
Auxiliary Enterprises.....	4,611,791	16,693,700	16,449,081	-	4,856,410
Budget Stabilization Fund.....	22,965,814	900,000	2,300,000	-	21,565,814
Working Cash.....	4,970,708	155,000	700	-	5,125,008
Audit.....	52,247	107,500	100,000	-	59,747
Liability, Protection Settlement	4,375,785	1,640,000	3,463,002	1,855,000	4,407,783
Total All Funds	<u>\$ 151,648,850</u>	<u>\$ 124,444,307</u>	<u>\$ 150,915,290</u>	<u>\$ (200,000)</u>	<u>\$ 124,977,867</u>

(1) The beginning fund balance was revised from the adopted budget to reflect the actual ending fund balance for the prior fiscal year. The budget is adopted before the audit for the prior fiscal year is available.

Source: The District

The primary funding source for capital projects comes from reserves of more than \$73 million in the Operations and Maintenance, Restricted Fund. The fiscal year 2026 budget process incorporated a pooled budget approach for capital projects. Capital project requests are being reviewed. The process will allow for approval of projects at multiple points throughout the year. Approved projects will focus on deferred maintenance, maintenance of student services and State mandated projects. Capital planning is ongoing with a focus on deferred maintenance, maintaining facilities and technology infrastructure upgrades to meet student needs. The following table reflects approximately \$39.0 million in major capital projects included in the fiscal year 2026 Operations and Maintenance, Restricted Fund budget:

PROJECT	AMOUNT
TEC Building	\$16,625,000
Bond Proceed Projects	7,500,000
Tennis Court Renovation	4,500,000
Fox Valley Exterior Windows	3,253,350
Capital Projects Pool	3,000,000
Dickson Community Board Room	2,745,000
Dickson Roof and Skylight replacement	725,000
Erickson HVAC Project	718,728

STATE AID

General

The State provides aid to local community college districts via grant programs administered by the ICCB. Many community college districts rely on such “State Aid” for a significant portion of their budgets. For the fiscal year ended June 30, 2025, the District received approximately 9.13% of its general fund revenue from sources at the State, including State Aid. See “SUMMARY OF OPERATING RESULTS – Combined Education Fund and Operations and Maintenance Fund Revenue Sources” herein.

The State subsidizes the costs of higher education by allocating tax dollars between the following four areas: (a) direct operating support, (b) indirect operating support, (c) institutional grant programs and (d) student financial aid programs.

The Community College System Operating Budget is funded based upon unrestricted and restricted grants. Unrestricted grants have no grant guidelines or expenditure requirements and can be used for any operating purpose. Such grants include but are not limited to the Base Operating Grant, Equalization Grant, Small College Grant and Technical Education Formula Grant (as more fully discussed below). Restricted grants must be spent according to grant and expenditure guidelines and include the Workforce Development Grant, Adult Education Grant and Career and Technical Education Grant (as more fully discussed below).

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

Direct Operating Support

Public community colleges are funded primarily through direct operating support. Most of the funds for operating support are used for meeting general costs such as salaries, contracts for services, energy, supplies, travel and scholarships; however, operating support can also be appropriated to specific activities such as workforce preparation programs, adult basic education, career and technical education or legislative initiatives.

Indirect Operating Support

Public community colleges also benefit from indirect operating support through payments or benefits provided by the State to or for faculty and staff. Rather than being paid to community colleges, such funds are spent by other State entities on behalf of community college employees. Examples of indirect operating support include employee health insurance provided by the State employee benefits plan and funding for community college employees’ pensions paid to SURS.

Institutional Grant Programs

Additionally, grant programs provide funds for specific activities undertaken by educational programs. Funding for such programs as Cooperative Work Study and Nursing Grants is appropriated to the IBHE and then distributed by the IBHE based upon competitive application and program criteria. Private colleges are also eligible to apply for such grants.

As noted previously, the ICCB also administers grant programs and distributes funding to community colleges. The two principal operating grants for community colleges are the Base Operating Grant and the Equalization Grant, both of which are allocated to each local community college district based upon a prescribed formula. Generally, ICCB grants to community colleges amount to the difference between the total funds needed to offer educational programs and the total funds available from local property taxes and tuition and fees. Rate adjustments are required when State appropriations for ICCB grants fall short of equaling the calculated needs of the system. The funds of both the Base Operating Grant and the Equalization Grant are distributed on a monthly basis. State funding of these payments has been stable in recent years.

In addition to the grants discussed in this section, the State distributes numerous other grants to Illinois community colleges on an annual basis.

Student Financial Aid

State tax dollars support higher education through direct support to students; such financial aid is distributed through the Illinois Student Assistance Commission. The primary source of direct student assistance is need-based. Need-based programs, such as the Monetary Award Program, cover a portion of the costs of tuition and fees for students at public community colleges. The State also provides several programs that pay some or all of the costs of tuition and fees for students who have served in the military or are preparing for high-demand occupations such as nursing and certain teaching positions. In the event the federal government, the State or any agency pays tuition for any community college student, neither the district of such student's residence nor the student is required to pay that tuition, or any portion thereof, that is otherwise paid.

History of State Funding

	Year Ended June 30, 2021	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2024	Year Ended June 30, 2025
ICCB Grants	\$ 6,846,890	\$ 6,990,337	\$ 7,731,295	\$ 8,151,303	\$ 10,187,867 ⁽¹⁾
Other State Funds	47,590	-	-	-	-
Total State Funds	\$ 6,894,480	\$ 6,990,337	\$ 7,731,295	\$ 8,151,303	\$ 10,187,867

(1) Increase largely due to increase in the amounts received from the State's Monetary Award Program (MAP).
Source: Compiled from the District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

FEDERAL AID

General

Community colleges, like the District, receive federal funding. Most federal funding for the District goes toward financial aid to students and research grants, not operating funds. The District participates in federal financial aid programs like the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG) and the Federal Direct Loan Program. See below for a description of each program.

- Federal Pell Grant: This grant is for students with financial need who are pursuing their first undergraduate degree.
- Federal Supplemental Educational Opportunity Grant: This grant is designed to help students with the lowest expected family contribution with their education costs.
- Federal Direct Loan Program: This program offers different types of student loans, including Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Parent PLUS loans.

Federal COVID-19 Funds Distributed to the District

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act, (ii) Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and (iii) American Rescue Plan of 2021, was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The District was appropriated \$3.2 million in CARES Act funding in the spring of 2020 - \$1.6 million to students and \$1.6 million to the District. The District spent approximately \$750,000 of the funds in fiscal year 2020; the remainder was spent in fiscal year 2021. Expenditures include major technology initiatives, including VDI (virtual desktop), flex classrooms, software, student technology and lab kits. Because the District is a Hispanic Service Institution, the District received an additional \$215,571 in CARES Act funding. The District received \$214,010 from the GEER Fund - used for student debt forgiveness in the fall of 2020. Adult Education received \$20,000 in CARES Act funding. The District received approximately \$7.4 million in additional Supplemental CARES Act money, which was fully expended by the end of fiscal year 2022. Funds were used to support students in navigating online coursework, for campus safety and to recoup lost revenue. The District was allocated approximately \$14 million in HEERF funding with an additional \$10 million in direct student aid. Institutional funds have been used for student support programming along with lost revenue which has, in part, been used to increase the Budget Stabilization Fund, as discussed under “Budget Stabilization Fund” herein.

Budget Stabilization Fund

At the end of fiscal year 2021, the District established a Budget Stabilization Fund (the “BSF”) with an initial deposit of \$14.1 million, which was comprised of both operating surpluses and lost revenue funding from Federal HEERF. The current balance is approximately \$23 million after funding \$700,000 in scholarships in fiscal year 2025. The District has currently earmarked \$300,000 for the loss of a competitive federal grant. The policy regarding use of the BSF includes the following four recommended uses: institution funded scholarships, grant funded program transition, one-time costs for District initiatives, and costs associated with the development of RISE 2030. In fiscal year 2026, the District expects to fund a \$700,000 Waubensee Success Scholarship from the BSF to improve enrollment by minimizing financial barriers for students.

RETIREMENT PLAN

The District contributes to the State Universities Retirement System (“SURS”), a cost-sharing multiple-employer defined benefit pension 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 the 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 Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by accessing the website at www.SURS.org, or calling 1-800-275-7877.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State on behalf of the individual employers at an actuarially determined rate. The State’s contribution is calculated by an actuary pursuant to the provisions of the Illinois Pension Code, as amended (the “Pension Code”). The Pension Code requires the State to contribute annually the constant percent of payroll necessary to allow SURS to achieve a 90% funded ratio by fiscal year 2045.

Financial Reporting under GASB Standards

The Governmental Accounting Standards Board (“GASB”) promulgates standards for financial reporting with respect to financial statements prepared by public pension systems and governments sponsoring such pension systems. Although SURS’s actuary utilizes these standards in preparing certain aspects of the annual actuarial valuation and the State uses these standards for financial reporting purposes, such standards do not impact the calculation of the State contribution or the District contribution for SURS.

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “Discount Rate,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

As of June 30, 2024, SURS reported a Net Pension Liability of \$29.5 billion. For the year ended June 30, 2025, the proportionate share of the State’s Net Pension Liability associated with the District is \$254,012,179 or 0.8402%. The amount of the proportionate share of the Net Pension Liability to be recognized for the District as of the measurement date is \$0. For purposes of financial reporting, the State and participating employers (such as the District) are considered to be under a special funding situation.

The District’s proportionate share of collective pension expense is recognized similarly to on-behalf payments for both the contributions made by the State and the matching expense in the financial statements. As a result, the District recognized on-behalf revenue and pension expense of \$16,773,591 for the fiscal year ended June 30, 2025.

Community College Health Insurance Program (CIP)

In addition to the pension plan, the District contributes to the State’s Community College Health Insurance Program (“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 dependent beneficiaries of participating community colleges. The benefits, employer, employee, retiree and state contributions are dictated by the State Group Insurance Act of 1971 (the “Act”) and can only be changed by the General Assembly. The Act requires every active contributor (employee) of SURS to contribute 0.5% of covered payroll and every community college district to contribute 0.5% of covered payroll. Public Act 103-008, effective June 7, 2023, increases these rates. Beginning July 1, 2023 and through June 30, 2024, the contribution rate was 0.75% of the salary. Beginning July 1, 2024, and through June 30, 2025, the contribution rate was 0.85% of the salary. Beginning July 1, 2025, the contribution rate is 0.95% of the salary as determined by the Department of Central Management Services (“CMS”) Beginning July 1, 2026, the contribution rate will be a percentage of salary to be

determined by CMS, which in each fiscal year will not exceed 105% of the percentage of salary actually required to be contributed for the previous fiscal year. The annual increase each year is estimated to cost the District an additional \$400,000. Retirees pay a premium for coverage that is also determined by State statute.

The District's contributions to CIP during the fiscal years ended June 30, 2024, and June 30, 2025, were \$278,839 and \$333,909, respectively. For the fiscal year ended June 30, 2025, the District recognized other postemployment benefit expense of \$(4,786,871) and revenue of \$(4,786,871) for support provided by the State.

The State Pension Funds Continuing Appropriation Act requires the State to make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan. The State has failed to fully fund the CIP program implemented annual increases to the employer contribution beginning July 1, 2023. The lack of funding for the CIP program has resulted in the District reflecting a \$11.66 million liability as of June 30, 2025. This liability was a \$12.52 million liability as of June 30, 2024. Currently the District has fully reserved for the \$11.66 million liability. The District monitors State discussions related to the CIP program for any actual obligation to pay this amount and its potential effects on the operations of the District. For more information regarding the CIP Program, see Note 7 in the Audit.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax,

financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “OID Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not

exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the

Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

BOND RATING

Moody's has assigned its municipal rating of "Aaa" to the Bonds. The rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by Moody's, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in "Appendix C – Form of Continuing Disclosure Undertaking."

The District has implemented disclosure policies and procedures which include specific procedures regarding the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

The District has not failed to comply in the previous five years in any material respect with undertakings previously entered into by it pursuant to the Rule. The District has retained PMA Securities, LLC, Naperville, Illinois (“PMA”), to act as the District’s Dissemination Agent for its continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (“Chapman and Cutler”), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor. Robbins Schwartz, Chicago, Illinois, will pass on certain matters for the District.

UNDERWRITING

The Bonds were offered for sale by the District at a public, competitive sale on January 26, 2026. The best bid submitted at the sale was submitted by _____, _____, _____ (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____. The Underwriter has represented to the District that the Bonds have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee equals \$_____.

MUNICIPAL ADVISOR

PMA has been retained as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds and also from the investment of Bond proceeds. PMA’s compensation for serving as municipal advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved by the District for distribution to the Underwriter.

The District's officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/

Vice President of Finance and Administration
Community College District No. 516, Counties
of Kane, Kendall, DeKalb, LaSalle and Will and
State of Illinois

January __, 2026

Appendix A

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community College District No. 516,
Counties of Kane, Kendall, DeKalb
LaSalle and Will and State of Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Trustees of Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Community College Bonds, Series 2026 (the "*Bonds*"), to the amount of \$_____, dated February 17, 2026, due serially on December 15 of the years and in the amounts and bearing interest at the rates per annum as follows:

2026	\$	%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%
2044		%
2045		%

the Bonds due on or after December 15, 20__, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 15, 20__, or on any date thereafter, at the redemption price of par plus accrued interest

to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Appendix B

Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025

The Annual Comprehensive Financial Report of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Sikich CPA LLC, Naperville, Illinois (the “Auditor”), and approved by formal action of the Board of Trustees of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

Waubonsee Community College

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

State of Illinois

Community College District 516

Counties of Kane, Kendall, DeKalb, LaSalle and Will



WAUBONSEE
COMMUNITY COLLEGE

ROUTE 47 AT
WAUBONSEE DRIVE
SUGAR GROVE, ILLINOIS
60554-9454

The
Community
Colleges
of Illinois

FOR EVERY
STUDENT
FOR EVERY
COMMUNITY



**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Years Ended
June 30, 2025 and 2024

Prepared by
Finance Department

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
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WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
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DISTRICT 516
SUGAR GROVE, ILLINOIS
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INTRODUCTORY SECTION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL OFFICIALS

June 30, 2025

<u>Board Members</u>	<u>Position</u>	<u>Term Expires</u>
Rebecca D. Oliver	Chair	2027
Patrick Kelsey	Vice Chair	2027
Greg Thomas	Secretary	2029
Rick Guzman	Trustee	2029
Daniel Jaquez	Trustee	2031
Stacey Ries	Trustee	2029
Tina Willson	Trustee	2031
Maria Santillan	Student Trustee	2026

OFFICERS OF THE COLLEGE

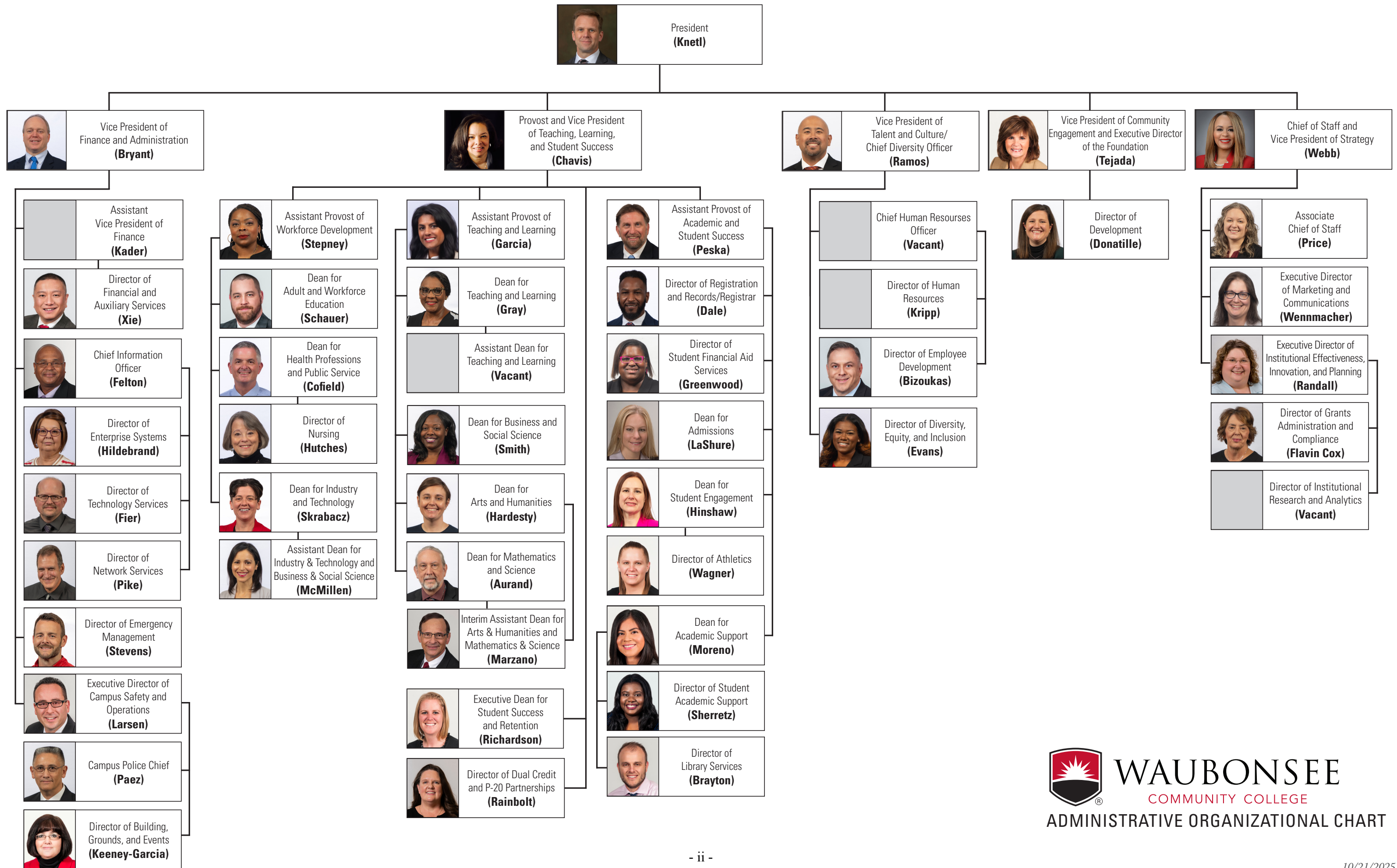
Dr. Brian Knetl	President
John Bryant	Vice President of Finance and Administration/ Chief Financial Officer
Dr. Kimberly Chavis	Provost and Vice President of Teaching, Learning and Student Success
Dr. Anthony Ramos	Vice President of Talent and Culture and Chief Diversity Officer
Dr. Melinda Tejada	Vice President of Community Engagement and Executive Director of the Foundation
Dr. Toya Webb	Chief of Staff and Vice President of Strategy

OFFICIALS ISSUING REPORT

John Bryant	Vice President of Finance and Administration/ Chief Financial Officer
Lei Xie	Director of Financial and Auxiliary Services

DIVISION ISSUING REPORT

Finance Department





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Waubonsee Community College
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



November 20, 2025

Members of the Board of Trustees and
Residents of Waubonsee Community College District 516:

The Annual Comprehensive Financial Report (ACFR) of Waubonsee Community College District 516 (the College), for the fiscal year ended June 30, 2025 , is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary have been included to enable the reader to gain an understanding of the College's financial activities in relation to its mission.

FINANCIAL STATEMENTS

This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis, which provides an analytical overview of the College's financial activity.

The College is a separate legal entity established under Illinois Compiled Statutes (ILCS) and governed by a locally elected board of trustees. The College is fiscally independent and is considered a primary unit of local government pursuant to GASB Statement No. 14 as amended by GASB Statement No. 61. The College has determined that the Waubonsee Community College Foundation meets the requirements of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14, which has resulted in the Waubonsee Community College Foundation (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 Treasurer, John Bryant, at Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554, (630) 466-7900.

BACKGROUND INFORMATION

Waubonsee Community College is a public, comprehensive community college, which was organized in 1966 as mandated by the Illinois Community College Act to provide education and training services for individuals in portions of Kane, Kendall, DeKalb, LaSalle, and Will counties of District 516.

Our Mission

Waubonsee Community College provides exceptional learning through accessible, equitable, and innovative education. We are committed to enriching the lives of our students, employees, and community by working together to create opportunities to discover new passions, share knowledge, and embrace diversity.

Our Vision

Waubonsee Community College opens the door of knowledge, sparks imaginations, and enlightens lives through learning. We welcome the diverse abilities, goals and experiences of individuals standing on the threshold of discovery. Our success is defined by the dreams we help shape, the opportunities we help design, and the futures we help create.

Our Core Values

Quality: We constantly redefine what it means to be “the best,” seeking to improve in every area and exceed the expectations of those we serve.

Value: We focus every resource directly on the search for learning, creating tangible benefits in everything we do.

Innovation: We are actively engaged on the frontiers of education, continuously improving the learning environment for our students and communities.

Service: We view the world from the perspective of those we serve, anticipating needs and striving to exceed expectations while demonstrating a caring, knowledgeable, consistent connection with each individual every time they meet us.

Accessibility: We remove barriers to learning formed by time, geography, education, culture, finances, experience or beliefs to provide a full range of quality educational opportunities for all who can benefit.

Our Programs and Services

Transfer Programs: Associate degree education consisting of communications, social and behavioral sciences, physical and life sciences, mathematics, humanities and arts, education, engineering and other pre-professional fields designed to prepare students for transfer to baccalaureate degree-granting institutions.

Workforce Education: Business, health care, technical and professional education programming designed for entry-level employment, transitioning, retraining and/or upgrading skills to meet current and emerging employment needs and trends. Education and training opportunities include courses, programs, and contract training designed to meet the workplace needs of both individuals and organizations with an emphasis on skill building and improved productivity.



Pre-College Programs: Courses, programs, and services designed to assist academically underprepared students to be successful in the next level of education, including reading, mathematics, writing, college success, literacy, high school equivalency exam preparation (HSE), General Education Diploma (GED), Adult Basic Education (ABE), and English Language Acquisition (ELA)/English as a Second Language (ESL).

Student Services: Services designed to meet the holistic development of all students including counseling, advising, transfer planning, admissions, registration and records, assessment, financial aid, scholarships, career development, student life programming, intercollegiate athletics, and assistance for students with disabilities.

Our Program Support

Instructional and Academic Support: Services designed to facilitate and provide support to the instructional process, including new programs; alternative delivery systems such as online courses; tutoring; the use of instructional technology; the libraries; and learning laboratories.

Administrative Support: Organizational support that provides services for employee selection and development, financial services, facilities, operational management, technology advancements, research, planning, marketing and communications, and campus safety.

Community Support: Service to communities and organizations may be provided by the college to meet local needs. These combined efforts may include collaborations and partnership activities which will improve the quality of life.

PROFILE OF THE COLLEGE



Waubonsee Community College draws its students from a vast community of learners that includes more than 428,000 residents across a 624-square-mile geographic area. Those residents live in or near 22 municipalities and may attend one of 12 public or several private school districts that draw the outline of the community college district. Since its founding in 1966, the college has provided programs and services to more than 345,000 people.

Waubonsee's network of four campuses increases access to face-to-face learning

and services across the district. At our Sugar Grove Campus, students access classrooms, labs and services via peaceful walkways that wind through a lush canopy of oaks and around beautiful Huntoon Lake. Located in the heart of Illinois' second largest city, our Aurora Downtown Campus offers one-stop student services, and transferable general education courses. Our Aurora Fox Valley Campus is focused on health care programs, and features state-of-the-art labs that give students hands-on, realistic experience with current equipment and procedures. Located in the southwest portion of Waubonsee's district, our Plano Campus serves as the College's Innovation and Design Center. As such, it houses a variety of programs including welding, computer aided design and drafting, cybersecurity, and more.

The College offers transfer-oriented courses and associate degrees, associate in applied science degrees and certificates in today's most desirable career fields, and a general-studies associate degree and certificate designed primarily for students who have chosen to pursue a broad general program. District residents are able to complete their degrees or certificates conveniently, thanks to a multitude of flexible learning options. Asynchronous and synchronous online courses, blended or hybrid courses with online and select classroom meetings, the flex modality, and accelerated courses all provide flexibility for students. The College offers dual credit programs where enrolled students earn both high school and college credit.

The College also offers noncredit programs that provide individual development and learning, and workforce training services to local organizations and to individuals. Adult Basic Education and English Language Acquisition (ELA) curriculum opens doors to personal achievement for those who need to strengthen their educational foundation.

The percentage of minority students enrolled in credit courses has steadily increased in recent years, currently standing at more than 40%. The change is reflective both of the changing demographics of the college district and of Waubonsee's commitment to accessible and equitable higher education.

MAJOR INITIATIVES – FY2025 HIGHLIGHTS

Our new strategic plan, RISE 2030, launched this past Spring. RISE 2030 reaffirms our Mission, Vision and Values while defining fundamental commitments. This strategic plan identifies four priorities: Redefine our Relationship with the Community, Invest in Academic Innovation, Strengthen the Student Experience and Enrich the Employee Experience. These priorities will guide the work of the college over the next five years with defined goals and action plans.

The College continues its work with the Achieving the Dream (ATD) network. This work will support the work of RISE 2030 by leveraging institutional data.

The new Technical Education Center (TEC) was substantially complete in July 2025 and opened for classes with the Fall 2025 semester. TEC is home to the Automotive Technology, Auto Body and Welding programs. A grand opening was held on September 12, 2025.

Waubonsee is continuing to help students make space for education in their lives, thanks to the flexibility of classes and availability of increased financial resources. The five MyChoice modalities have continued, with a particular increase in flex courses. Essentially, this option allows students to choose from among face-to-face, sync online, or online delivery methods throughout the course, depending on what works best for them on any given day. In FY25, the Waubonsee Success Scholarship was continued to assist in removing financial barriers for students. Nearly \$700,000 was awarded in scholarships. Funding was made possible through the Budget Stabilization Fund.

As part of our ongoing commitment to quality and continuous improvement, Waubonsee has also identified institutional metrics on our College Scorecard. The College Scorecard was created to provide our community with a snapshot of how we, as a college, are performing in the key areas of finance, enrollment, and student satisfaction. We selected metrics that emanate from public reports to ensure that we are transparent and accountable for our performance. All metrics are updated

yearly, but are on different cycles, so we have committed to producing a new version every six months (January and July) so that our community can see our progress or opportunities in these key areas.

The College Scorecard is a quantitative measurement of our ability to execute against the goals in our Strategic Plan and we continue to look for new, public facing measurements that can help us to further measure our progress. Waubonsee's scorecard can be found on the Institutional Reports webpage at <https://www.waubonsee.edu/about-waubonsee/why-waubonsee/glance/institutional-reports>.

Aligning Budgeting and Strategy

For the FY2025 budget and planning process, Waubonsee's Finance and Institutional Effectiveness teams have continued to focus on developing intentional connections between budgeting and planning and ensuring that both processes are aligned with the Strategic Plan. During the budget and planning process, each college department was asked to review budgets and adjust based on historical spending. This is aimed at improving the accuracy of the budgeting process and identify funding for strategic initiatives. New initiatives were also considered that align with RISE 2030 including the implementation of a degree audit system.

Capital Planning began in FY2025 to identify infrastructure needs such as building renovations and deferred maintenance in support of academic programming. An updated Capital Plan is expected to be completed in FY2026.

ACCOUNTABILITY

Planning and Accreditation

In 2017, Waubonsee Community College was recommended for continued accreditation by the Higher Learning Commission (Commission). Waubonsee's accreditation is completed through the Commission's Open Pathway, which follows a ten-year cycle and focuses on quality assurance and institutional improvement. In July 2021, Waubonsee successfully completed the fourth year of the ten-year cycle known as the Assurance Review, a 125-page self-study that is externally reviewed by a team of Commission peer reviewers. The College met all five Commission criteria with no concerns. A summary of the College's accreditation work can be found on the college's website at <https://www.waubonsee.edu/about-waubonsee/accreditation>. In addition, Waubonsee successfully met all criteria to maintain a status of "recognized" by the Illinois Community College Board (ICCB), which means that the college meets all ICCB standards and is eligible to receive state grants appropriated through the ICCB.

FISCAL RESPONSIBILITY

The Government Finance Officers Association of the United States and Canada (GFOA), a non-profit professional organization, awarded a ***Certificate of Achievement for Excellence in Financial Reporting*** to Waubonsee Community College District 516 for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024.. This Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Each ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Waubensee Community College District 516 has received the Certificate of Achievement for 26 consecutive years beginning in 1999 through 2024.

The College utilizes a budget process that aligns with GFOA's best practice recommendations. The College subscribes to and implements procedures and practices to maximize transparency and organizational collaboration in the budget development process.

The College's bond rating was upgraded by Moody's Investor Service, Inc. (Moody's) in 2023 to "Aaa," the highest possible rating. Moody's conducted a financial review of outstanding bonds in April 2023 that resulted in the upgrade. The "Aaa" rating was also assigned to the July 2023 bond issuance in support of the Career and Technical Education building. In 2010, S&P Global Ratings (S&P) upgraded the College's bond rating from "AA-" to "AA+" and in 2016 reaffirmed the College's bond rating. S&P's rating is just below the top rating of "AAA".

Internal Control. Management of the College 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 adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States and those prescribed by the Illinois Community College Board. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The College maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's board of trustees. The legal level of budgetary control, the level at which expenditures cannot exceed the budget amount, is established at the sub-fund level. Transfers are allowed between various accounts within a fund but may not exceed in aggregate 10 percent of the total budget for that fund. If a transfer is needed in excess of the 10 percent aggregate for that fund, the board of trustees is required to amend the original budget. The College has a board guideline to adopt a balanced operating budget. A balanced budget has funding resources exceeding or equivalent to budgeted expenditures and may include the allocation of prior year excess or fund balance to offset current year anticipated expenditures. The College maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year-end.

The State passed a FY2026 budget that includes up to a 3.0% increase in funding for community colleges. State funding represents only 8.3% of total revenues in the operating budget for the College. The College continues its practice to not rely on State funding to support operating

expenses. This budgeting practice was instituted by the College in 2011. While State funding is budgeted as revenue, a similar amount is budgeted as a transfer to the Operations and Maintenance, Restricted Fund to support future capital, deferred maintenance projects or equipment needs; to the Bond and Interest Fund to support the debt service on the 2023 Alternate Revenue General Obligation bonds; or budgeted to support one-time capital purchases.

Many of the State FY2026 higher education capital funding allocations are still on hold as of the date of this letter. In FY2026, the College is allocated \$12.7 million in State capital funding toward a new TEC building and \$2.9 million to replace Building A. However, these funds have been allocated but not appropriated in recent years and it is unknown if or when that funding will be released. Due to the urgency to address the needs of district employers and support high-demand enrollment areas, the College has shifted the TEC project to local funding and is working with legislators to move state funding to different projects or have the funds released directly to the College for support of the TEC project. A portion of State funding has been pledged to the repayment of \$27.82 million in Alternate Revenue General Obligation bonds for the TEC project.

The College continues to monitor the general financial condition of the State, all related activity, and possible effects on the College.

The College's largest source of revenue is local property taxes representing 64.1% of operating revenues. At the time the FY2026 budget was prepared, the 2024 tax extension was known, however, the 2025 tax extension will not be known until spring 2026. The FY2026 budget reflects an overall increase of approximately 3.5% in property taxes due to inflationary pressures resulting in higher Estimated Assessed Values of property. An increase of approximately 3.5% in property taxes is reflected in the operating funds for the 2025 tax extension.

Current property tax cap law allows for an increase in property taxes equal to the lesser of the CPI or 5%. The 2022 CPI applied to the 2023 tax levy was 5.0% and the 2023 CPI to be applied to the 2024 tax levy is 3.4%. A portion of the College's tax levy subject to the property tax cap is also subject to statutory limiting rates which apply to the education, operations and maintenance, and audit levies. The College monitors these rates and is currently under the maximum rate for these levies. Expiring Tax Increment Financing (TIF) districts are treated like new construction and provide additional funds to the College in the year after expiration. The College has the capacity to meet a portion of the revenue limitation as a result of this cap through increased tuition rates.

The FY2026 college budget was built upon conservative principles, incorporates college priorities and initiatives identified in the College's strategic plan, RISE 2030, and reflects a balanced budget for the College's operating funds.

Independent Audit. The Illinois statute requires an annual audit of the College's financial statements by independent certified public accountants. The College's board of trustees selected Sikich CPA LLC to perform this function. The auditors' report, which contains an unmodified opinion on the College's financial statements for the year ended June 30, 2025, is included in the financial section of this report.

Acknowledgments. The timely preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Department as well as other administrative staff of the College.

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,

A handwritten signature in black ink, appearing to read "Brian Knetl", with a long horizontal flourish extending to the right.

Brian Knetl, Ed.D.
President

A handwritten signature in black ink, appearing to read "John Bryant", with a long horizontal flourish extending to the right.

John Bryant
Vice President of Finance and Administration

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Waubonsee Community College District No. 516 (the College) and the College's discretely presented component unit, Waubonsee Community College Foundation (the Foundation), as of and for the years ended June 30, 2025 and 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 financial position of the business-type activities of Waubonsee Community College District 516 and the College's discretely presented component unit, Waubonsee Community College Foundation, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 11 to the financial statements, the College adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the fiscal years ended June 30, 2025 and 2024. The implementation of this guidance resulted in changes to the accrual of compensated absence balances and a restatement of beginning net position. Our opinion was 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.

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 audit.

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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information, supplemental financial information and uniform financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, supplemental financial information and uniform financial statements 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 supplementary information, supplemental financial information and uniform financial statements 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 audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 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
November 20, 2025

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**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
Waubonsee Community College
District 516
Sugar Grove, 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 Waubonsee Community College, Community College District No. 516 (the College) as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise of the College's basic financial statements, and have issued our report thereon dated November 20, 2025. The financial statements of the 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 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 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
November 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Waubonsee Community College District 516's (the College) Annual Comprehensive Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended June 30, 2025, 2024 and 2023. Since this management's discussion and analysis is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the transmittal letter, the College's basic financial statements and the notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College.

USING THIS ANNUAL REPORT

The College's basic financial statements are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The purpose of the Statement of Net Position is to present the bottom line results of the College. This statement combines and consolidates current financial resources with capital assets and long-term liabilities. The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of the College's activities, which are supported mainly by local property taxes, tuition and state revenues. This approach is intended to summarize and simplify the user's analysis of the cost of the various services which the College provides to its students and community.

In accordance with GASB Statement No. 39 and GASB Statement No. 61, the College has included the Waubonsee Community College Foundation as a discretely presented component unit of the College as it is a separate legal entity. Additionally, the College has presented a comparative analysis of current and prior year College-wide information.

FINANCIAL HIGHLIGHTS

For the years ended June 30, 2025, 2024 and 2023, the College recorded total operating revenues of \$22,342,378, \$21,633,514, and \$20,652,032 and total operating expenses of \$108,750,139, \$102,688,382, and \$94,092,789, respectively. The difference produced an operating loss of \$86,407,761 for fiscal year 2025, \$81,054,868 for fiscal year 2024, and \$73,440,757 for fiscal year 2023. For the year ended June 30, 2025, net non-operating revenue of \$108,597,019 offset the loss and resulted in an overall increase in net position of \$22,189,258. For the year ended June 30, 2024, net non-operating revenue of \$101,171,919 offset the loss and resulted in an overall increase in net position of \$18,822,676. For the year ended June 30, 2023, net non-operating revenue of \$91,186,453 offset the loss and resulted in an overall increase in net position of \$17,745,696.

For the years ended June 30, 2025, 2024 and 2023, non-operating revenues included local property taxes of \$59,819,228, \$57,103,659, and \$53,692,342, state grants and contracts of \$22,844,343, \$19,351,092, and \$18,924,465, federal grants and contracts of \$14,397,124, \$13,690,837, and \$11,469,183, respectively. Non-operating miscellaneous revenue and expense included net revenues (expenses) of \$11,536,324, \$11,026,331, and \$7,100,463 for 2025, 2024 and 2023, respectively.

Both operating expenses and non-operating revenues include the College's proportionate share of revenues and expenses for pensions and other post-employment benefits from the State of Illinois as described in Note 1 to the financial statements.

For the year ended June 30, 2025, operating revenues accounted for 16.7 percent of the College's total revenue, while non-operating revenues accounted for the remaining 83.3 percent. Operating revenue consisted of tuition and fees totaling \$17,172,915, auxiliary enterprise revenue of \$4,021,268, and other miscellaneous revenue of \$1,148,195. For the year ended June 30, 2024, operating revenue accounted for 17.5 percent of the College's total revenue, while non-operating revenues accounted for the remaining 82.5 percent. Operating revenue consisted of tuition and fees totaling \$16,999,030, auxiliary enterprise revenue of \$3,336,512, and other miscellaneous revenue of \$1,297,972. For the year ended June 30, 2023, operating revenue accounted for 18.4 percent of the College's total revenue, while non-operating revenues accounted for the remaining 81.6 percent. Operating revenue consisted of tuition and fees totaling \$16,392,640, auxiliary enterprise revenue of \$3,271,254 and other miscellaneous revenue of \$988,381.

The increase in net position of \$22,189,258 for the year ended June 30, 2025 brought the total net position to \$271,170,839. The increase in net position of \$18,822,676 for the year ended June 30, 2024 brought the total net position to \$248,981,581. The increase in net position of \$17,745,696 for the year ended June 30, 2023 brought the total net position to \$230,158,905.

The following schedule is prepared from the College's statement of net position, which is presented on the accrual basis of accounting and the economic resources measurement focus.

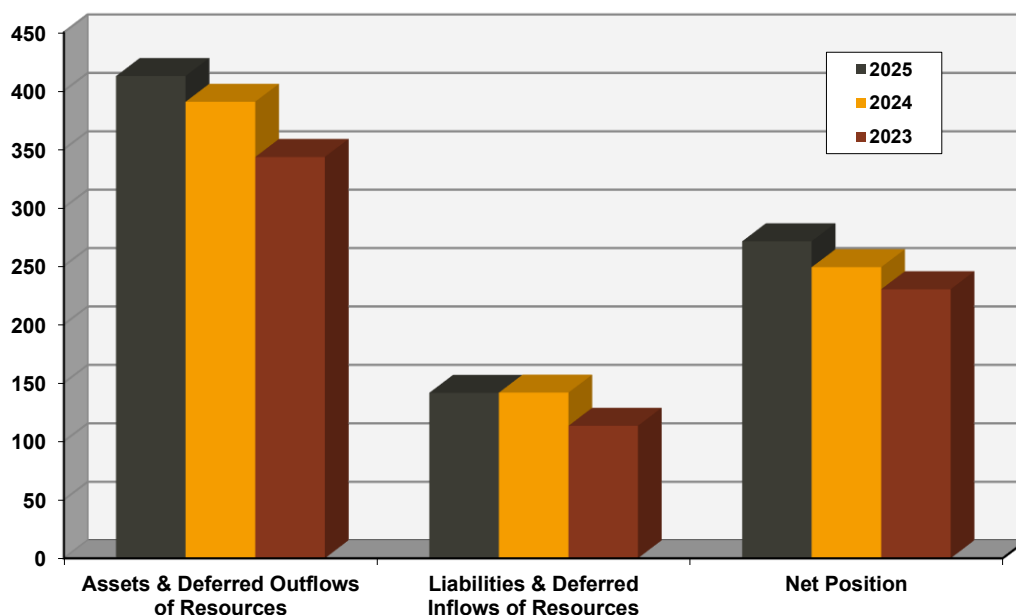


The use of bond proceeds for the construction of the Technical Education Center is reflected in a reduction in Current Assets and an increase in Capital Assets as of June 30, 2025. Noncurrent liabilities decreased primarily due to scheduled payments on outstanding debt.

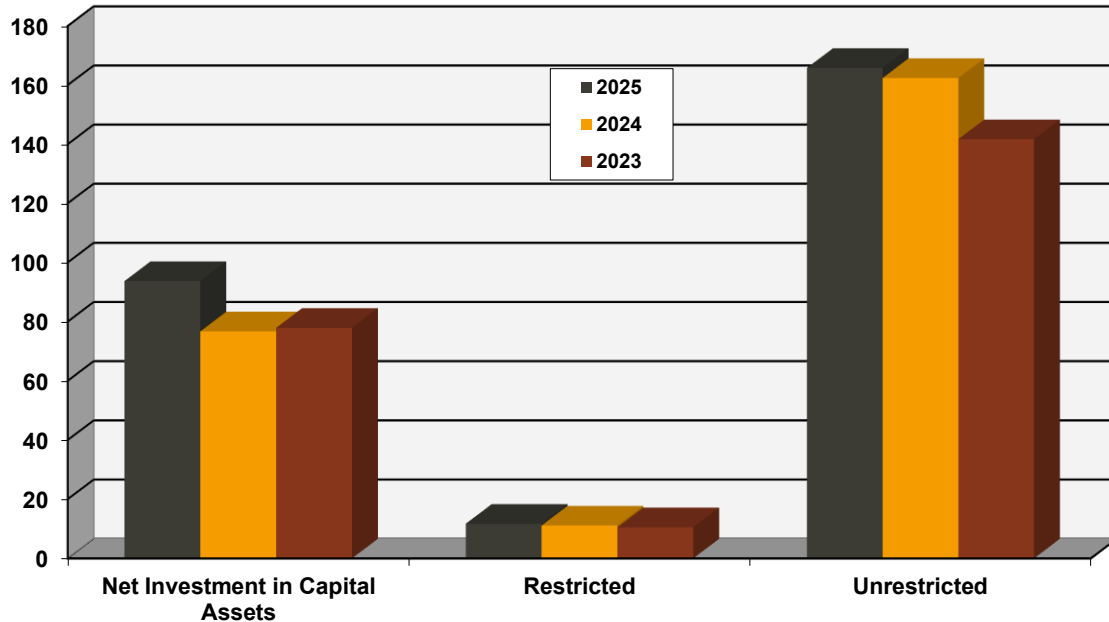
Financial Analysis of the College as a Whole

	Net Position As of June 30 (in millions)		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 261.4	\$ 282.3	\$ 238.6
Capital assets	<u>148.9</u>	<u>105.7</u>	<u>102.7</u>
Total assets	410.3	388.0	341.3
Deferred outflows of resources	<u>2.4</u>	<u>2.7</u>	<u>2.1</u>
Total assets and deferred outflows of resources	<u>412.7</u>	<u>390.7</u>	<u>343.4</u>
Current liabilities	32.1	25.0	20.6
Noncurrent liabilities	<u>65.9</u>	<u>70.3</u>	<u>43.4</u>
Total liabilities	98.0	95.3	64.0
Deferred inflows of resources	<u>43.5</u>	<u>46.4</u>	<u>49.3</u>
Total liabilities and deferred inflows of resources	<u>141.5</u>	<u>141.7</u>	<u>113.3</u>
Net position			
Net investment in capital assets	93.7	76.7	77.9
Restricted	11.9	11.5	10.5
Unrestricted	<u>165.6</u>	<u>160.8</u>	<u>141.7</u>
Total Net Position	<u>\$ 271.2</u>	<u>\$ 249.0</u>	<u>\$ 230.1</u>

Assets, Liabilities, and Net Position - As of June 30, 2025, 2024 and 2023
(in millions of dollars)



Analysis of Net Position - As of June 30, 2025, 2024 and 2023
(in millions of dollars)



Capital Assets, Net
June 30,
(in millions)

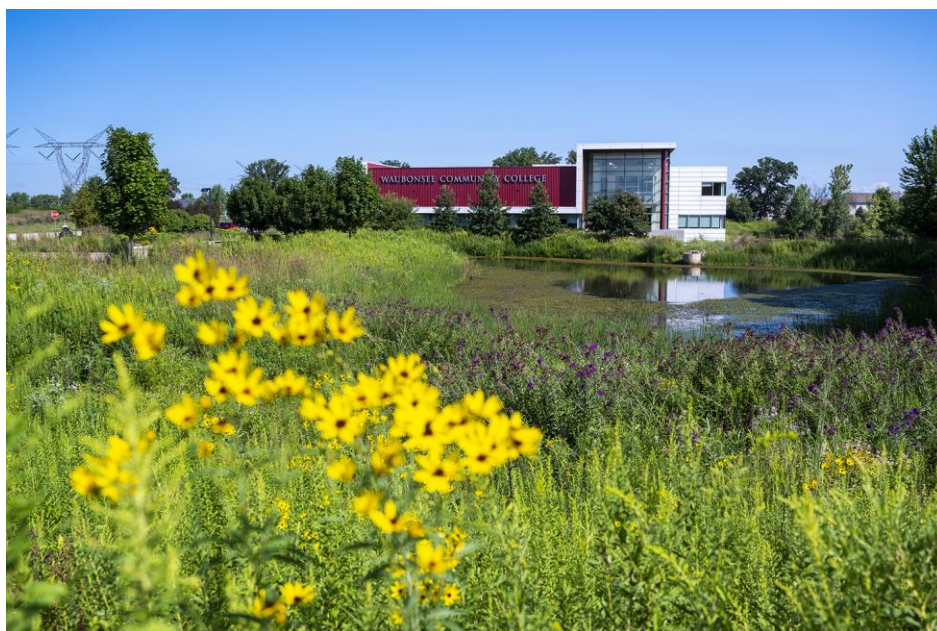
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital Assets			
Land and Land Improvements	\$ 18.6	\$ 17.4	\$ 17.4
Buildings and Improvements	150.8	150.3	150.3
Equipment	14.3	13.4	12.4
Intangible Assets	6.0	5.6	5.5
Construction in Progress	<u>53.9</u>	<u>8.7</u>	<u>1.3</u>
Total	243.6	195.4	186.9
Less Accumulated Depreciation and Amortization	<u>(94.7)</u>	<u>(89.7)</u>	<u>(84.2)</u>
Net Capital Assets	<u>\$ 148.9</u>	<u>\$ 105.7</u>	<u>\$ 102.7</u>

As of June 30, 2025, 2024 and 2023, respectively, the College had recorded \$243.6, \$195.4, and \$186.9 million in capital assets, \$94.7, \$89.7, and \$84.2million in accumulated depreciation and amortization and \$148.9, \$105.7, and \$102.7 million in net capital assets. The detail changes in activities for capital assets are provided in Note 4 to the financial statements.

As of June 30, 2025, 2024 and 2023, the College has \$49,305,000, \$54,315,000, and \$30,550,000 in long-term debt outstanding, respectively, excluding accrued compensated absences, Other Postemployment Benefits (OPEB) liability, special termination health insurance benefits payable, unamortized bond premium and subscription-based information technology arrangements. Payment schedules, along with changes in activities of debt, are provided in Note 5 to the financial statements.

Operating Results for the Years Ended
June 30,
(in millions)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenue			
Tuition and fees	\$ 17.2	\$ 17.0	\$ 16.4
Auxiliary	4.0	3.3	3.2
Other	<u>1.1</u>	<u>1.3</u>	<u>1.0</u>
Total operating revenue	<u>22.3</u>	<u>21.6</u>	<u>20.6</u>
Non-operating revenue			
Property taxes	59.8	57.1	53.7
State grants and contracts	22.8	19.4	18.9
Federal grants and contracts	14.4	13.7	11.5
Investment income	12.5	10.6	4.1
Other income	<u>1.6</u>	<u>2.2</u>	<u>3.4</u>
Total non-operating revenue	<u>111.1</u>	<u>103.0</u>	<u>102.1</u>
Total revenues	<u>133.4</u>	<u>124.6</u>	<u>112.2</u>
Operating expenses	108.7	102.7	94.1
Non-operating expenses	<u>2.5</u>	<u>1.8</u>	<u>1.8</u>
Total expenses	<u>111.2</u>	<u>104.5</u>	<u>94.5</u>
Increase in net position	<u>22.2</u>	<u>20.1</u>	<u>17.7</u>
Net position, beginning of year	<u>249.0</u>	<u>230.1</u>	<u>212.4</u>
Change in accounting principle	<u>0.0</u>	<u>(1.3)</u>	<u>0.0</u>
Net position, beginning of year, restated	<u>249.0</u>	<u>228.8</u>	<u>212.4</u>
Net position, end of year	<u>\$ 271.2</u>	<u>\$ 249.0</u>	<u>\$ 230.1</u>



Operating revenues totaled \$22.3, \$21.6, and \$20.6 million for the years ended June 30, 2025, 2024 and 2023, respectively. The College's main source of operating revenue is derived from tuition and fees, which accounted for 76.9 percent, 78.6 percent, and 79.4 percent of total operating revenues for the years ended June 30, 2025, 2024 and 2023, respectively.

The tuition rate for fiscal year 2025, 2024 and 2023 was \$141, \$138 and \$135 per credit hour, respectively. Total credit hours generated for fiscal years 2025, 2024 and 2023 were 165,296, 156,976, and 147,894, respectively. The increases in total credit hours the College experienced both from 2024 to 2025 and 2023 to 2024 were primarily in baccalaureate (inclusive of dual credit), career and technical education, and adult education with other areas remaining steady.

For the year ended June 30, 2025, non-operating revenues totaled \$111.1 million. Property taxes are the largest source comprising 53.8 percent of total non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$22.8 million or 20.5 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$14.4 million or 13.0 percent of total non-operating revenues.

For the year ended June 30, 2024, non-operating revenues totaled \$102.1 million. Property taxes are the largest source comprising 56.0 percent of total non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$19.4 million or 19.0 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$12.8 million or 12.5 percent of total non-operating revenues.

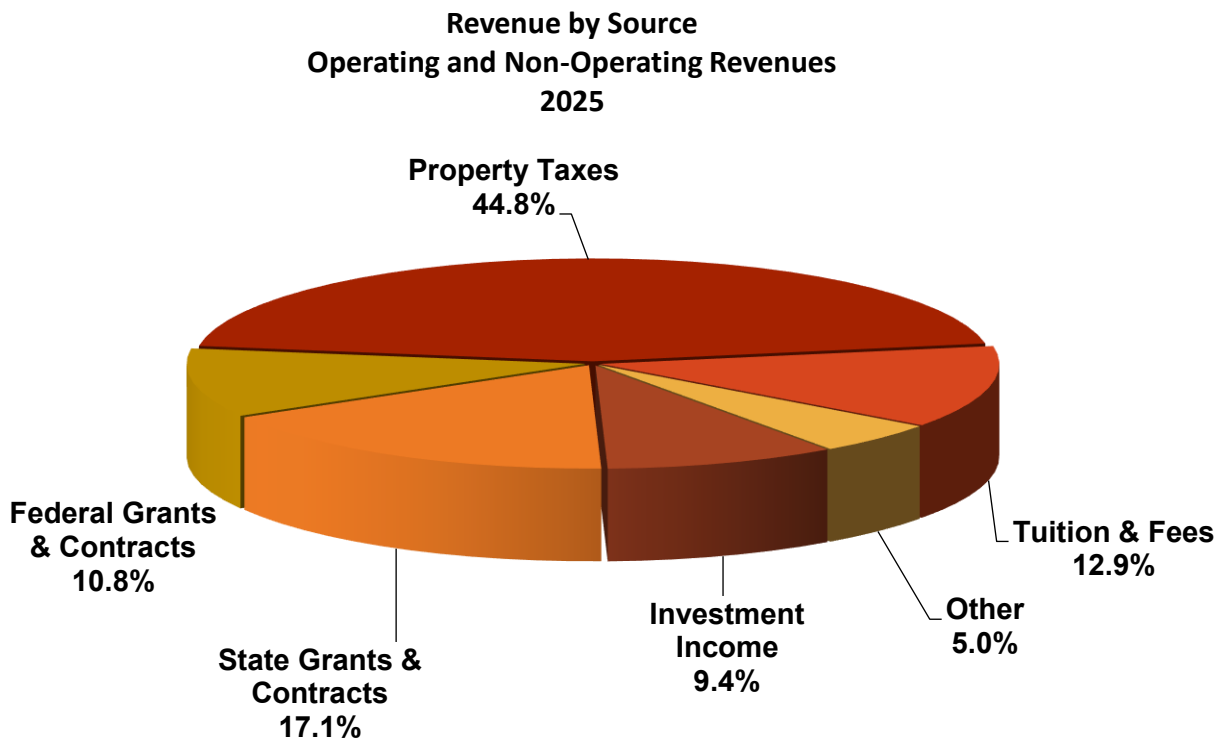
For the year ended June 30, 2023, non-operating revenues totaled \$91.6 million. Again, property taxes represent 58.6 percent of this total, which is the largest source of non-operating revenues. State grants and contracts are also a significant source of non-operating revenues at \$18.9 million or 20.6 percent of total non-operating revenues. Another significant source is federal grants and contracts at \$11.5 million or 12.6 percent of total non-operating revenues, which primarily reflects financial aid to students.

The increase reflected in federal grants from fiscal year 2024 to 2025 is primarily due to more Pell grants awarded to students. This reflects more students applying for financial aid as part of outreach included in the Strategic Enrollment Plan. The increase in investment income in fiscal year 2025 and 2024 reflects higher yields on investments and price appreciation as markets anticipated a reduction in the interest rates.

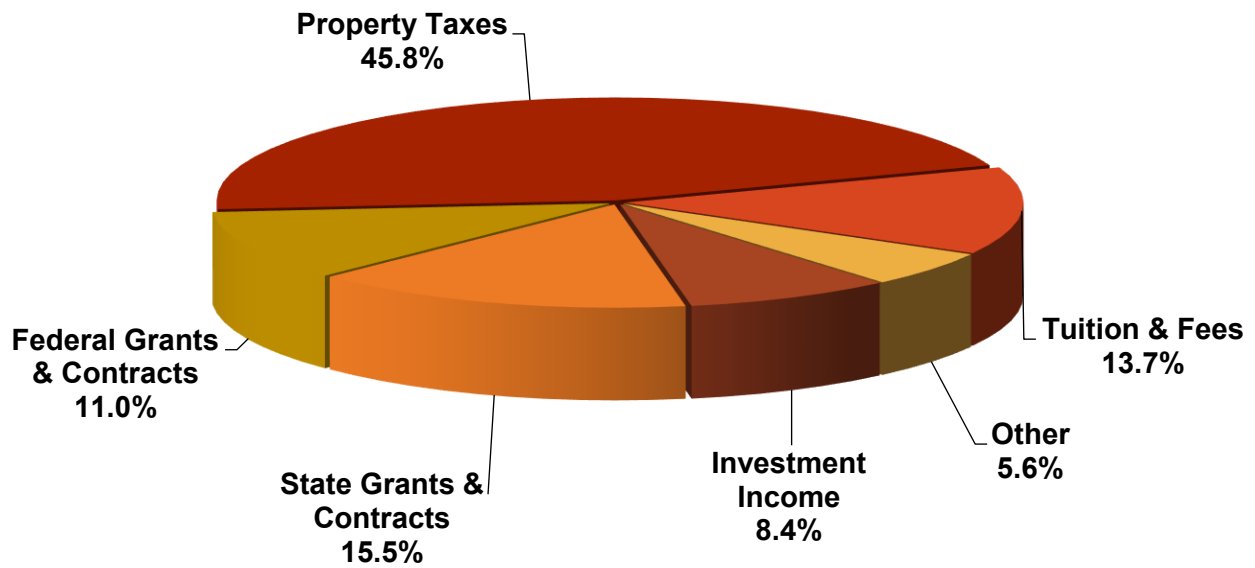
Public Act 89-1 placed limitations on the annual growth of the College's property tax levies. The College has recognized increased property tax revenues under the current property tax cap law, which allows for an increase in property taxes equal to the lesser of the Consumer Price Index (CPI) or 5 percent without a referendum.

Interest expense and fiscal charges include interest expense and payments on bonds. The College issued General Obligation Bonds (Alternative Revenue Source) in fiscal year 2024 for the purpose of constructing and equipping a new Technical Education Center building.. Details of the long-term debt, in addition to payment schedules, are provided in Note 5 to the financial statements.

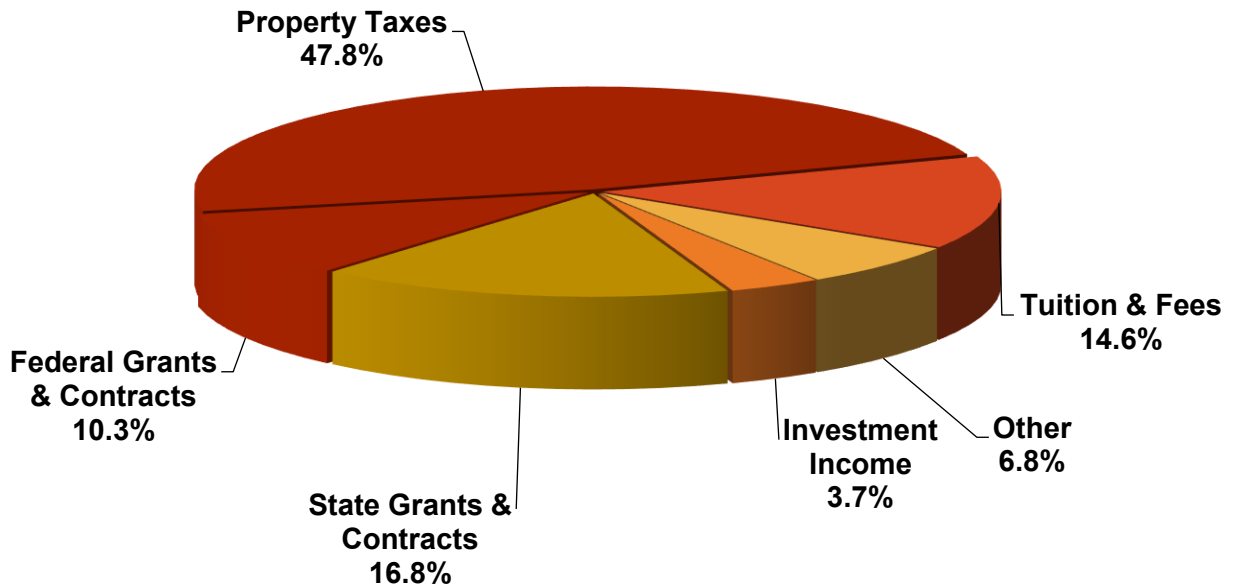
The following are graphic illustrations of revenues by source for the years ended June 30, 2025, 2024 and 2023:



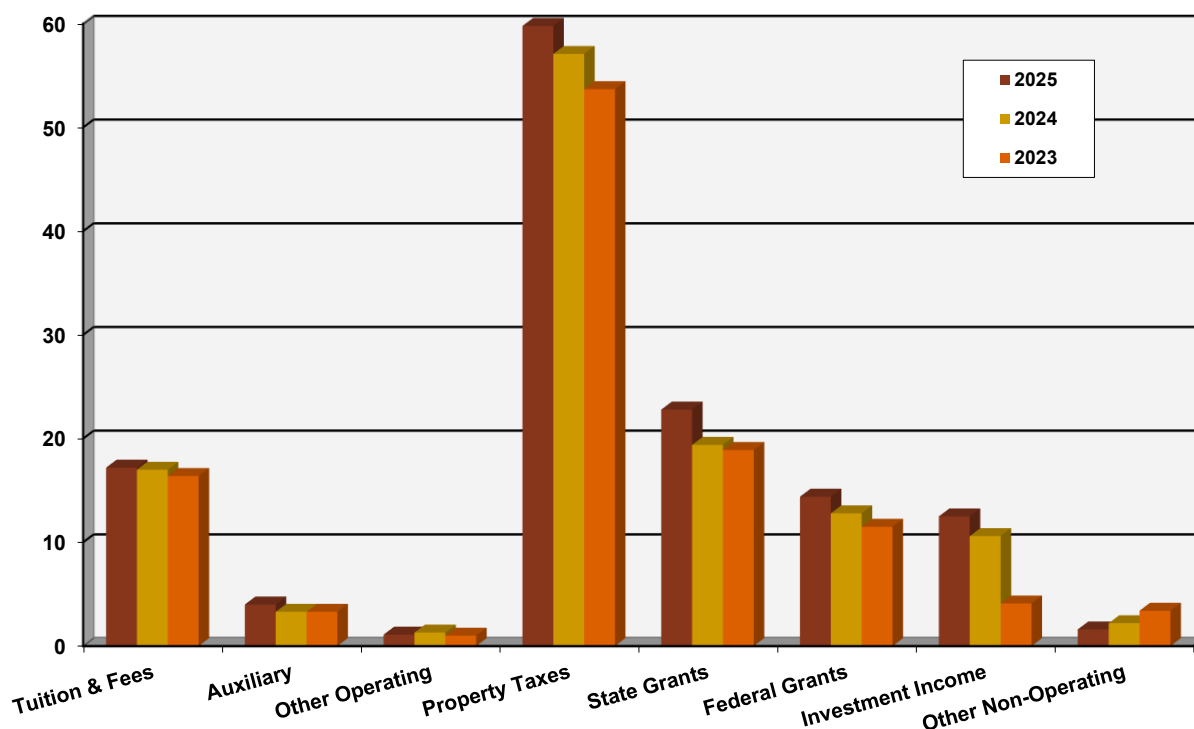
**Revenue by Source
Operating and Non-Operating Revenues
2024**



**Revenue by Source
Operating and Non-Operating Revenues
2023**



Comparison of Operating and Non-Operating Revenues
June 30, 2025, 2024 and 2023
(in millions of dollars)



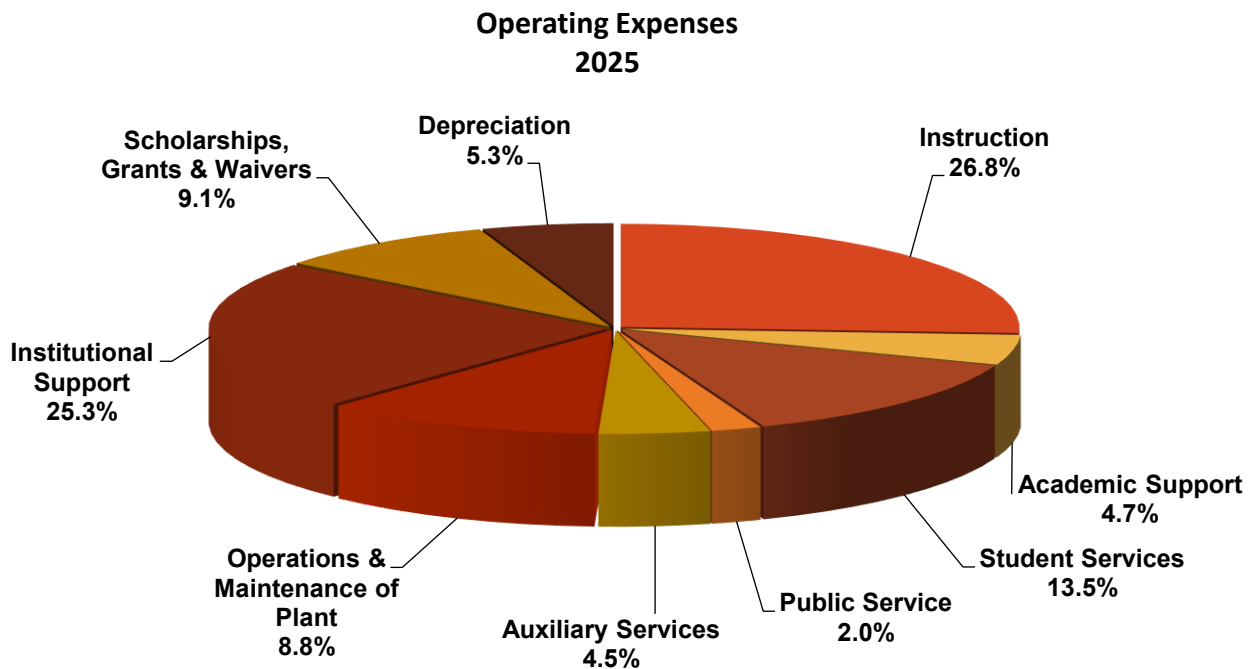
Operating Expenses
For the Years Ended June 30,
(in millions)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating expenses			
Instruction	\$ 29.1	\$ 26.6	\$ 25.7
Academic support	5.1	4.9	4.5
Student services	14.7	14.8	14.0
Public services	2.2	1.5	1.4
Auxiliary services	4.9	4.5	4.3
Operation and maintenance of plant	9.5	10.2	8.9
Institutional support	27.5	24.7	21.4
Scholarships, grants and waivers	9.9	9.4	7.7
Depreciation and amortization	<u>5.8</u>	<u>6.1</u>	<u>6.2</u>
Total	<u>\$ 108.7</u>	<u>\$ 102.7</u>	<u>\$ 94.1</u>

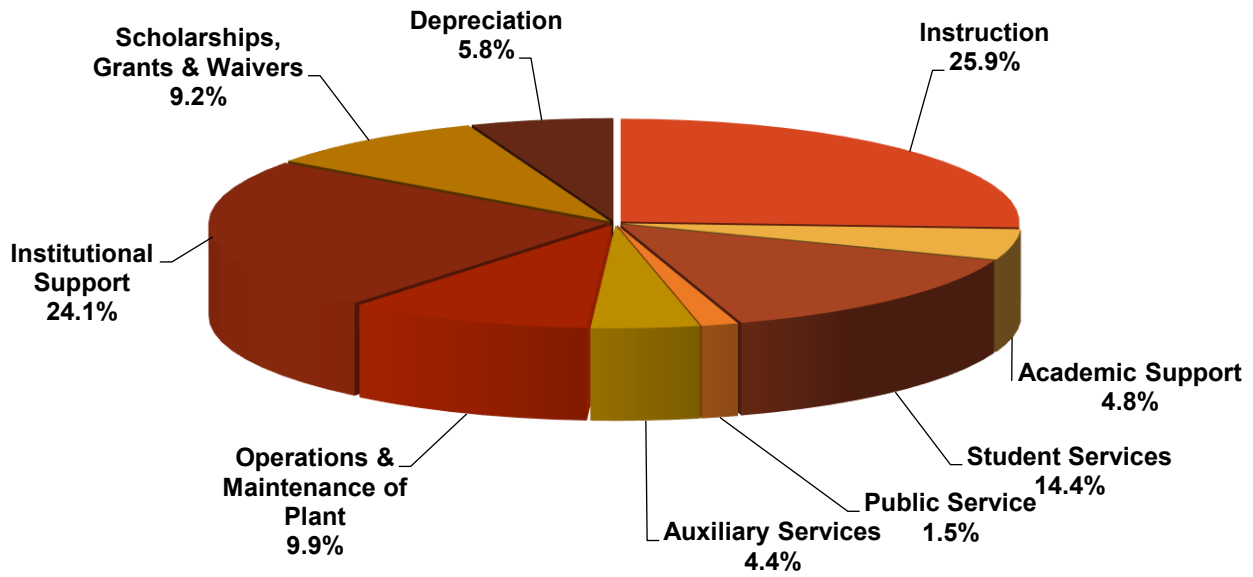
Operating expenses totaled \$108.7, \$102.7, and \$94.1 million with instruction representing the largest percentage of operating expenses at 26.8 percent, 26.2 percent, and 27.5 percent for all three years ended June 30, 2025, 2024 and 2023, respectively. Operating expense increased in 2025 primarily due to budgeted operational increases, increased federal student aid in Restricted Funds and strategic initiatives.

Instruction consists of those activities dealing directly with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, developmental, and adult basic education programs. Student services includes services to students, athletics and student life activities. Institutional support represents 25.3 percent, 24.9 percent, and 23.8 percent of operating expenses for the years ended June 30, 2025, 2024 and 2023, respectively. Institutional support includes expenses for central activities and support services that benefit the entire institution including information technology and fiscal operations.

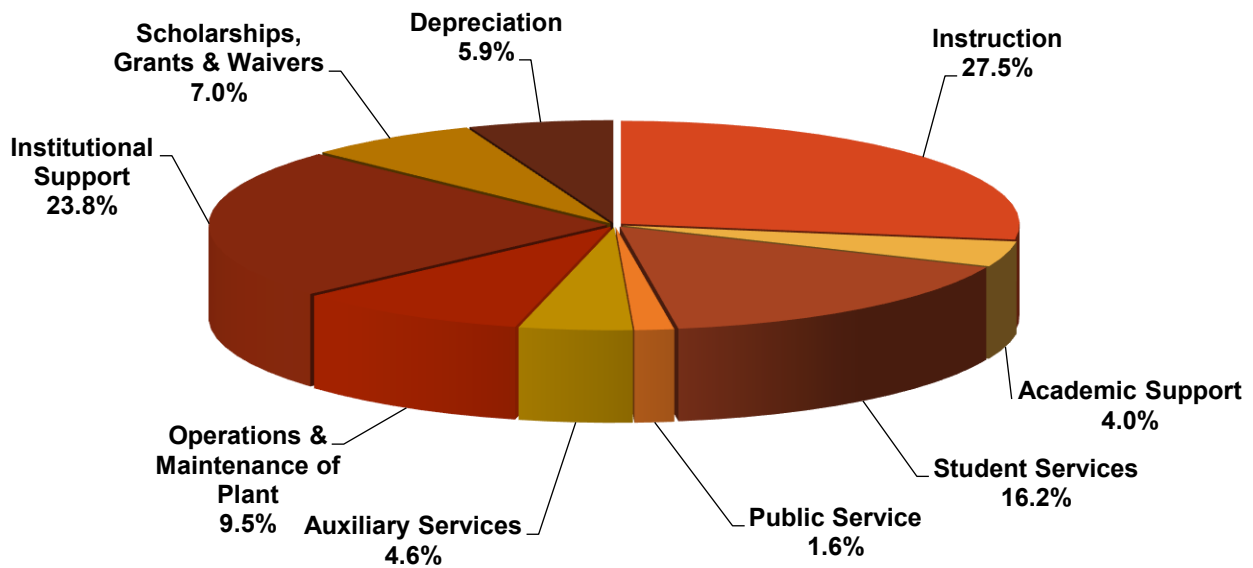
The following are graphic illustrations of operating expenses for the years ended June 30, 2025, 2024 and 2023:



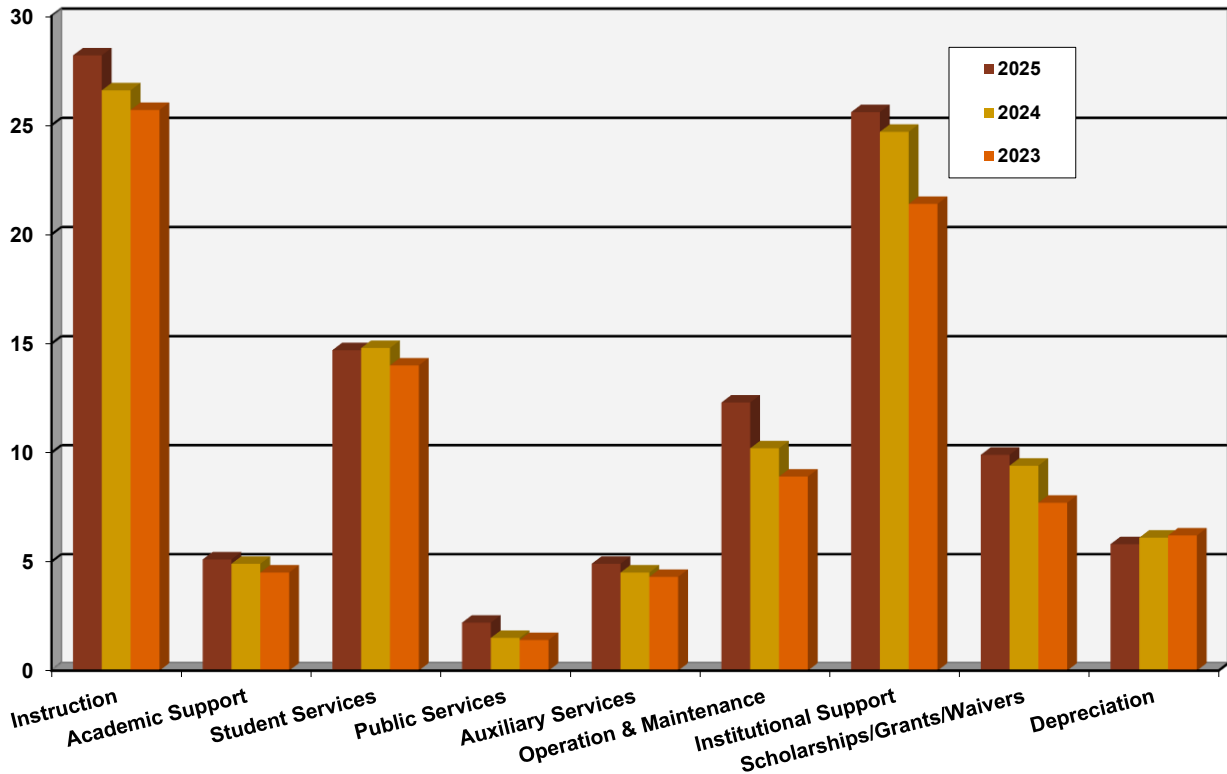
Operating Expenses 2024



Operating Expenses 2023



Comparison of Operating Expenses
June 30, 2025, 2024 and 2023
(in millions of dollars)



CONTACTING FINANCIAL MANAGEMENT



This financial report is designed to provide our District residents with a general overview of Waubonsee Community College's finances and to show Waubonsee Community College's accountability for the revenue it receives.

If you have questions about this report or need additional information, contact John Bryant, Vice President of Finance and Administration, at Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554, (630) 466-2900, @waubonsee.edu" jbryant@waubonsee.edu.

BASIC FINANCIAL STATEMENTS

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF NET POSITION

June 30, 2025 and 2024

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,794,139	\$ 1,151,714
Investments	215,436,341	240,365,993
Receivables, net of allowances for uncollectibles		
Taxes	30,235,663	29,536,255
Accrued interest	1,157,044	1,258,497
Accounts	2,738,711	1,203,635
Tuition and fees	5,669,682	4,334,486
Rent	2,360,500	2,432,639
Other	337,519	388,030
Prepaid expenses	1,243,605	1,056,697
Inventories	431,814	620,806
	<hr/>	<hr/>
Total current assets	261,405,018	282,348,752
NONCURRENT ASSETS		
Capital assets, tangible and intangible	243,592,563	195,319,641
Less accumulated depreciation and amortization	(94,663,500)	(89,711,927)
	<hr/>	<hr/>
Net capital assets	148,929,063	105,607,714
	<hr/>	<hr/>
Total noncurrent assets	148,929,063	105,607,714
	<hr/>	<hr/>
Total assets	410,334,081	387,956,466
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on refunding	419,421	501,825
CIP other postemployment benefit items	1,748,296	1,993,798
SURS pension contributions	192,730	236,608
	<hr/>	<hr/>
Total deferred outflows of resources	2,360,447	2,732,231
	<hr/>	<hr/>
Total assets and deferred outflows of resources	412,694,528	390,688,697

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF NET POSITION (Continued)

June 30, 2025 and 2024

	2025	2024
CURRENT LIABILITIES		
Accounts payable	\$ 10,180,135	\$ 5,238,212
Accrued salaries and payroll deductions payable	1,657,248	1,624,333
Health claims payable	1,790,406	1,298,293
Unearned tuition and fees	9,004,472	7,651,690
Unearned revenue	2,947,650	2,398,388
Accrued compensated absences	431,677	430,124
Bonds payable	4,865,000	5,010,000
Lease payable	193,196	192,455
SBITA payable	671,880	744,386
Other postemployment benefit liability	280,712	328,900
Interest payable	122,742	65,634
Other current liabilities	7,702	35,381
Total current liabilities	32,152,820	25,017,796
NONCURRENT LIABILITIES		
Special termination health insurance benefits payable	292,140	314,246
Accrued compensated absences	5,628,788	4,834,869
Other postemployment benefit liability	11,385,358	12,199,431
Arbitrage payable	621,670	-
Lease payable	16,134	209,330
SBITA payable	1,002,742	745,417
Bonds payable	46,917,353	51,946,504
Total noncurrent liabilities	65,864,185	70,249,797
Total liabilities	98,017,005	95,267,593
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	30,641,961	29,404,688
CIP other postemployment benefit items	12,864,723	17,034,835
Total deferred inflows of resources	43,506,684	46,439,523
Total liabilities and deferred inflows of resources	141,523,689	141,707,116
NET POSITION		
Net investment in capital assets	95,645,958	76,688,242
Restricted for		
Audit	52,247	45,328
Liability, protection and settlement	4,375,785	3,621,067
Grant purposes	133,974	294,697
Debt service	2,195,903	2,614,734
Working cash	4,970,708	4,690,827
Pension contributions	192,730	236,608
Unrestricted	163,603,534	160,790,078
TOTAL NET POSITION	\$ 271,170,839	\$ 248,981,581

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Tuition and fees	\$ 17,172,915	\$ 16,999,030
Auxiliary enterprises revenue	4,021,268	3,336,512
Other operating revenue	1,148,195	1,297,972
Total operating revenues	22,342,378	21,633,514
OPERATING EXPENSES		
Instruction	29,118,989	26,591,764
Academic support	5,055,723	4,911,922
Student services	14,749,757	14,767,764
Public services	2,149,518	1,539,714
Auxiliary services	4,909,879	4,454,372
Operation and maintenance of plant	9,493,964	10,203,211
Institutional support	27,504,911	24,726,971
Scholarships, grants and waivers	9,938,394	9,437,765
Amortization	1,059,795	1,165,650
Depreciation	4,769,209	4,889,249
Total operating expenses	108,750,139	102,688,382
OPERATING INCOME (LOSS)	(86,407,761)	(81,054,868)
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	59,819,228	57,103,659
Personal property replacement tax	1,358,909	2,049,360
Local grants and contracts	224,185	171,171
State grants and contracts	22,844,343	19,351,092
Federal grants and contracts	14,397,124	13,690,837
Investment income	12,499,340	10,556,224
Interest expense and fiscal charges	(2,164,962)	(1,763,979)
Other non-operating revenue	1,240	637
Non-operating expenses	(424,056)	-
Gain (loss) on disposal of capital assets	41,668	12,918
Total non-operating revenues (expenses)	108,597,019	101,171,919
CHANGE IN NET POSITION	22,189,258	20,117,051
NET POSITION, JULY 1, AS REPORTED	248,981,581	230,158,905
Change in accounting principle	-	(1,294,375)
NET POSITION, JULY 1, AS RESTATED	248,981,581	228,864,530
NET POSITION, JUNE 30	\$ 271,170,839	\$ 248,981,581

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 17,190,501	\$ 17,462,332
Payments to suppliers	(41,246,865)	(41,416,186)
Payments to employees	(50,485,200)	(47,291,844)
Auxiliary enterprise charges	4,021,268	3,336,512
Other	1,148,195	1,297,972
Net cash from operating activities	(69,372,101)	(66,611,214)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local property taxes	60,357,093	57,446,624
State grants and contracts	11,561,776	10,225,663
Federal grants and contracts	12,984,698	13,910,989
Other grants and contracts	(198,631)	171,808
Net cash from noncapital financing activities	84,704,936	81,755,084
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(44,666,053)	(6,098,433)
Proceeds from sale of capital assets	41,668	2,100
Proceeds from bond issuance	-	30,307,415
Principal paid on bonds	(5,010,000)	(4,055,000)
Principal paid on leases	(192,455)	(191,718)
Principal paid on SBITAs	(826,624)	(769,227)
Interest paid on bonds, leases and SBITAs	(1,567,391)	(1,793,208)
Net cash from capital and related financing activities	(52,220,855)	17,401,929
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	132,411,992	169,352,653
Interest on investments	12,600,793	10,614,935
Purchase of investments	(107,482,340)	(213,054,962)
Net cash from investing activities	37,530,445	(33,087,374)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	642,425	(541,575)
CASH AND CASH EQUIVALENTS, JULY 1	1,151,714	1,693,289
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,794,139</u>	<u>\$ 1,151,714</u>

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (86,407,761)	\$ (81,054,868)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	5,829,004	6,054,899
State proportionate share for SURS/OPEB	12,684,814	11,178,500
Accounts receivable	(1,335,196)	127,543
Inventories	188,992	(80,540)
Prepaid items	(186,908)	593,101
Accounts payable	1,469,066	1,348,217
Accrued salaries	32,915	(67,956)
Health claims payable	1,013,696	(582,392)
Accrued compensated absences	795,472	159,114
CIP other postemployment benefit liability	(862,261)	788,514
CIP deferred outflows	245,502	(678,624)
CIP deferred inflows	(4,170,112)	(4,684,521)
Other accrued liabilities	1,352,782	335,759
Special termination benefits	(22,106)	(47,960)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (69,372,101)</u>	<u>\$ (66,611,214)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
State proportionate share for SURS	\$ 17,428,347	\$ 15,749,420
State proportionate share for OPEB	(4,786,871)	(4,574,631)
Unrealized gain (loss) on investments	3,615,559	3,030,934
Issuance of SBITA	1,011,443	545,569
Cancellation of SBITA	-	(154,546)
Capital assets purchased in accounts payable	6,088,170	2,615,313
TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	<u>\$ 23,356,648</u>	<u>\$ 17,212,059</u>

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT
WAUBONSEE COMMUNITY COLLEGE FOUNDATION
SUGAR GROVE, ILLINOIS

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 235,443	\$ 161,502
Investments	1,655,432	2,713,884
Pledges receivable, net	51,955	67,800
Accrued interest receivable	10,060	10,874
Prepaid expenses	1,823	1,163
Cash surrender value - life insurance policy	76,646	72,725
Investments, long-term	6,205,939	4,347,668
	<hr/>	<hr/>
Total assets	8,237,298	7,375,616
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	498	3,448
Deferred revenue	38,086	7,850
	<hr/>	<hr/>
Total liabilities	38,584	11,298
	<hr/>	<hr/>
NET ASSETS		
Without donor restrictions	434,470	-
Without donor restrictions - board designated	2,058,683	2,073,088
With donor restrictions	5,705,561	5,291,230
	<hr/>	<hr/>
TOTAL NET ASSETS	\$ 8,198,714	\$ 7,364,318
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

DISCRETELY PRESENTED COMPONENT UNIT
WAUBONSEE COMMUNITY COLLEGE FOUNDATION
SUGAR GROVE, ILLINOIS

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 2,891	\$ 323,565	\$ 326,456	\$ 26,728	\$ 281,545	\$ 308,273
In-kind donations	14,770	102,630	117,400	17,996	77,252	95,248
Fundraising events	16,226	-	16,226	23,512	-	23,512
Investment return, net	366,413	436,985	803,398	236,243	479,880	716,123
Net assets released from restrictions	448,849	(448,849)	-	326,636	(326,636)	-
Total revenues	849,149	414,331	1,263,480	631,115	512,041	1,143,156
EXPENSES						
Program services	546,445	-	546,445	535,006	-	535,006
Management and general expenses	321,014	-	321,014	234,474	-	234,474
Fundraising	181,555	-	181,555	142,026	-	142,026
Total expenses	1,049,014	-	1,049,014	911,506	-	911,506
TRANSFERS FROM AFFILIATE - WAUBONSEE COMMUNITY COLLEGE						
Contributed services	479,793	-	479,793	359,197	-	359,197
Contributed technology, office goods and other	140,137	-	140,137	96,824	-	96,824
Total transfers from affiliate	619,930	-	619,930	456,021	-	456,021
CHANGE IN NET ASSETS	420,065	414,331	834,396	175,630	512,041	687,671
NET ASSETS, JULY 1	2,073,088	5,291,230	7,364,318	1,897,458	4,779,189	6,676,647
NET ASSETS, JUNE 30	\$ 2,493,153	\$ 5,705,561	\$ 8,198,714	\$ 2,073,088	\$ 5,291,230	\$ 7,364,318

See accompanying notes to financial statements.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Waubonsee Community College District 516 (the College) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. In addition, the College presents its financial statements in accordance with accounting practices prescribed or permitted by the Illinois Community College Board. The following is a summary of the more significant policies of the College.

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 Waubonsee Community College Foundation (the Foundation), a fund raising 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 Treasurer, Route 47 at Waubonsee Drive, Sugar Grove, Illinois 60554.

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state and local grants, state appropriations and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations and other contributions is recognized in the

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

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.

The College reports unearned/deferred revenue on its statements of net position. Unearned revenues arise when a potential revenue does not meet both the measurable and earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the College before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. Deferred revenue results from property taxes being levied and reported as a receivable before the period for which the taxes are levied. In subsequent periods, when both revenue recognition criteria are met or when the College has met all eligibility requirements, the liability or deferred inflow of resources for unearned/deferred revenue is removed from the statements of net position and revenue is recognized.

c. Cash

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.

d. Investments

The College has recorded all participating investments, regardless of maturity date, at fair value. Fair value is based on published fair values or other sources on June 30, 2025 and 2024. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date.

e. Inventories

Inventories are valued at average cost and consist primarily of items held for resale in the bookstore.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets include property, plant, equipment, intangibles and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial unit cost of \$10,000 or more, except for intangible assets and buildings and improvements for which the initial unit cost is greater than \$25,000 and \$200,000, respectively, and an estimated useful life in excess of three years. 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Assets	Years
Intangibles	3
Equipment	3-10
Land improvements	15
Buildings and improvements	40

In addition to the intangible assets reported above, the College reports intangible right-to-use assets as defined by GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Right-to-use intangible assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset.

g. Accrued Compensated Absences

Accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees. The liability for accumulated unpaid vacation leave is based upon accumulated days times the current pay rate for each employee. A maximum of 56 days may be accumulated for administrative and full-time support services staff. A liability has also been recorded for accumulated paid time off that may be paid to part-time support staff. The liability is based on accumulated hours times the current pay rate for each employee. A maximum of 192 hours may be accumulated.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Accrued Compensated Absences (Continued)

When a full-time staff member retires after 15 years of service with the College he/she shall be reimbursed for 25% of his/her accrued sick leave up to 31.25 paid sick days unless the employee applies the sick days toward service credit for retirement with the State Universities Retirement System (SURS or the System). A liability has been recorded for the portion of sick pay that may be paid to employees.

The College implemented GASB Statement No. 101, *Compensated Absences*, for the fiscal years ended June 30, 2025 and 2024. A liability is recognized for the portion of accumulating sick leave benefits and Paid Leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was restated. See note 11 for additional information.

h. Long-Term Obligations

Long-term obligations are reported as liabilities in the applicable financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

i. Unearned Tuition and Fee Revenue

Tuition and fee revenues related to the periods after June 30, 2025 and 2024 have been classified as unearned.

j. Net Position

Net Investment in Capital Assets

This represents the College's total investment in capital assets, net of accumulated depreciation and amortization and net of the unmaturing portion of long-term liabilities issued to construct or purchase the capital assets.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Net Position (Continued)

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, 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 departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

k. Federal Financial Assistance

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study and the Stafford Direct Loan Program that are audited in accordance with the Uniform Guidance (Single Audit Act Amendments of 1996), the United States Office of Management and Budget Uniform Guidance and the Compliance Supplement.

l. Pension and Other Postemployment Benefit Revenue and Expense

The College applies the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, whereby the State of Illinois 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, 2025 and 2024, the College has reported its proportionate share of the collective pension expense and revenue for the state's contribution. 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 of Illinois is responsible for 50% of both employer contribution and the total other postemployment benefit (OPEB) liability resulting from a special funding situation. Therefore, for the fiscal years ended June 30, 2025 and 2024, 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.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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 and liabilities and disclosure 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.

n. 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.

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 and The Illinois Funds. The Illinois Funds was created by the Illinois State Legislature and is managed by the Illinois State Treasurer.

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. The credit rating provided by Standard & Poor's of The Illinois Funds was AAAm at June 30, 2025 and 2024.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

The Illinois School District Liquid Asset Fund Plus (ISDLAF), 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 net asset value (NAV) rather than fair value. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven day's advance notice. The credit rating provided by Standard & Poor's of the Illinois School District Liquid Asset Fund Plus - Liquid and Max Class was AAAM at June 30, 2025 and 2024.

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.

Investments

The following table presents the debt investments of the College as of June 30, 2025 and 2024, by type of investment:

June 30, 2025

Investment	Total Fair Value	Maturity (0-3 years)	Maturity (4-6 years)	Maturity (7-9 years)	Maturity (9+ years)
U.S. agency obligations	\$ 51,471,660	\$ 29,053,223	\$ 19,358,324	\$ -	\$ 3,060,113
U.S. Treasury obligations	24,977,412	19,893,561	5,083,851	-	-
Municipal bonds	9,321,262	9,321,262	-	-	-
Corporate bonds	25,027,824	14,250,000	10,777,824	-	-
Negotiable CDs	175,818	175,818	-	-	-
TOTAL	\$ 110,973,976	\$ 72,693,864	\$ 35,219,999	\$ -	\$ 3,060,113

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

June 30, 2024

Investment	Total Fair Value	Maturity (0-3 years)	Maturity (4-6 years)	Maturity (7-9 years)	Maturity (9+ years)
U.S. agency obligations	\$ 63,538,499	\$ 29,538,170	\$ 29,793,960	\$ 456,132	\$ 3,750,237
U.S. Treasury obligations	26,095,169	20,880,514	5,214,655	-	-
Municipal bonds	19,471,242	17,001,313	2,469,929	-	-
Corporate bonds	20,000,000	20,000,000	-	-	-
TOTAL	\$ 129,104,910	\$ 87,419,997	\$ 37,478,544	\$ 456,132	\$ 3,750,237

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, 2025 and June 30, 2024: U.S. agency securities of \$51,471,660 and \$63,538,499, respectively, U.S. Treasury securities of \$24,977,412 and \$26,095,169, respectively, negotiable CDs of \$175,818 and \$0, respectively, municipal bonds of \$9,321,262 and \$19,471,242, respectively, and corporate bonds of \$25,027,824 and \$20,000,000, respectively, are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 municipal and corporate bonds rated in the highest four rating categories by a national rating agency.

The municipal bonds are rated between AAA and AA- by Standards and Poor's. The corporate bonds are rated AA+ by Standards and Poor's. The negotiable CDs are not rated.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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 some or all of the investment that is 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 agent separate from where the investment was purchased. The Illinois Funds and the Illinois School District Liquid Asset Fund are not subject to custodial credit risk.

Concentration of credit risk - At June 30, 2025 and 2024, the College did not have any one investment that was greater than 5% of its overall portfolio (other than United States Government guaranteed obligations). The College's investment policy contains specific restrictions related to the diversification of the investment portfolio.

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

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the College:

- The property tax lien date is January 1;
- The annual tax levy ordinance of 2024 was passed on December 11, 2024 and the annual tax levy ordinance of 2023 was passed on December 13, 2023;
- Property taxes are due to the County Collectors in two installments, June 1 and September 1; and
- The College receives the majority of its distributions in May through October 2025 and 2024.

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The second half of the 2023 levy and the first half of the 2024 levy are recognized as revenue in the 2025 fiscal year. The second half of the 2024 levy is intended to finance the 2026 fiscal year and, accordingly, is reported as deferred revenue. The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has not been recorded as a receivable as of June 30, 2025 as the tax has not yet been levied and will not be levied until December 2025 and, therefore, the levy is not measurable at June 30, 2025.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Tangible capital assets not being depreciated				
Land	\$ 4,555,311	\$ -	\$ -	\$ 4,555,311
Construction in progress	8,683,715	46,979,261	1,698,496	53,964,480
Total tangible capital assets not being depreciated	13,239,026	46,979,261	1,698,496	58,519,791
Tangible capital assets being depreciated				
Land improvements	12,862,757	1,158,029	-	14,020,786
Buildings and improvements	150,270,371	524,525	-	150,794,896
Equipment	13,356,005	1,175,591	274,845	14,256,751
Total tangible capital assets being depreciated	176,489,133	2,858,145	274,845	179,072,433
Intangible capital assets being amortized				
Intangible assets	1,397,877	-	-	1,397,877
Software	3,234,387	1,011,443	602,586	3,643,244
Equipment	959,218	-	-	959,218
Total intangible capital assets being amortized	5,591,482	1,011,443	602,586	6,000,339
Less accumulated depreciation for				
Land improvements	11,697,220	410,057	-	12,107,277
Buildings and improvements	63,901,847	3,463,847	-	67,365,694
Equipment	10,626,308	895,305	274,845	11,246,768
Total accumulated depreciation	86,225,375	4,769,209	274,845	90,719,739
Less accumulated amortization for				
Intangible assets	1,378,749	12,750	-	1,391,499
Software	1,549,383	855,201	602,586	1,801,998
Equipment	558,420	191,844	-	750,264
Total accumulated amortization	3,486,552	1,059,795	602,586	3,943,761
Total capital assets being depreciated and amortized, net	92,368,688	(1,959,416)	-	90,409,272
CAPITAL ASSETS, NET	\$ 105,607,714	\$ 45,019,845	\$ 1,698,496	\$ 148,929,063

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

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

	Beginning Balances	Increases	Decreases	Ending Balances
Tangible capital assets not being depreciated				
Land	\$ 4,555,311	\$ -	\$ -	\$ 4,555,311
Construction in progress	1,262,222	7,484,042	62,549	8,683,715
Total tangible capital assets not being depreciated	5,817,533	7,484,042	62,549	13,239,026
Tangible capital assets being depreciated				
Land improvements	12,862,757	-	-	12,862,757
Buildings and improvements	150,270,371	-	-	150,270,371
Equipment	12,449,188	1,139,537	232,720	13,356,005
Total tangible capital assets being depreciated	175,582,316	1,139,537	232,720	176,489,133
Intangible capital assets being amortized				
Intangible assets	1,397,877	-	-	1,397,877
Software	3,093,629	545,569	404,811	3,234,387
Equipment	959,218	-	-	959,218
Total intangible capital assets being amortized	5,450,724	545,569	404,811	5,591,482
Less accumulated depreciation for				
Land improvements	11,150,955	546,265	-	11,697,220
Buildings and improvements	60,452,795	3,449,052	-	63,901,847
Equipment	9,965,096	893,932	232,720	10,626,308
Total accumulated depreciation	81,568,846	4,889,249	232,720	86,225,375
Less accumulated amortization for				
Intangible assets	1,209,776	168,973	-	1,378,749
Software	1,005,633	804,833	261,083	1,549,383
Equipment	366,576	191,844	-	558,420
Total accumulated amortization	2,581,985	1,165,650	261,083	3,486,552
Total capital assets being depreciated and amortized, net	96,882,209	(4,369,793)	143,728	92,368,688
CAPITAL ASSETS, NET	\$ 102,699,742	\$ 3,114,249	\$ 206,277	\$ 105,607,714

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

Changes in long-term debt for the years ended June 30, 2025 and 2024 are as follows:

	Balance July 1, 2024	Issuance	Repayment/ Refunding	Balance June 30, 2025	Current Portion
Accrued compensated absences*	\$ 5,264,993	\$ 795,472	\$ -	\$ 6,060,465	\$ 431,677
Special termination health insurance benefits payable	314,246	-	22,106	292,140	-
Other postemployment benefit liability	12,528,331	-	862,261	11,666,070	280,712
General Obligation Limited Tax Bonds, Series 2021A	855,000	-	540,000	315,000	315,000
General Obligation Limited Tax Bonds, Series 2021B	25,640,000	-	3,555,000	22,085,000	3,590,000
General Obligation Alternate Revenue Source Bonds, Series 2023	27,820,000	-	915,000	26,905,000	960,000
Unamortized bond premium	2,641,504	-	164,151	2,477,353	-
Arbitrage payable	-	621,670	-	621,670	-
Lease payable	401,785	-	192,455	209,330	193,196
SBITA payable	1,489,803	1,011,443	826,624	1,674,622	671,880
TOTAL	\$ 76,955,662	\$ 2,428,585	\$ 7,077,597	\$ 72,306,650	\$ 6,442,465

*The issuance and repayment of accrued compensated absences is presented net.

	Balance July 1, 2023, Restated^	Issuance	Repayment/ Refunding	Balance June 30, 2024	Current Portion
Accrued compensated absences*	\$ 6,361,958	\$ -	\$ 1,096,965	\$ 5,264,993	\$ 430,124
Special termination health insurance benefits payable	362,206	-	47,960	314,246	-
Other postemployment benefit liability	11,739,817	788,514	-	12,528,331	328,900
General Obligation Limited Tax Bonds, Series 2021A	1,390,000	-	535,000	855,000	540,000
General Obligation Limited Tax Bonds, Series 2021B	29,160,000	-	3,520,000	25,640,000	3,555,000
General Obligation Alternate Revenue Source Bonds, Series 2023	-	27,820,000	-	27,820,000	915,000
Unamortized bond premium	318,240	2,487,415	164,151	2,641,504	-
Lease payable	593,503	-	191,718	401,785	192,455
SBITA payable	1,868,007	545,569	923,773	1,489,803	744,386
TOTAL	\$ 51,793,731	\$ 31,641,498	\$ 6,479,567	\$ 76,955,662	\$ 6,705,865

*The issuance and repayment of accrued compensated absences is presented net.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

^The accrued compensated absences beginning balance was restated for the implementation of GASB Statement No. 101, *Compensated Absences*. See note 11 for additional information.

Accrued Compensated Absences

As described in Note 1, accrued compensated absences not due within one year are reported as long-term debt.

2021A General Obligation Limited Tax Refunding Bonds

The College issued \$1,955,000 General Obligation Limited Tax Refunding Bonds, Series 2021A. The bonds, dated February 16, 2021, are due in annual installments of \$45,000 to \$540,000 through December 15, 2025, with interest ranging from 0.20% to 0.55% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 315,000	\$ 866	\$ 315,866
TOTAL	\$ 315,000	\$ 866	\$ 315,866

2021B General Obligation Refunding Bonds

The College issued \$32,645,000 General Obligation Refunding Bonds, Series 2021B. The bonds, dated February 16, 2021, are due in annual installments of \$3,485,000 to \$3,775,000 through December 15, 2030, with interest ranging from 1.00% to 1.13% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,590,000	\$ 207,619	\$ 3,797,619
2027	3,625,000	171,544	3,796,544
2028	3,660,000	135,119	3,795,119
2029	3,700,000	98,319	3,798,319
2030	3,735,000	61,144	3,796,144
2031	3,775,000	21,234	3,796,234
TOTAL	\$ 22,085,000	\$ 694,979	\$ 22,779,979

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

2021A and 2021B Refunding

During fiscal year 2021, the College issued \$1,955,000 General Obligation Refunding Limited Tax Bonds, Series 2021A and \$32,645,000 General Obligation Refunding Bonds, Series 2021B bonds, both dated February 16, 2021. The bonds were issued to refund \$1,135,000 of the 2011C General Obligation Limited Tax Bonds, \$31,180,000 of the 2012A General Obligation Bonds and \$720,000 of the 2012B General Obligation Limited Tax Bonds. Through the refunding transaction, the College achieved cash flow savings of \$112,323 and an economic gain of \$110,157 on the Series 2021A Bonds, and cash flow savings of \$2,154,380 and an economic gain of \$2,914,896 on the Series 2021B Bonds.

2023 General Obligation Alternate Revenue Source Bonds

The College issued \$27,820,000 General Obligation Alternate Revenue Source, Series 2023. The bonds, dated July 17, 2023, are due in annual installments of \$915,000 to \$2,140,000 through June 15, 2043, with interest ranging from 4.00% to 5.00% payable each June 15 and December 15. Debt service to maturity on this issue is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 960,000	\$ 1,264,450	\$ 2,224,450
2027	1,010,000	1,216,450	2,226,450
2028	1,060,000	1,165,950	2,225,950
2029	1,110,000	1,112,950	2,222,950
2030	1,170,000	1,057,450	2,227,450
2031	1,225,000	998,950	2,223,950
2032	1,285,000	937,700	2,222,700
2033	1,350,000	873,450	2,223,450
2034	1,420,000	805,950	2,225,950
2035	1,490,000	734,950	2,224,950
2036	1,565,000	660,450	2,225,450
2037	1,645,000	582,200	2,227,200
2038	1,725,000	499,950	2,224,950
2039	1,810,000	413,700	2,223,700
2040	1,900,000	323,200	2,223,200
2041	1,980,000	247,200	2,227,200
2042	2,060,000	168,000	2,228,000
2043	2,140,000	85,600	2,225,600
TOTAL	\$ 26,905,000	\$ 13,148,550	\$ 40,053,550

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

2023 General Obligation Alternate Revenue Source Bonds (Continued)

In fiscal year 2024, the College issued the Series 2023 General Obligation Alternate Revenue Source Bonds for certain capital projects and are payable from revenue generated from the Illinois Community College Board Base Operating Grant. The remaining total pledge is \$40,053,550 and the bonds mature on June 15, 2043. During the current fiscal year, the pledge of revenue in the College's Education Fund for the 2023 bonds of \$2,225,200 was approximately 35.60% of total revenues pledged.

Leases

The College entered into a lease arrangement on August 1, 2021, for the right-to-use equipment. Payments of \$16,138 are due monthly over a 60 month term. Total intangible right-to-use assets acquired under this agreement are \$959,218.

Obligations of the College under this lease payable, typically paid from the Education Fund, including future interest payments at June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Leases	
	Principal	Interest
2026	\$ 193,196	\$ 464
2027	16,134	4
TOTAL	\$ 209,330	\$ 468

Subscription-Based Information Technology Arrangements

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

The College has entered into various SBITAs for the right to use another party's information technology software. These agreements range, in term, from fiscal year 2024 through fiscal year 2030. Additionally, payment terms on these agreements vary in frequency with payments due in either monthly or annual installments, depending on the agreement.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Subscription-Based Information Technology Arrangements (Continued)

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

Fiscal Year Ending June 30,	SBITA	
	Principal	Interest
2026	\$ 671,880	\$ 31,366
2027	374,674	23,640
2028	269,161	16,662
2029	222,886	10,356
2030	136,021	3,925
TOTAL	\$ 1,674,622	\$ 85,949

6. RETIREMENT COMMITMENTS

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.

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 can be found in the SURS' annual comprehensive financial report notes to financial statements.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Contributions

The state is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total actuarial accrued liability by the end of fiscal year 2045. Employer contributions from trust, federal and other funds are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2024 and 2025 was 12.53% and 11.98%, respectively, of employee payroll.

Funding Policy

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).

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

Net Pension Liability

At June 30, 2024 and 2023, SURS reported a net pension liability of \$30,230,907,727 and \$29,444,538,098, respectively. The net pension liability was measured as of June 30, 2024 and 2023.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (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 Net Pension Liability

For the year ended June 30, 2025, the amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the state's net pension liability associated with the College is \$254,012,179 or 0.8402%. 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, 2024 and the total pension used to calculate the net pension liability was determined based on the June 30, 2023 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable earnings made to SURS during fiscal year 2024.

For the year ended June 30, 2024, the amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the state's net pension liability associated with the College is \$235,337,826 or 0.7993%. 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 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 2023.

Pension Expense

At June 30, 2024 and 2023, SURS reported a collective net pension expense of \$1,996,285,670 and \$1,884,388,521, respectively.

Employer Proportionate Share of Pension Expense

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2025 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 2024. As a result, the College recognized revenue and pension expense of \$16,773,591 for the fiscal year ended June 30, 2025.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (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 (Continued)

The College's proportionate share of collective net pension expense is recognized as both revenue and matching expense in the 2024 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. As a result, the college recognized revenue and pension expense of \$15,061,126 for the fiscal year ended June 30, 2024.

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 \$192,730 in federal, trust or grant contributions for the fiscal year ended June 30, 2025. These contributions were made subsequent to the pension liability measurement date of June 30, 2024 and are recognized as deferred outflows of resources as of June 30, 2025.

Deferred outflows of resources are the consumption of net assets by the College that is applicable to future reporting periods. The College paid \$236,608 in federal, trust or grant contributions for the fiscal year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date of June 30, 2023 and are recognized as deferred outflows of resources as of June 30, 2024.

- b. Assumptions and Other Inputs

Actuarial Assumptions

2024

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

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

2024 (Continued)

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

2023

Actuarial assumptions. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from June 30, 2017, through June 30, 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%

Mortality rates were based on the Pub-2020 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

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

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (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, 2024 and 2023, these best estimates are summarized in the following table:

	2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.00%	7.13%
Stabilized Growth		
Core Real Assets	8.00%	5.06%
Public Credit Fixed Income	6.50%	4.10%
Private Credit	2.50%	7.36%
Non-Traditional Growth		
Private Equity	11.00%	10.92%
Non-Core Real Assets	4.00%	9.09%
Inflation Sensitive		
U.S. TIPS	5.00%	2.12%
Principal Protection		
Core Fixed Income	10.00%	1.34%
Crisis Risk Offset		
Systematic Trend Following	10.00%	2.90%
Alternative Risk Premia	3.00%	2.62%
Long Duration	2.00%	2.84%
Long Volatility/Tail Risk	2.00%	(1.22)%
Total	100.00%	5.63%
Inflation		2.80%
EXPECTED ARITHMETIC RETURN		8.43%

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Actuarial Assumptions (Continued)

	2023	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Traditional Growth		
Global Public Equity	36.00%	7.97%
Stabilized Growth		
Public Credit Fixed Income	8.00%	4.68%
Credit Real Assets	6.50%	4.52%
Options Strategies	2.50%	7.36%
Private Credit		
Non-Traditional Growth	11.00%	11.32%
Private Equity	4.00%	8.67%
Non-Core Real Assets		
Inflation Sensitive	5.00%	2.09%
U.S. TIPS		
Principal Protection	10.00%	1.13%
Core Fixed Income		
Crisis Risk Offset	10.00%	3.18%
Systematic Trend Following	3.00%	3.27%
Alternative Risk Premia	2.00%	3.02%
Long Duration	2.00%	(1.14)%
Total	100.00%	5.98%
Inflation		2.60%
EXPECTED ARITHMETIC RETURN		8.58%

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate

2025

A single discount rate of 6.35% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.97% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the 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 6.35%, 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 (5.35%)	Current Single Discount Rate Assumption (6.35%)	1% Increase (7.35%)
Net pension liability	\$ 36,700,168,358	\$ 30,230,907,727	\$ 24,839,790,537

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Funding Policy (Continued)

b. Assumptions and Other Inputs (Continued)

Discount Rate (Continued)

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 weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). 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 2077. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077, and the municipal bond rate was applied to all benefit payments after that date.

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

Regarding the sensitivity of the 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

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan

a. Plan Description

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

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, 2024, can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

c. Contributions

All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RETIREMENT COMMITMENTS (Continued)

Defined Contribution Pension Plan (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, 2024, the State's contributions to the RSP on behalf of individual employers totaled \$96,741,887. Of this amount, \$89,857,115 was funded via an appropriation from the State and \$6,884,772 was funded from previously forfeited contributions. 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 2024. The College's share of pensionable contributions was 0.6768%. As a result, the College recognized revenue and defined contribution pension expense of \$654,756 from this special funding situation during the year ended June 30, 2025, of which \$46,597 constituted forfeitures. During fiscal year 2023, the College's share of pensionable contributions was 0.7620%. As a result, the College recognized revenue and defined contribution pension expense of \$688,294 from this special funding situation during the year ended June 30, 2024, of which \$63,538 constituted forfeitures.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN

In addition to the pension plan described previously, the College contributes to the State of Illinois' Community College Health Insurance Program (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 dependent 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 0.85% of covered payroll and every community college district to contribute 0.85% 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 make an annual appropriation to CIP to cover any expected expenditures in excess of the contributions by active employees, employers and retirees. The result is pay as you go financing of the plan.

Plan Description

The following disclosures are for the year 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 other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefit, and other postemployment benefit 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.

At June 30, 2025, the College reported a liability of \$11,666,070 for its proportionate share of the total other postemployment benefit liability that reflected a reduction for state other postemployment benefit support of \$11,666,070 resulting in a total other postemployment benefit liability associated with the College of \$23,332,140. The other postemployment benefit liability was measured as of June 30, 2024, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to June 30, 2024. The College's proportion of the net other postemployment benefit liability was based on the College's actual contributions to the other postemployment benefit plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2025, the College's proportionate share was 1.754%.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

At June 30, 2024, the College reported a liability of \$12,528,331 for its proportionate share of the total other postemployment benefit liability that reflected a reduction for state other postemployment benefit support of \$12,528,331 resulting in a total other postemployment benefit liability associated with the College of \$25,056,662. The other postemployment benefit liability was measured as of June 30, 2023, and the total other postemployment benefit liability used to calculate the net other postemployment benefit 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 other postemployment benefit liability was based on the College's actual contributions to the other postemployment benefit plan relative to the projected contributions of all participating Colleges and the State of Illinois, statutorily determined. At June 30, 2024, the College's proportionate share was 1.774%.

2025

For the year ended June 30, 2025, the College recognized other postemployment benefit expense of (\$4,786,871) and revenue of (\$4,786,871) for support provided by the state. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefit from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 147,897	\$ 3,514,931
Changes in assumption	86,267	8,476,106
Changes in proportionate share and differences between college contributions and proportionate share of contributions	1,180,224	867,903
Contributions made after the measurement date	333,908	-
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	5,784
TOTAL	\$ 1,748,296	\$ 12,864,723

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2025 (Continued)

\$333,908 reported as deferred outflows or resources related to other postemployment benefit resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the other postemployment benefit liability for the measurement period ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to CIP will be recognized in other postemployment benefit expense as follows:

Fiscal Year Ending June 30,	
2026	\$ (4,398,664)
2027	(3,793,730)
2028	(2,934,643)
2029	(160,409)
2030	<u>(162,890)</u>
TOTAL	<u>\$ (11,450,335)</u>

2024

For the year ended June 30, 2024, the College recognized other postemployment benefit expense of (\$4,574,631) and revenue of (\$4,574,631) for support provided by the state. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefit from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 188,529	\$ 3,771,739
Changes in assumption	-	12,247,562
Changes in proportionate share and differences between college contributions and proportionate share of contributions	1,526,430	1,012,856
Contributions made after the measurement date	278,839	-
Net difference between projected and actual earnings on other postemployment benefit plan investments	<u>-</u>	<u>2,678</u>
TOTAL	<u>\$ 1,993,798</u>	<u>\$ 17,034,835</u>

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

2024 (Continued)

\$278,839 reported as deferred outflows or resources related to other postemployment benefit resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the other postemployment benefit 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 other postemployment benefit expense as follows:

Fiscal Year Ending June 30,	
2025	\$ (4,729,876)
2026	(4,232,572)
2027	(3,624,466)
2028	(2,760,873)
2029	<u>27,911</u>
TOTAL	<u>\$ (15,319,876)</u>

Actuarial Assumptions

2025

The total other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Assumptions	
Inflation	2.25%
Salary increases	3.50% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25% for non- Medicare; 15.00% trending to 4.25% for MAPD
Asset valuation method	Fair value

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions (Continued)

2024

The total other postemployment benefit 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	3.50% to 12.75%
Investment rate of return	0.00%
Healthcare cost trend rates	8.00% trending to 4.25%
Asset valuation method	Fair value

2025

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 were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2021.

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 rate was 3.97% as of June 30, 2024.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Actuarial Assumptions (Continued)

2024

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 were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2020. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2017 to June 30, 2021.

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 other postemployment benefit 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 rate was 3.86% as of June 30, 2023.

Rate Sensitivity

2025

The following is a sensitivity analysis of the other postemployment benefit liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the other postemployment benefit liability of the College calculated using the discount rate of 3.97% as well as what the College's other postemployment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Other postemployment benefit liability	\$ 12,745,347	\$ 11,666,070	\$ 10,742,066

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Rate Sensitivity (Continued)

2025 (Continued)

The table below presents the College's other postemployment benefit liability, calculated using the healthcare cost trend rates as well as what the College's other postemployment benefit 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 trend rates are 9.14% in 2024 decreasing to an ultimate trend rate of 4.25% in 2040 for CCHP and MC coverage, and 19.42% in 2024 decreasing to an ultimate trend rate of 4.25% in 2040 for MAPD coverage.

	1% Decrease	Current Healthcare Rate	1% Increase
Other postemployment benefit liability	\$ 10,481,901	\$ 11,666,070	\$ 13,100,596

2024

The following is a sensitivity analysis of the other postemployment benefit liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the other postemployment benefit liability of the College calculated using the discount rate of 3.86% as well as what the College's other postemployment benefit 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%)
Other postemployment benefit liability	\$ 13,668,537	\$ 12,528,331	\$ 11,546,515

The table below presents the College's other postemployment benefit liability, calculated using the healthcare cost trend rates as well as what the College's other postemployment benefit 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 trend rates are 9.14% in 2023 decreasing to an ultimate trend rate of 4.25% in 2040.

	1% Decrease	Current Healthcare Rate	1% Increase
Other postemployment benefit liability	\$ 11,253,461	\$ 12,528,331	\$ 14,065,663

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREE HEALTH PLAN (Continued)

Plan Description (Continued)

Other Postemployment Benefit Plan Fiduciary Net Position

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

8. SPECIAL TERMINATION HEALTH INSURANCE

In addition to the retirement benefits provided by the College described in Note 7, the College previously provided voluntary retirement benefits, considered early retirement incentives. These included employer paid voluntary retirement incentives (deferred compensation) as well as employer paid health care coverage to retirees and spouses for life. At age 65, generally Medicare becomes the primary insurance provider for retirees. The voluntary retirement benefits were available to employees who attained age 55 with at least eight years of continuous employment and who retired prior to June 30, 2000.

The benefits provided were a percentage of their final year's salary, up to 100% payable over one to five years, depending upon the age at retirement and health insurance coverage for life. There were 40 and 54 members (including spouses) receiving benefits as of June 30, 2025 and 2024, respectively.

The College engaged an actuary to perform an actuarial valuation of the benefits as of June 30, 2025 and 2024. Actual retirees were 29 and 29 as of June 30, 2025 and 2024, respectively. The actuarial assumptions used in the valuations were a discount rate of 4.24% and 4.36% at June 30, 2025 and 2024, respectively, the health care trend rate of 7% (non-Medicare) and 4.5% (Medicare) and 7% (non-Medicare) and 5% (Medicare), respectively. The actuarial valuation calculated a liability of \$292,140 and \$314,246 at June 30, 2025 and 2024, respectively. This is recorded as a liability in the College's financial statements.

The College accounts for this plan in the Retiree Medical Insurance and Retirement subfund and has set aside sufficient assets in the account to fully fund this obligation at June 30, 2025 and 2024.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health and dental insurance; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties except for employee health and dental and general liability. Settled claims from these risks have not exceeded commercial insurance coverage in the past three fiscal years. Since February 2005, the College has participated in the Illinois Community College Risk Management Consortium (the Consortium), which was established in 1981 by several Chicago area community colleges as a means of reducing the cost of general liability insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. 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 limits.

The College is self-insured for health and dental insurance. The College's third party administrator (TPA) processes all claims for the College and is reimbursed monthly for the claims paid in the previous month.

The College has purchased specific and aggregate excess insurance to limit its exposure. The specific coverage is \$185,000 per covered person and the aggregate attachment is \$9,172,089 on a calendar year basis. A liability of \$1,790,406 and \$1,298,293 for claims incurred but not paid as of June 30, 2025 and 2024, respectively, includes an estimate of incurred but not reported claims as of June 30, 2025 and 2024.

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

	2023	2024	2025
CLAIMS PAYABLE, JULY 1	\$ 1,243,618	\$ 1,247,257	\$ 1,298,293
Claims paid	(7,185,015)	(7,395,083)	(7,870,537)
Claims incurred	7,188,654	7,446,119	8,362,650
CLAIMS PAYABLE, JUNE 30	<u>\$ 1,247,257</u>	<u>\$ 1,298,293</u>	<u>\$ 1,790,406</u>

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. TAX ABATEMENTS

The College has entered into two property tax abatement agreements with corporations located within the College's boundaries. The agreements provide for abatements ranging from 25% to 75% of the property taxes on the agreed upon facilities for periods ranging from three to ten years. Property development and job creation criteria are specified in the respective agreements and must be met for the abatement to go into effect. The College retains the right to require the corporation(s) to repay the total sum of all previously abated taxes if certain provisions of the agreement(s) are not met. As of June 30, 2025, no taxes have been abated under these tax abatement agreements.

11. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal years ended June 30, 2025 and 2024, the College implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this guidance impacted the beginning balance of accrued compensated absences, which resulted in a restatement of beginning net position. The effect of the restatement is summarized below:

	<u>Business-Type Activities</u>
BEGINNING NET POSITION, JULY 1, 2023 AS PREVIOUSLY REPORTED	<u>\$ 230,158,905</u>
Change in accounting principle - GASB 101	<u>(1,294,375)</u>
Total net restatement	<u>(1,294,375)</u>
BEGINNING NET POSITION, JULY 1, 2023 AS RESTATED	<u>\$ 228,864,530</u>

12. DISCRETELY PRESENTED COMPONENT UNIT

The Foundation was incorporated in 1978 under the laws of the State of Illinois. The Foundation is a not-for-profit organization which was formed to promote the educational development and general educational welfare of the Waubonsee Community College, Community College District 516 (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.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

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:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

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

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

b. Revenue Recognition

Contributions

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right to return - are not recognized until the conditions on which they depend have been met. There are no conditional contributions as of June 30, 2025 and 2024.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate 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 judgement including such factors as prior collection history, type of contribution and nature of fundraising activity. No allowance was deemed necessary as of June 30, 2025 or 2024.

Sponsorship and Fundraising 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 when the related events are held and performance obligations are met. Ticket sales received in advance of the event are recorded as deferred revenue on the statements of financial position. For events held during the year ending June 30, 2025, commensurate value of \$14,770 was recognized as fundraising revenue in the statements of activities. For events held during the year ending June 30, 2024, commensurate value of \$17,996 was recognized as fundraising revenue in the statements of activities.

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 dates the assets are contributed. Donated supplies are expensed in the year received.

WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DISCRETELY PRESENTED COMPONENT UNIT (Continued)

c. Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less when purchased are deemed cash equivalents.

The Foundation maintains its cash balance in financial institutions, which at times may exceed federally insured limits. At June 30, 2025 and 2024, the Foundation's cash accounts do not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

d. Investments

Investments are measured 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. Functional Allocation of Expenses

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

f. 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. The Foundation is not classified as a private foundation. The Foundation evaluates its uncertain tax positions on an annual basis, and there have been no recorded uncertain tax positions recorded in fiscal year 2025, 2024 or 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.

g. Use of Estimates

The preparation of financial statements in conformity with 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

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS**

Last Ten Years

MEASUREMENT DATE JUNE 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(a) Proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of non-employer contributing entities' total proportion of net pension liability associated with employer	190,918,931	221,092,313	224,615,949	246,158,766	251,989,904	259,739,781	241,396,847	231,435,720	235,337,826	254,012,179
Total (b) + (c)	\$ 190,918,931	\$ 221,092,313	\$ 224,615,949	\$ 246,158,766	\$ 251,989,904	\$ 259,739,781	\$ 241,396,847	\$ 231,435,720	\$ 235,337,826	\$ 254,012,179
Covered payroll	\$ 36,108,287	\$ 37,931,009	\$ 38,779,937	\$ 40,024,842	\$ 39,687,030	\$ 40,261,318	\$ 38,111,793	\$ 39,583,468	\$ 42,808,371	\$ 46,526,716
Proportion of collective net pension liability associated with employer as a percentage of covered payroll	528.74%	582.88%	579.21%	615.01%	634.94%	645.13%	633.39%	584.68%	549.75%	545.95%
SURS plan net position as a percentage of total pension liability	42.37%	39.57%	42.04%	41.27%	40.71%	39.05%	45.45%	43.65%	44.06%	44.60%

FISCAL YEAR ENDED JUNE 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WAUBONSEE COMMUNITY COLLEGE										
Federal, trust, grant and other contributions	\$ 148,188	\$ 129,704	\$ 108,983	\$ 132,377	\$ 151,497	\$ 137,643	\$ 206,570	\$ 239,779	\$ 236,608	\$ 192,730
Contribution in relation to required contribution	148,188	129,704	108,983	132,377	151,497	137,643	206,570	239,779	236,608	192,730
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 37,931,009	\$ 38,779,937	\$ 40,024,842	\$ 39,687,030	\$ 40,261,318	\$ 38,111,793	\$ 39,583,468	\$ 42,808,371	\$ 46,526,716	\$ 49,525,483
Contributions as a percentage of covered payroll	0.39%	0.33%	0.27%	0.33%	0.38%	0.36%	0.52%	0.56%	0.51%	0.39%

Note: The College implemented GASB No. 68 in fiscal year 2015.

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no benefit changes recognized in the total pension liability as of June 30, 2024 and 2023.

Changes in 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, 2023.

- Salary increase - Change in the overall assumed salary increase rates, ranging from 3.00% to 12.75% based on years of service, while maintaining the underlying wage inflation rate of 2.25%.
- Investment return - Decrease the investment return assumption to 6.50%. This reflects decreasing the assumed real rate of return to 4.25% and maintaining the underlying assumed price inflation of 2.25%.
- Effective rate of interest - Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50%.
- Normal retirement rates - Establish separate rates for members in academic positions and nonacademic positions to reflect that retirement rates for academic positions are lower than for nonacademic positions.
- Early retirement rates - Establish separate rates for members in academic positions and nonacademic positions to reflect that retirement rates for academic positions are lower than for nonacademic positions.
- Turnover rates - Change rates to produce slightly lower expected turnover for most members, while maintaining pattern of decreasing termination rates as years of service increase.
- Mortality rates - Change from the RP-2014 to the Pub-2010 mortality tables to reflect the latter's higher applicability to public pensions. Update the projection scale from the MP-2017 to the MP-2020 scale.
- Disability rates - Establish separate rates for members in academic positions and non-academic positions and maintain separate rates 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 - Change plan election assumptions to 75% Tier 2 and 25% Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55% Tier 2 and 45% Retirement Savings Plan (RSP) for academic members.

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY AND SCHEDULE OF CONTRIBUTIONS
CIP PLAN**

Last Eight Years

MEASUREMENT DATE JUNE 30,	2017	2018	2019	2020	2021	2022	2023	2024
College's proportion of the total OPEB liability	1.676%	1.764%	1.740%	1.705%	1.674%	1.715%	1.774%	1.754%
College's proportionate share of the total OPEB liability	\$ 30,559,765	\$ 33,258,707	\$ 32,855,835	\$ 31,078,847	\$ 29,045,355	\$ 11,739,817	\$ 12,528,331	\$ 11,666,070
Portion of State's total proportion of total OPEB liability associated with the College	30,157,270	33,258,707	32,855,835	31,078,847	29,045,355	11,739,817	12,528,331	11,666,070
TOTAL	\$ 60,717,035	\$ 66,517,414	\$ 65,711,670	\$ 62,157,694	\$ 58,090,710	\$ 23,479,634	\$ 25,056,662	\$ 23,332,140
Covered payroll	\$ 31,729,696	\$ 34,713,453	\$ 33,547,619	\$ 33,680,304	\$ 33,938,026	\$ 35,009,012	\$ 36,707,621	\$ 38,117,794
Proportion of collective net pension liability associated with the College as a percentage of covered payroll	191.36%	191.62%	195.88%	184.55%	171.17%	67.07%	68.26%	61.21%
CIP plan net position as a percentage of total OPEB liability	(2.87%)	(3.54%)	(4.13%)	(5.07%)	(6.38%)	(22.03%)	(17.87%)	(18.45%)
FISCAL YEAR ENDED JUNE 30,	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contribution	\$ 154,058	\$ 156,169	\$ 156,807	\$ 155,607	\$ 161,727	\$ 176,892	\$ 279,190	\$ 333,168
Contribution in relation to the statutorily required contribution	154,058	156,169	156,807	155,607	161,727	176,892	278,839	333,909
CONTRIBUTION EXCESS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (351)	\$ 741
Covered payroll	\$ 34,713,453	\$ 33,547,619	\$ 33,680,304	\$ 33,938,026	\$ 35,009,012	\$ 36,707,621	\$ 38,117,794	\$ 38,061,516
Contributions as a percentage of covered payroll	0.44%	0.47%	0.47%	0.46%	0.46%	0.48%	0.73%	0.88%
Discount rate	3.56%	3.62%	3.13%	2.45%	1.92%	3.69%	3.86%	3.97%

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, 2024 and 2023.

Changes in Assumptions

The discount rate changed from 3.86% at June 30, 2023 to 3.97% at June 30, 2024. Additionally, there were changes in the healthcare trend assumption, per capital claim costs, and participation rates.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP**

June 30, 2025

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 593,443	\$ 1,200,696	\$ -	\$ 1,794,139
Investments	211,542,106	3,894,235	-	215,436,341
Receivables, net of allowance for uncollectibles				
Taxes	30,235,663	-	-	30,235,663
Accrued interest	1,129,519	27,525	-	1,157,044
Accounts	2,717,529	21,182	-	2,738,711
Other	321,214	16,305	-	337,519
Tuition and fees	5,649,513	20,169	-	5,669,682
Rent	2,360,500	-	-	2,360,500
Prepaid expenses	1,199,835	43,770	-	1,243,605
Inventories	-	431,814	-	431,814
 Total current assets	 255,749,322	 5,655,696	 -	 261,405,018
NONCURRENT ASSETS				
Capital assets and intangible capital assets	243,545,300	47,263	-	243,592,563
Less accumulated depreciation and accumulated amortization	(94,621,203)	(42,297)	-	(94,663,500)
 Net capital assets	 148,924,097	 4,966	 -	 148,929,063
 Total noncurrent assets	 148,924,097	 4,966	 -	 148,929,063
 Total assets	 404,673,419	 5,660,662	 -	 410,334,081
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	419,421	-	-	419,421
CIP other postemployment benefit items	1,748,296	-	-	1,748,296
SURS pension contributions	192,730	-	-	192,730
 Total deferred outflows of resources	 2,360,447	 -	 -	 2,360,447
 Total assets and deferred outflows of resources	 407,033,866	 5,660,662	 -	 412,694,528

(This schedule is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY SUBGROUP (Continued)**

June 30, 2025

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable	\$ 9,869,740	\$ 310,395	\$ -	\$ 10,180,135
Accrued salaries and payroll deductions payable	1,638,133	19,115	-	1,657,248
Health claims payable	1,790,406	-	-	1,790,406
Unearned tuition and fees	9,004,472	-	-	9,004,472
Unearned revenue	2,322,801	624,849	-	2,947,650
Accrued compensated absences	344,867	86,810	-	431,677
Bonds payable	4,865,000	-	-	4,865,000
Lease payable	193,196	-	-	193,196
SBITA payable	671,880	-	-	671,880
Other postemployment benefit liability	280,712	-	-	280,712
Interest payable	122,742	-	-	122,742
Other current liabilities	-	7,702	-	7,702
Total current liabilities	31,103,949	1,048,871	-	32,152,820
NONCURRENT LIABILITIES				
Special termination health insurance benefits payable	292,140	-	-	292,140
Accrued compensated absences	5,628,788	-	-	5,628,788
Other postemployment benefit liability	11,385,358	-	-	11,385,358
Arbitrage payable	621,670	-	-	621,670
Lease payable	16,134	-	-	16,134
SBITA payable	1,002,742	-	-	1,002,742
Bonds payable	46,917,353	-	-	46,917,353
Total noncurrent liabilities	65,864,185	-	-	65,864,185
Total liabilities	96,968,134	1,048,871	-	98,017,005
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	30,641,961	-	-	30,641,961
CIP other postemployment benefit items	12,864,723	-	-	12,864,723
Total deferred inflows of resources	43,506,684	-	-	43,506,684
Total liabilities and deferred inflows of resources	140,474,818	1,048,871	-	141,523,689
NET POSITION				
Net investment in capital assets	95,640,992	4,966	-	95,645,958
Restricted for				
Audit	52,247	-	-	52,247
Liability, protection and settlement	4,375,785	-	-	4,375,785
Grant purposes	133,974	-	-	133,974
Debt service	2,195,903	-	-	2,195,903
Working cash	4,970,708	-	-	4,970,708
Pension contributions	192,730	-	-	192,730
Unrestricted	158,996,709	4,606,825	-	163,603,534
TOTAL NET POSITION	\$ 266,559,048	\$ 4,611,791	\$ -	\$ 271,170,839

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY SUBGROUP**

For the Year Ended June 30, 2025

	Governmental Subgroup	Auxiliary Subgroup	Eliminations	Total
OPERATING REVENUES				
Tuition and fees	\$ 17,172,915	\$ -	\$ -	\$ 17,172,915
Auxiliary enterprises revenue	-	4,488,252	(466,984)	4,021,268
Other operating revenue	1,148,195	-	-	1,148,195
Total operating revenues	18,321,110	4,488,252	(466,984)	22,342,378
OPERATING EXPENSES				
Instruction	29,118,989	-	-	29,118,989
Academic support	5,055,723	-	-	5,055,723
Student services	14,749,757	-	-	14,749,757
Public services	2,149,518	-	-	2,149,518
Auxiliary services	139,006	4,770,873	-	4,909,879
Operation and maintenance of plant	9,493,964	-	-	9,493,964
Institutional support	27,504,911	-	-	27,504,911
Scholarships, grants and waivers	10,405,378	-	(466,984)	9,938,394
Amortization	1,059,795	-	-	1,059,795
Depreciation	4,767,791	1,418	-	4,769,209
Total operating expenses	104,444,832	4,772,291	(466,984)	108,750,139
OPERATING INCOME (LOSS)	(86,123,722)	(284,039)	-	(86,407,761)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	59,819,228	-	-	59,819,228
Personal property replacement tax	1,358,909	-	-	1,358,909
Local grants and contracts	224,185	-	-	224,185
State grants and contracts	22,844,343	-	-	22,844,343
Federal grants and contracts	14,397,124	-	-	14,397,124
Investment income	12,301,260	198,080	-	12,499,340
Interest expense	(2,164,962)	-	-	(2,164,962)
Other non-operating revenue	1,240	-	-	1,240
Non-operating expenses	-	(424,056)	-	(424,056)
Gain on disposal of capital assets	41,668	-	-	41,668
Total non-operating revenues (expenses)	108,822,995	(225,976)	-	108,597,019
CHANGE IN NET POSITION	22,699,273	(510,015)	-	22,189,258
NET POSITION, JULY 1, AS REPORTED	245,154,150	5,121,806	-	250,275,956
Change in accounting principle	(1,294,375)	-	-	(1,294,375)
NET POSITION, JULY 1, AS RESTATED	243,859,775	5,121,806	-	248,981,581
NET POSITION, JUNE 30	\$ 266,559,048	\$ 4,611,791	\$ -	\$ 271,170,839

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP

June 30, 2025

	Education Account	Budget Stabilization Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
CURRENT ASSETS								
Cash	\$ 26,102	\$ 473,752	\$ 412,550	\$ (2,400,505)	\$ 12,422	\$ 579,977	\$ 159,248	\$ 859,643
Investments	33,434,579	22,383,372	9,161,652	320,232	64,751	3,867,218	2,047,985	81,378,772
Receivables								
Taxes	23,073,385	-	4,292,335	-	54,439	758,574	2,056,930	-
Accrued interest	74,125	174,307	60,216	-	647	28,699	16,141	446,534
Accounts	6,329	-	-	2,666,053	-	-	-	-
Other	312,176	-	9,038	-	-	-	-	-
Tuition and fees	5,649,513	-	-	-	-	-	-	-
Rent	2,360,500	-	-	-	-	-	-	-
Prepaid expenses	1,178,042	-	-	-	-	21,793	-	-
Total current assets	66,114,751	23,031,431	13,935,791	585,780	132,259	5,256,261	4,280,304	82,684,949
NONCURRENT ASSETS								
Capital assets and intangible capital assets	-	-	-	-	-	-	-	-
Less accumulated depreciation and accumulated amortization	-	-	-	-	-	-	-	-
Net capital assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-
Total assets	66,114,751	23,031,431	13,935,791	585,780	132,259	5,256,261	4,280,304	82,684,949
DEFERRED OUTFLOWS OF RESOURCES								
Unamortized loss on refunding	-	-	-	-	-	-	-	-
CIP other postemployment benefit items	-	-	-	-	-	-	-	-
SURS pension contributions	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	66,114,751	23,031,431	13,935,791	585,780	132,259	5,256,261	4,280,304	82,684,949

	Education Account	Budget Stabilization Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
CURRENT LIABILITIES								
Accounts payable	\$ 700,431	\$ 65,617	\$ 158,144	\$ 124,871	\$ 25,000	\$ 69,742	\$ -	\$ 8,725,162
Accrued salaries and payroll deductions payable	1,480,308	-	80,493	35,286	-	42,046	-	-
Health claims payable	-	-	-	-	-	-	-	-
Unearned tuition	9,004,472	-	-	-	-	-	-	-
Unearned revenue	2,152,780	-	-	170,021	-	-	-	-
Accrued compensated absences	197,330	-	25,909	121,628	-	-	-	-
Bonds payable	-	-	-	-	-	-	-	-
Lease payable	-	-	-	-	-	-	-	-
SBITA payable	-	-	-	-	-	-	-	-
CIP other postemployment benefit liability	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-
Total current liabilities	13,535,321	65,617	264,546	451,806	25,000	111,788	-	8,725,162
NONCURRENT LIABILITIES								
Special termination health insurance benefits payable	-	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-
CIP other postemployment benefit liability	-	-	-	-	-	-	-	-
Arbitrage payable	-	-	-	-	-	-	-	-
Lease payable	-	-	-	-	-	-	-	-
SBITA payable	-	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
Total liabilities	13,535,321	65,617	264,546	451,806	25,000	111,788	-	8,725,162
DEFERRED INFLOWS OF RESOURCES								
Deferred revenue - property taxes	23,384,186	-	4,349,674	-	55,012	768,688	2,084,401	-
CIP other postemployment benefit items	-	-	-	-	-	-	-	-
Total deferred inflows of resources	23,384,186	-	4,349,674	-	55,012	768,688	2,084,401	-
Total liabilities and deferred inflows of resources	36,919,507	65,617	4,614,220	451,806	80,012	880,476	2,084,401	8,725,162
NET POSITION								
Net investment in capital assets	-	-	-	-	-	-	-	-
Restricted for								
Audit	-	-	-	-	52,247	-	-	-
Liability, protection and settlement	-	-	-	-	-	4,375,785	-	-
Grant purposes	-	-	-	133,974	-	-	-	-
Debt service	-	-	-	-	-	-	2,195,903	-
Working cash	-	-	-	-	-	-	-	-
Pension contributions	-	-	-	-	-	-	-	-
Unrestricted (deficit)	29,195,244	22,965,814	9,321,571	-	-	-	-	73,959,787
TOTAL NET POSITION (DEFICIT)	\$ 29,195,244	\$ 22,965,814	\$ 9,321,571	\$ 133,974	\$ 52,247	\$ 4,375,785	\$ 2,195,903	\$ 73,959,787

(This schedule is continued on the following pages.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF NET POSITION ACCOUNTS - BY GOVERNMENTAL GROUP (Continued)

June 30, 2025

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Long- Term Obligations	Capital Assets	Eliminations	Total
CURRENT ASSETS							
Cash	\$ 376,614	\$ 93,585	\$ 55	\$ -	\$ -	\$ -	\$ 593,443
Investments	6,296,085	47,648,030	4,939,430	-	-	-	211,542,106
Receivables							
Taxes	-	-	-	-	-	-	30,235,663
Accrued interest	42,727	254,900	31,223	-	-	-	1,129,519
Accounts	45,147	-	-	-	-	-	2,717,529
Other	-	-	-	-	-	-	321,214
Tuition and fees	-	-	-	-	-	-	5,649,513
Rent	-	-	-	-	-	-	2,360,500
Prepaid expenses	-	-	-	-	-	-	1,199,835
Total current assets	6,760,573	47,996,515	4,970,708	-	-	-	255,749,322
NONCURRENT ASSETS							
Capital assets and intangible capital assets	-	-	-	-	243,545,300	-	243,545,300
Less accumulated depreciation and accumulated amortization	-	-	-	-	(94,621,203)	-	(94,621,203)
Net capital assets	-	-	-	-	148,924,097	-	148,924,097
Total noncurrent assets	-	-	-	-	148,924,097	-	148,924,097
Total assets	6,760,573	47,996,515	4,970,708	-	148,924,097	-	404,673,419
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunding	-	-	-	419,421	-	-	419,421
CIP other postemployment benefit items	-	1,748,296	-	-	-	-	1,748,296
SURS pension contributions	-	-	-	192,730	-	-	192,730
Total deferred outflows of resources	-	1,748,296	-	612,151	-	-	2,360,447
Total assets and deferred outflows of resources	6,760,573	49,744,811	4,970,708	612,151	148,924,097	-	407,033,866

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Long- Term Obligations	Capital Assets	Eliminations	Total
CURRENT LIABILITIES							
Accounts payable	\$ -	\$ 773	\$ -	\$ -	\$ -	\$ -	\$ 9,869,740
Accrued salaries and payroll deductions payable	-	-	-	-	-	-	1,638,133
Health claims payable	1,790,406	-	-	-	-	-	1,790,406
Unearned tuition	-	-	-	-	-	-	9,004,472
Unearned revenue	-	-	-	-	-	-	2,322,801
Accrued compensated absences	-	-	-	-	-	-	344,867
Bonds payable	-	-	-	4,865,000	-	-	4,865,000
Lease payable	-	-	-	193,196	-	-	193,196
SBITA payable	-	-	-	671,880	-	-	671,880
CIP other postemployment benefit liability	-	280,712	-	-	-	-	280,712
Interest payable	-	-	-	122,742	-	-	122,742
Total current liabilities	1,790,406	281,485	-	5,852,818	-	-	31,103,949
NONCURRENT LIABILITIES							
Special termination health insurance benefits payable	-	292,140	-	-	-	-	292,140
Accrued compensated absences	-	-	-	5,628,788	-	-	5,628,788
CIP other postemployment benefit liability	-	11,385,358	-	-	-	-	11,385,358
Arbitrage payable	-	-	-	621,670	-	-	621,670
Lease payable	-	-	-	16,134	-	-	16,134
SBITA payable	-	-	-	1,002,742	-	-	1,002,742
Bonds payable	-	-	-	46,917,353	-	-	46,917,353
Total noncurrent liabilities	-	11,677,498	-	54,186,687	-	-	65,864,185
Total liabilities	1,790,406	11,958,983	-	60,039,505	-	-	96,968,134
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue - property taxes	-	-	-	-	-	-	30,641,961
CIP other postemployment benefit items	-	12,864,723	-	-	-	-	12,864,723
Total deferred inflows of resources	-	12,864,723	-	-	-	-	43,506,684
Total liabilities and deferred inflows of resources	1,790,406	24,823,706	-	60,039,505	-	-	140,474,818
NET POSITION							
Net investment in capital assets	-	-	-	(53,283,105)	148,924,097	-	95,640,992
Restricted for							
Audit	-	-	-	-	-	-	52,247
Liability, protection and settlement	-	-	-	-	-	-	4,375,785
Grant purposes	-	-	-	-	-	-	133,974
Debt service	-	-	-	-	-	-	2,195,903
Working cash	-	-	4,970,708	-	-	-	4,970,708
Pension contributions	-	-	-	192,730	-	-	192,730
Unrestricted (deficit)	4,970,167	24,921,105	-	(6,336,979)	-	-	158,996,709
TOTAL NET POSITION (DEFICIT)	\$ 4,970,167	\$ 24,921,105	\$ 4,970,708	\$ (59,427,354)	\$ 148,924,097	\$ -	\$ 266,559,048

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY GOVERNMENTAL GROUP**

For the Year Ended June 30, 2025

	Education Account	Budget Stabilization Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
OPERATING REVENUES								
Tuition and fees	\$ 20,671,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating revenue	973,799	-	174,396	-	-	-	-	-
Total operating revenues	21,645,673	-	174,396	-	-	-	-	-
OPERATING EXPENSES								
Instruction	24,204,469	-	-	2,508,783	-	-	-	877,145
Academic support	4,667,390	-	-	-	-	-	-	-
Student services	11,644,796	15,733	-	1,473,494	-	-	-	-
Public services	1,091,244	526	-	880,668	-	-	-	-
Auxiliary services	4,326	-	-	-	-	-	-	-
Operation and maintenance of plant	4,756	-	8,853,477	-	-	-	-	199,527
Institutional support	22,427,107	732,151	-	2,250	101,230	2,976,909	-	46,274,894
Scholarships, grants and waivers	880,549	689,484	-	12,334,304	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Total operating expenses	64,924,637	1,437,894	8,853,477	17,199,499	101,230	2,976,909	-	47,351,566
OPERATING INCOME (LOSS)	(43,278,964)	(1,437,894)	(8,679,081)	(17,199,499)	(101,230)	(2,976,909)	-	(47,351,566)
NON-OPERATING REVENUES (EXPENSES)								
Property taxes	45,502,493	-	8,453,199	-	107,199	1,905,067	3,851,270	-
Personal property replacement tax	1,358,909	-	-	-	-	-	-	-
Local grants and contracts	-	-	-	224,185	-	-	-	-
State grants and contracts	8,286,292	-	-	1,916,575	-	-	-	-
Federal grants and contracts	206,737	-	-	14,657,371	-	-	-	-
Investment income	1,695,210	1,105,288	419,978	-	950	151,560	71,699	5,646,558
Interest expense	(10,429)	-	-	-	-	-	(1,557,500)	-

	Education Account	Budget Stabilization Account	Operations and Maintenance Account	Restricted Purposes Account	Audit Account	Liability, Protection and Settlement Account	Bond and Interest Account	Operations and Maintenance Restricted Account
NON-OPERATING REVENUES (EXPENSES) (Continued)								
Principal retirement	\$ (1,019,080)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,010,000)	\$ -
Bond proceeds	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-
SBITA issuance	1,011,443	-	-	-	-	-	-	-
Other non-operating revenue	-	-	-	-	-	-	-	1,240
Gain on disposal of capital assets	41,668	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	57,073,243	1,105,288	8,873,177	16,798,131	108,149	2,056,627	(2,644,531)	5,647,798
NET INCOME (LOSS) BEFORE TRANSFERS	13,794,279	(332,606)	194,096	(401,368)	6,919	(920,282)	(2,644,531)	(41,703,768)
TRANSFERS								
Transfers in	-	-	900,000	240,645	-	1,675,000	2,225,700	3,022,000
Transfers (out)	(8,063,345)	-	-	-	-	-	-	-
Total transfers	(8,063,345)	-	900,000	240,645	-	1,675,000	2,225,700	3,022,000
CHANGE IN NET POSITION	5,730,934	(332,606)	1,094,096	(160,723)	6,919	754,718	(418,831)	(38,681,768)
NET POSITION (DEFICIT), JULY 1, AS REPORTED	23,464,310	23,298,420	8,227,475	294,697	45,328	3,621,067	2,614,734	112,641,555
Change in accounting principle	-	-	-	-	-	-	-	-
NET POSITION (DEFICIT), JULY 1, AS RESTATED	23,464,310	23,298,420	8,227,475	294,697	45,328	3,621,067	2,614,734	112,641,555
NET POSITION (DEFICIT), JUNE 30	\$ 29,195,244	\$ 22,965,814	\$ 9,321,571	\$ 133,974	\$ 52,247	\$ 4,375,785	\$ 2,195,903	\$ 73,959,787

(This schedule is continued on the following pages.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY GOVERNMENTAL GROUP (Continued)

For the Year Ended June 30, 2025

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Long- Term Obligations	Capital Assets	Eliminations	Total
OPERATING REVENUES							
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,498,959)	\$ 17,172,915
Other operating revenue	-	-	-	-	-	-	1,148,195
Total operating revenues	-	-	-	-	-	(3,498,959)	18,321,110
OPERATING EXPENSES							
Instruction	16,232	3,242,378	-	363,827	(1,626,861)	(466,984)	29,118,989
Academic support	1,738	347,157	-	39,438	-	-	5,055,723
Student services	7,259	1,450,048	-	158,427	-	-	14,749,757
Public services	809	161,515	-	14,756	-	-	2,149,518
Auxiliary services	614	122,621	-	11,445	-	-	139,006
Operation and maintenance of plant	3,740	747,156	-	85,258	(399,950)	-	9,493,964
Institutional support	8,930	1,939,615	721	164,645	(47,123,541)	-	27,504,911
Scholarships, grants and waivers	-	-	-	-	-	(3,498,959)	10,405,378
Amortization	-	-	-	-	1,059,795	-	1,059,795
Depreciation	-	-	-	-	4,767,791	-	4,767,791
Total operating expenses	39,322	8,010,490	721	837,796	(43,322,766)	(3,965,943)	104,444,832
OPERATING INCOME (LOSS)	(39,322)	(8,010,490)	(721)	(837,796)	43,322,766	466,984	(86,123,722)
NON-OPERATING REVENUES (EXPENSES)							
Property taxes	-	-	-	-	-	-	59,819,228
Personal property replacement tax	-	-	-	-	-	-	1,358,909
Local grants and contracts	-	-	-	-	-	-	224,185
State grants and contracts	-	12,641,476	-	-	-	-	22,844,343
Federal grants and contracts	-	-	-	-	-	(466,984)	14,397,124
Investment income	-	2,929,415	280,602	-	-	-	12,301,260
Interest expense	-	-	-	(597,033)	-	-	(2,164,962)

	Medical Insurance Account	Retiree Medical Insurance and Retirement Account	Working Cash Account	Long- Term Obligations	Capital Assets	Eliminations	Total
NON-OPERATING REVENUES (EXPENSES)							
(Continued)							
Principal retirement	\$ -	\$ -	\$ -	\$ 6,029,080	\$ -	\$ -	\$ -
Bond proceeds	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
SBITA issuance	-	-	-	(1,011,443)	-	-	-
Other non-operating revenue	-	-	-	-	-	-	1,240
Gain on disposal of capital assets	-	-	-	-	-	-	41,668
Total non-operating revenues (expenses)	-	15,570,891	280,602	4,420,604	-	(466,984)	108,822,995
NET INCOME (LOSS) BEFORE TRANSFERS	(39,322)	7,560,401	279,881	3,582,808	43,322,766	-	22,699,273
TRANSFERS							
Transfers in	-	-	-	-	-	(8,063,345)	-
Transfers (out)	-	-	-	-	-	8,063,345	-
Total transfers	-	-	-	-	-	-	-
CHANGE IN NET POSITION	(39,322)	7,560,401	279,881	3,582,808	43,322,766	-	22,699,273
NET POSITION (DEFICIT), JULY 1, AS REPORTED	5,009,489	17,360,704	4,690,827	(61,715,787)	105,601,331	-	245,154,150
Change in accounting principle	-	-	-	(1,294,375)	-	-	(1,294,375)
NET POSITION (DEFICIT), JULY 1, AS RESTATED	5,009,489	17,360,704	4,690,827	(63,010,162)	105,601,331	-	243,859,775
NET POSITION (DEFICIT), JUNE 30	\$ 4,970,167	\$ 24,921,105	\$ 4,970,708	\$ (59,427,354)	\$ 148,924,097	\$ -	\$ 266,559,048

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF NET POSITION ACCOUNTS -
BY AUXILIARY ENTERPRISE GROUP**

June 30, 2025

	Bookstore Account	Auto Parts Account	Student Life and Athletics Account	Total
CURRENT ASSETS				
Cash	\$ 515,763	\$ 98,791	\$ 586,142	\$ 1,200,696
Investments	3,894,235	-	-	3,894,235
Receivables				
Accrued interest	27,525	-	-	27,525
Accounts	-	21,182	-	21,182
Other	16,305	-	-	16,305
Tuition and fees	20,169	-	-	20,169
Prepaid expenses	43,770	-	-	43,770
Inventories	401,931	29,883	-	431,814
Total current assets	4,919,698	149,856	586,142	5,655,696
NONCURRENT ASSETS				
Capital assets	47,263	-	-	47,263
Less accumulated depreciation	(42,297)	-	-	(42,297)
Net capital assets	4,966	-	-	4,966
Total noncurrent assets	4,966	-	-	4,966
Total assets	4,924,664	149,856	586,142	5,660,662
CURRENT LIABILITIES				
Accounts payable	306,527	192	3,676	310,395
Accrued salaries and payroll deductions payable	17,855	-	1,260	19,115
Accrued compensated absences	86,810	-	-	86,810
Unearned revenue	624,849	-	-	624,849
Other current liabilities	7,702	-	-	7,702
Total current liabilities	1,043,743	192	4,936	1,048,871
Total liabilities	1,043,743	192	4,936	1,048,871
NET POSITION				
Net investment in capital assets	4,966	-	-	4,966
Unrestricted	3,875,955	149,664	581,206	4,606,825
TOTAL NET POSITION	\$ 3,880,921	\$ 149,664	\$ 581,206	\$ 4,611,791

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BY AUXILIARY ENTERPRISE GROUP**

For the Year Ended June 30, 2025

	Bookstore Account	Auto Parts Account	Student Life and Athletics Account	Total
OPERATING REVENUES				
Auxiliary enterprises revenue	\$ 3,887,470	\$ 78,864	\$ 521,918	\$ 4,488,252
Total operating revenues	3,887,470	78,864	521,918	4,488,252
OPERATING EXPENSES				
Auxiliary services	4,334,446	64,244	372,183	4,770,873
Depreciation	1,418	-	-	1,418
Total operating expenses	4,335,864	64,244	372,183	4,772,291
OPERATING INCOME (LOSS)	(448,394)	14,620	149,735	(284,039)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	198,080	-	-	198,080
Non-operating expenses	(424,056)	-	-	(424,056)
Total non-operating revenues (expenses)	(225,976)	-	-	(225,976)
CHANGE IN NET POSITION	(674,370)	14,620	149,735	(510,015)
NET POSITION, JULY 1	4,555,291	135,044	431,471	5,121,806
NET POSITION, JUNE 30	\$ 3,880,921	\$ 149,664	\$ 581,206	\$ 4,611,791

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENSES
DRIVER SAFETY PROGRAM**

For the Year Ended June 30, 2025

REVENUES

Program revenue	<u>\$ 542,859</u>
Total revenues	<u>542,859</u>

EXPENSES

Salaries	231,270
Employee benefits	82,013
Materials and supplies	71,467
Conference and staff development	4,410
Facility rental	8,434
Administrative support services	<u>202,773</u>
Total expenses	<u>600,367</u>

**EXCESS OF REVENUES
OVER (UNDER) EXPENSES**

\$ (57,508)

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Waubensee Community College District 516's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the College's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	70-73
Revenue Capacity These schedules contain information to help the reader assess the College's most significant local revenue source, the property tax.	74-77
Debt Capacity These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	78-82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	83-84
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	85-87

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

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018*	2019
NET POSITION				
Net investment in capital assets	\$ 73,358,760	\$ 73,656,099	\$ 73,282,369	\$ 72,833,131
Restricted	6,640,248	7,084,033	8,139,457	9,293,796
Unrestricted	74,259,236	87,688,193	68,268,807	82,917,721
TOTAL NET POSITION	\$ 154,258,244	\$ 168,428,325	\$ 149,690,633	\$ 165,044,648

*The College implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018.

**The College implemented GASB Statement No. 101 for the fiscal year ended June 30, 2024.

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024**	2025
<hr/>					
\$ 78,903,515	\$ 80,882,958	\$ 78,729,248	\$ 77,793,056	\$ 76,688,242	\$ 95,645,958
9,986,615	14,741,441	9,891,051	10,469,620	11,503,261	11,921,347
95,649,181	109,940,401	123,792,910	141,896,229	160,790,078	163,603,534
<hr/>					
\$ 184,539,311	\$ 205,564,800	\$ 212,413,209	\$ 230,158,905	\$ 248,981,581	\$ 271,170,839
<hr/>					

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

CHANGES IN NET POSITION

For the Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
OPERATING REVENUES				
Tuition and fees	\$ 16,775,162	\$ 18,430,223	\$ 18,158,240	\$ 17,512,204
Auxiliary enterprises revenue	3,807,735	3,927,071	3,639,636	3,290,671
Other operating revenue	2,303,015	1,956,830	2,276,098	1,903,684
Total operating revenues	22,885,912	24,314,124	24,073,974	22,706,559
OPERATING EXPENSES				
Instruction	30,509,632	32,337,005	34,582,294	35,321,005
Academic support	3,698,169	4,982,036	5,483,930	4,992,499
Student services, scholarships, grants and waivers	15,406,299	16,818,130	18,103,893	19,027,298
Public services	3,679,864	3,970,697	4,756,946	3,436,633
Auxiliary services	5,421,335	5,284,486	5,300,236	4,960,152
Operation and maintenance of plant	8,231,829	9,677,961	9,998,635	10,258,834
Institutional support	17,932,356	18,604,942	22,353,685	23,630,722
Amortization	-	-	-	-
Depreciation	4,862,601	5,073,146	5,021,218	5,198,526
Total operating expenses	89,742,085	96,748,403	105,600,837	106,825,669
OPERATING INCOME (LOSS)	(66,856,173)	(72,434,279)	(81,526,863)	(84,119,110)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	47,268,226	48,424,979	49,910,982	51,737,359
Personal property replacement tax	789,403	1,119,936	840,763	909,552
Local grants and contracts	98,540	351,301	213,607	163,326
State grants and contracts	18,195,652	28,369,587	31,212,793	33,301,767
Federal grants and contracts	11,062,847	10,034,531	10,367,760	10,657,188
Investment income	524,472	748,638	540,841	4,639,374
Interest expense and fiscal charges	(2,606,700)	(2,459,808)	(2,278,543)	(2,069,448)
Other non-operating revenue (expense)	4,344	15,000	200,000	129,050
Gain (loss) on disposal of capital assets	(677,898)	196	(26,346)	4,957
Total non-operating revenues (expenses)	74,658,886	86,604,360	90,981,857	99,473,125
CHANGE IN NET POSITION	\$ 7,802,713	\$ 14,170,081	\$ 9,454,994	\$ 15,354,015

Data Source

Audited Financial Statements

	2020	2021	2022	2023	2024	2025
\$	17,322,063	\$ 16,361,456	\$ 16,009,119	\$ 16,392,640	\$ 16,999,030	\$ 17,172,915
	2,996,837	2,352,651	2,859,255	3,271,254	3,336,512	4,021,268
	1,430,661	897,944	810,219	988,138	1,297,972	1,148,195
	21,749,561	19,612,051	19,678,593	20,652,032	21,633,514	22,342,378
	35,988,815	34,022,261	28,844,428	25,724,531	26,591,764	29,118,989
	5,464,512	5,645,634	6,279,424	4,462,009	4,911,922	5,055,723
	19,679,628	23,320,074	29,653,834	21,714,769	24,205,529	24,688,151
	3,109,381	1,916,783	1,521,453	1,438,587	1,539,714	2,149,518
	4,528,041	3,845,600	4,126,539	4,306,210	4,454,372	4,909,879
	9,315,782	9,975,787	9,439,349	8,855,718	10,203,211	9,493,964
	24,373,008	23,185,657	24,573,522	21,365,923	24,726,971	27,504,911
	-	-	1,011,336	918,859	1,165,650	1,059,795
	5,086,990	5,400,494	5,141,505	5,306,183	4,889,249	4,769,209
	107,546,157	107,312,290	110,591,390	94,092,789	102,688,382	108,750,139
	(85,796,596)	(87,700,239)	(90,912,797)	(73,440,757)	(81,054,868)	(86,407,761)
	53,563,496	50,249,331	49,174,066	53,692,342	57,103,659	59,819,228
	995,625	1,262,849	2,752,682	3,111,339	2,049,360	1,358,909
	106,052	38,311	118,194	259,622	171,171	224,185
	35,862,238	36,366,385	27,357,739	18,924,465	19,351,092	22,844,343
	10,746,840	21,530,807	22,496,222	11,469,183	13,690,837	14,397,124
	5,371,588	639,263	(3,961,260)	4,101,241	10,556,224	12,499,340
	(1,852,621)	(1,336,666)	(323,779)	(367,025)	(1,763,979)	(2,164,962)
	46,088	251	2,519	2,020	637	(422,816)
	831	(24,803)	(21,962)	(6,734)	12,918	41,668
	104,840,137	108,725,728	97,594,421	91,186,453	101,171,919	108,597,019
\$	19,043,541	\$ 21,025,489	\$ 6,681,624	\$ 17,745,696	\$ 20,117,051	\$ 22,189,258

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Mineral Rights	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2015	\$ 258,324,853	\$ 6,245,265,302	\$ 1,085,119,000	\$ 555,101,893	\$ -	\$ 22,980,280	\$ 8,166,791,328	0.5477	\$ 24,500,373,984	33.333%
2016	269,688,712	6,755,168,133	1,127,143,007	583,325,546	-	25,172,438	8,760,497,836	0.5405	26,281,493,508	33.333%
2017	282,780,108	7,175,849,106	1,154,558,701	576,991,798	-	27,060,484	9,217,240,197	0.5527	27,651,720,591	33.333%
2018	298,605,458	7,583,937,102	1,211,417,505	609,686,927	-	29,687,519	9,733,334,511	0.5419	29,200,003,533	33.333%
2019	310,112,284	8,001,463,407	1,238,350,295	632,167,788	-	33,688,477	10,215,782,251	0.5377	30,647,346,753	33.333%
2020	320,516,496	8,360,171,277	1,266,845,323	670,639,721	-	39,125,308	10,657,298,125	0.4287	31,971,894,375	33.333%
2021	335,709,954	8,731,385,787	1,316,684,507	691,232,473	-	45,321,017	11,120,333,738	0.4710	33,361,001,214	33.333%
2022	353,856,517	9,366,836,003	1,384,035,685	740,961,649	526,275	50,559,128	11,896,775,257	0.4639	35,690,325,771	33.333%
2023	375,823,722	10,194,263,102	1,527,650,094	830,347,587	502,221	53,435,977	12,982,022,703	0.4515	38,946,068,109	33.333%
2024	413,987,284	11,560,726,421	1,664,752,881	929,220,321	1,294,321	50,538,642	14,620,519,870	0.4177	43,861,559,610	33.333%

Note: Property in the College is reassessed every four years. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
COLLEGE DIRECT RATES										
Education	0.3793	0.3729	0.3787	0.3695	0.3683	0.3491	0.3534	0.3494	0.3421	0.3186
Operations and maintenance	0.0705	0.0693	0.0707	0.0690	0.0687	0.0669	0.0658	0.0653	0.0637	0.0594
Operations and maintenance, restricted	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Liability, protection and settlement	0.0125	0.0123	0.0125	0.0122	0.0121	0.0118	0.0116	0.0115	0.0113	0.0105
Audit	0.0009	0.0009	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0007
Public Building Commission rental	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0369	0.0000	0.0000
Bond and interest	0.0845	0.0851	0.0899	0.0903	0.0877	0.0000	0.0394	0.0000	0.0336	0.0285
Total direct rate	0.5477	0.5405	0.5527	0.5419	0.5377	0.4287	0.4710	0.4639	0.4515	0.4177
OVERLAPPING RATES										
School district	6.5898	6.1478	5.9882	5.8301	5.6274	5.4393	5.2857	5.1444	5.0026	4.5892
County	0.7423	0.6454	0.5683	0.5484	0.5288	0.5095	0.3319	0.3319	0.4383	0.4346
Township	0.2478	0.2261	0.2163	0.2210	0.2107	0.2002	0.1884	0.1709	0.1604	0.1456
City	3.5050	3.3624	3.3048	3.2150	3.2310	3.1618	3.2599	3.2599	3.0312	2.8049
Park district	0.5999	0.5590	0.5322	0.4903	0.4916	0.4557	0.4337	0.4199	0.4058	0.3779
TOTAL RATES	12.2325	11.4812	11.1625	10.8467	10.6272	10.1952	9.9706	9.7909	9.4898	8.7699

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2025				2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total College Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total College Taxable Assessed Valuation
Simon/Chelsea Chicago Development LLC	\$ 75,303,382	1	0.52%	Simon/Chelsea Chicago Development LLC	\$ 50,438,727	1	0.62%
Prologis LP	37,616,129	2	0.26%	Liberty Property LP	37,777,668	2	0.46%
LPF Geneva Commons LLC	31,368,092	3	0.21%	LPF Geneva Commons, LLC	34,415,407	3	0.42%
BA Leasing BSC LLC	27,197,630	4	0.19%	Toyota Motor Sales, USA, Inc.	29,795,276	4	0.36%
USICVI Orchard Gateway Inc.	26,978,102	5	0.18%	Menards, Inc.	19,424,253	5	0.24%
Menards, Inc.	25,393,375	6	0.17%	Walmart Stores Inc.	14,086,593	6	0.17%
Chicago Premium Outlets Expansion LLC	20,942,069	7	0.14%	Aldi, Inc.	12,588,982	7	0.15%
325 South Route 31 LLC	20,072,203	8	0.14%	Caterpillar Tractor Co.	11,593,604	8	0.14%
Montgomery Properties LLC	19,966,248	9	0.14%	United Facilities Inc.	10,619,028	9	0.13%
NR Kirkland Crossing LLC	14,502,752	10	0.10%	Kimco Realty Corp.	8,570,784	10	0.10%
	<u>\$ 299,339,982</u>		<u>2.05%</u>		<u>\$ 229,310,322</u>		<u>2.79%</u>

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

Data Source

PMA

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$	48,007,526	\$ 23,419,254	48.78%	\$ 24,409,775	\$ 47,829,029	99.63%
2016		49,157,648	23,923,841	48.67%	25,048,661	48,972,502	99.62%
2017		50,921,506	25,431,638	49.94%	25,403,955	50,835,593	99.83%
2018		52,700,681	23,404,590	44.41%	29,257,140	52,661,730	99.93%
2019		54,407,874	22,795,000	41.90%	31,700,222	54,495,222	100.16%
2020		46,073,747	23,237,167	50.43%	22,790,026	46,027,193	99.90%
2021		52,364,866	26,680,539	50.95%	25,487,946	52,168,485	99.62%
2022		55,197,715	27,124,325	49.14%	27,636,386	54,760,711	99.21%
2023		58,812,826	29,273,122	49.77%	29,357,712	58,630,834	99.69%
2024		61,283,918	31,048,254	50.66%	-	31,048,254	50.66%

Note: Property in the College is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Alternate Revenue Bonds	Lease Payable	SBITA Payable	Total Primary Government	Assessed Valuation of District	As a Percentage of Taxable Property	District Population Estimate	Debt Per Capita	As a Percentage of Personal Income
2016	\$ 73,203,145	\$ -	\$ -	\$ -	\$ 73,203,145	\$ 8,166,791,328	0.90%	\$ 449,304	\$ 162.93	0.32%
2017	68,088,447	-	-	-	68,088,447	8,760,497,836	0.78%	463,938	146.76	0.28%
2018	62,504,836	-	-	-	62,504,836	9,217,240,197	0.68%	453,044	137.97	0.25%
2019	56,232,312	-	-	-	56,232,312	9,733,334,511	0.58%	454,246	123.79	0.21%
2020	49,249,787	-	-	-	49,249,787	10,215,782,251	0.48%	453,240	108.66	0.18%
2021	42,290,504	-	-	2,396,047	44,686,551	10,657,298,125	0.40%	454,127	93.12	0.15%
2022	34,913,020	-	784,486.00	1,932,706	37,630,212	11,120,333,738	0.31%	462,770	75.44	0.12%
2023	30,868,240	-	593,503	1,868,007	33,329,750	11,896,775,257	0.31%	428,180	72.09	0.10%
2024	26,773,460	30,183,044	401,785	1,489,803	58,848,092	12,982,022,703	0.21%	428,684	62.46	0.08%
2025	22,638,680	29,143,673	209,330	1,674,622	53,666,305	14,620,519,870	0.37%	431,200	124.46	0.15%

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

See the schedule of Demographic and Economic Information on page 83 for personal income and population data.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	\$ 73,203,145	\$ 2,196,109	\$ 71,007,036	0.90%	\$ 158.04
2017	68,088,447	2,457,878	65,630,569	0.80%	141.46
2018	62,504,836	2,860,886	59,643,950	0.68%	131.65
2019	56,232,312	3,314,446	52,917,866	0.57%	116.50
2020	49,249,787	3,579,376	45,670,411	0.47%	100.76
2021	42,290,504	7,594,293	34,696,211	0.34%	76.40
2022	34,913,020	2,353,516	32,559,504	0.31%	70.36
2023	30,868,240	2,486,691	32,559,504	0.29%	70.36
2024	26,773,460	2,614,734	28,381,549	0.24%	66.28
2025	22,638,680	2,195,903	20,442,777	0.14%	47.41

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

See the schedule of Assessed Value and Actual Value of Taxable Property on page 74 for property value data.

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2025

Governmental Unit	Gross Debt	Percentage Debt Applicable to the College (1)	College's Share of Debt
Community College District No. 516	\$ 53,666,305	100.00%	\$ 53,666,305
Schools			
Unit School District Number 1 (Leland)	1,980,000	99.91%	1,978,218
Unit School District Number 2 (Serena)	12,765,000	0.20%	25,530
Unit School District Number 66 (Newark)	2,732,100	0.58%	15,846
Unit School District Number 88 (Plano)	33,970,000	100.00%	33,970,000
Unit School District Number 101 (Batavia)	3,975,000	100.00%	3,975,000
Unit School District Number 115 (Yorkville)	35,435,000	98.06%	34,747,561
Unit School District Number 129 (West Aurora)	70,029,000	100.00%	70,029,000
Unit School District Number 131 (East Aurora)	67,230,000	100.00%	67,230,000
Unit School District Number 204 (Indian Prairie)	51,860,000	0.10%	51,860
Unit School District Number 302 (Kaneland)	34,572,239	100.00%	34,572,239
Unit School District Number 304 (Geneva)	75,295,000	100.00%	75,295,000
Unit School District Number 308 (Oswego)	185,578,061	100.00%	185,578,061
Unit School District Number 429 (Hinckley-Big Rock)	4,015,000	96.88%	3,889,732
Unit School District Number 430 (Sandwich)	6,134,000	100.00%	6,134,000
Unit School District Number 432 (Somonauk)	6,647,000	100.00%	6,647,000
Kane County Forest Preserve	66,925,000	41.46%	27,747,105
Kendall County Forest Preserve	12,930,000	84.70%	10,951,710
Will County Forest Preserve	101,660,000	1.84%	1,870,544
Campton Township	4,580,000	9.91%	453,878
Counties			
DeKalb County	5,320,000	14.30%	760,760
La Salle County	10,930,000	9.46%	1,033,978
Cities and Villages			
City of Aurora	240,680,000	58.60%	141,038,480
City of Batavia	32,680,000	100.00%	32,680,000
City of St. Charles	88,465,000	0.12%	106,158
Village of Oswego	47,080,000	100.00%	47,080,000
Village of Plainfield	2,280,000	12.28%	279,984

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Continued)

June 30, 2025

Governmental Unit	Gross Debt	Percentage Debt Applicable to the College (1)	College's Share of Debt
Library Districts			
Geneva Public Library District	\$ 15,865,000	100.00%	\$ 15,865,000
Oswego Library District	1,590,000	100.00%	1,590,000
Sandwich Library District	1,495,000	100.00%	1,495,000
Park Districts			
Fox Valley Park District	12,175,000	67.73%	8,246,128
Oswegoland Park District	9,575,000	99.41%	9,518,508
Plainfield Township Park District	6,472,525	1.32%	85,437
St. Charles Park District	9,475,355	0.08%	7,580
Total Overlapping Debt	<u>1,262,395,280</u>		<u>824,949,297</u>
Total Primary and Overlapping Debt	<u><u>\$ 1,316,061,585</u></u>		<u><u>\$ 878,615,602</u></u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the College to valuation of property subject to taxation in overlapping units.

Data Source

PMA

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legal debt limit	\$ 234,795,251	\$ 251,864,313	\$ 264,995,656	\$ 279,833,367	\$ 293,703,740	\$ 306,397,321	\$ 319,709,595	\$ 342,032,289	\$ 373,233,153	\$ 420,339,946
Total net debt applicable to limit	67,145,000	62,810,000	58,005,000	56,232,312	49,249,787	42,290,504	34,913,020	30,868,240	26,773,460	22,638,680
LEGAL DEBT MARGIN	\$ 167,650,251	\$ 189,054,313	\$ 206,990,656	\$ 223,601,055	\$ 244,453,953	\$ 264,106,817	\$ 284,796,575	\$ 311,164,049	\$ 311,164,049	\$ 397,701,266
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	28.60%	24.94%	21.89%	20.09%	16.77%	13.80%	10.92%	9.02%	7.17%	5.39%
Legal debt margin calculation for fiscal 2025										
Assessed value									\$ 14,620,519,870	
Legal debt margin									<u>2.875%</u>	
Debt limit									420,339,946	
Debt applicable to limit general obligation bonds									<u>22,638,680</u>	
LEGAL DEBT MARGIN									<u>\$ 397,701,266</u>	

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	District Population		Kane County Population	Kane County Total Personal Income	Kane County Per Capita Personal Income	District Unemployment Rates					State of Illinois Unemployment Rate
						Kane County	Kendall County	DeKalb County	LaSalle County	Will County	
2016	449,304	B/C/L	527,306	\$ 22,604,490,000	\$ 42,868	6.87%	5.91%	6.49%	8.45%	6.89%	6.75%
2017	463,938	B/C/L	530,847	23,971,167,000	45,156	5.77%	4.47%	5.70%	6.79%	5.20%	5.28%
2018	453,044	B/C/L	531,715	24,566,385,000	46,202	4.59%	4.32%	3.91%	5.50%	5.07%	4.57%
2019	454,246	B/C/L	534,667	26,185,561,000	48,975	5.23%	3.62%	4.65%	6.28%	4.12%	4.60%
2020	453,240	B/C/L	471,280	27,422,788,000	51,333	7.33%	6.93%	6.55%	8.33%	7.60%	7.13%
2021	454,127	B/C/L	516,522	27,771,665,000	36,370	6.10%	5.50%	5.90%	6.30%	6.60%	7.00%
2022	462,770	B/C/L	478,503	29,723,588,000	55,976	5.60%	3.40%	5.10%	5.90%	4.30%	4.80%
2023	428,180	B/C/L	454,871	32,397,823,000	62,837	5.40%	3.80%	4.60%	6.00%	4.20%	4.30%
2024	428,684	B/C/L	514,182	32,850,823,000	63,889	6.20%	4.40%	5.30%	6.80%	4.90%	4.90%
2025	431,200	B/C/L	514,982	34,978,769,000	67,922	4.50%	4.10%	4.30%	5.20%	5.10%	4.10%

Personal income figures are not available for the College.

Kane County is the largest county in the College with 62% of the assessed valuation of the College.

Sources of information:

B = Bureau of Economic Analysis, US Department of Commerce, "BearFacts" for Geography Kane County, IL (2023)

<http://www.bea.gov/regional/bearfacts> (for Kane County)

C = 2023 Nielsen demographics purchase, 2024 current population estimate, all in district residential zip codes (including all Aurora)

L = Bureau of Labor Statistics: January to April 2023, average unemployment % by county (and state), not seasonally adjusted

<http://www.bls.gov/lau/#tables>

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2025				2016			
Employer	Rank	Employees	% of District Population	Employer	Rank	Employees	% of District Population
Aldi, Inc.	1	3,483	0.81%	Fermi Research Alliance	1	3,000	0.67%
Oswego CUSD #308	2	2,238	0.52%	Presence Mercy Medical Center	2	2,559	0.57%
Rush Copley Medical Center	3	2,200	0.51%	Oswego Community School Dist #308	3	2,382	0.53%
Aurora West School District #129	4	1,650	0.38%	WalMart	4	2,377	0.53%
Lederman Science Education Center at Fermi Lab	5	1,532	0.36%	Caterpillar Inc.	5	2,300	0.51%
Aurora East School District #131	6	1,320	0.31%	Cryogenic Engineering Cnfrnc	6	2,000	0.45%
Diageo	7	1,319	0.31%	Rush-Copley Medical Center	7	2,000	0.45%
Amity Health Mercy Medical Center	8	1,300	0.30%	Delnor Community Hospital	8	1,650	0.37%
Indian Prairie School District #204	9	1,200	0.28%	Hollywood Casino	9	1,600	0.36%
City of Aurora	10	1,200	0.28%	East Aurora High School #131	10	1,548	0.34%

Data Sources

Data Sources: Lightcast Industry Module Business by Location and Region Module Economic Overview report for Waubonsee district counties (7-11-2024).

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Faculty										
Full-time	118	116	115	111	109	105	96	100	91	88
Part-time	501	463	344	332	339	379	320	446	478	491
Full-time administrators	38	42	42	38	39	37	35	43	37	46
Classified staff										
Full-time	260	261	276	275	266	266	293	329	348	350
Part-time	215	224	234	200	221	221	254	291	273	292
Total employees	1,132	1,106	1,011	956	974	1,008	998	1,209	1,227	1,267
Total full-time staff	416	419	433	424	414	408	424	472	476	484

Data Source

College records

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Credit Hours Generated										
Baccalaureate	117,477.0	117,457.5	111,117.0	105,886.0	106,284.0	102,678.0	96,243.0	97,140.0	101,424.0	106,597.0
Business	12,055.0	11,699.0	11,269.0	11,320.0	10,423.0	8,882.0	8,617.0	8,622.0	8,596.0	8,770.0
Technical	11,150.0	10,217.5	9,800.0	9,248.0	8,787.0	7,302.5	7,773.0	9,547.0	11,081.0	11,984.0
Health	8,995.0	9,153.5	8,735.5	9,320.0	8,374.0	7,379.5	6,834.0	6,542.0	7,669.5	7,478.0
Remedial	11,509.0	10,401.0	10,327.0	9,785.0	8,561.0	6,177.0	5,897.0	5,570.0	5,859.0	6,625.0
ABE, ASE, GED	21,937.0	16,501.5	15,933.5	15,383.0	14,525.0	4,738.0	8,659.0	20,473.0	22,302.0	23,842.0
Total	183,123	175,430	167,182	160,942	156,954	137,157	134,023	147,894	156,932	165,296
Student headcount	28,670	27,164	26,237	25,176	24,349	19,828	18,927	20,099	20,781	22,194
Student FTE	12,712	12,304	11,670	11,324	11,001	9,635	9,207	9,574	9,961	10,488
Tuition Rate per Hour	\$ 110.00	\$ 118.00	\$ 126.00	\$ 128.00	\$ 130.00	\$ 132.00	\$ 132.00	\$ 132.00	\$ 135.00	\$ 138.00
Tuition and Fee Revenue	\$ 21,103,357	\$ 22,486,607	\$ 22,610,250	\$ 21,577,079	\$ 20,949,837	\$ 19,250,298	\$ 18,114,593	\$ 18,367,176	\$ 19,580,481	\$ 20,671,874
Degrees and Certificates awarded:										
A.A., A.S., A.E.S.	765	823	816	797	733	738	737	730	725	750
A.G.S.	37	46	56	70	72	52	52	55	67	54
A.A.S.	226	253	263	283	215	252	253	209	205	200
Certificates	730	702	789	742	606	558	560	570	550	755

Data Source

Various state reports and college records

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Facility Information	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Acres (all campuses)	216	216	216	216	216	216	216	216	216	216
Net utilizable square feet (all campuses)	895,046	905,308	906,155	906,155	906,155	906,155	906,155	906,155	906,155	906,155
Number of buildings (all campuses)	22	22	22	22	22	22	22	22	22	22
Number of classrooms	157	170	150	150	150	150	150	150	150	150
Number of laboratories	120	135	140	140	140	140	140	140	140	140
Number of libraries	4	4	4	4	4	4	4	4	4	4
Number of offices	532	552	547	547	547	547	547	547	547	547
Number of other	863	885	886	886	886	886	886	886	886	886
Square feet - classrooms	139,117	148,795	139,551	139,551	139,551	139,551	139,551	139,551	139,551	139,551
Square feet - labs	98,253	110,932	117,017	117,017	117,017	117,017	117,017	117,017	117,017	117,017
Square feet - libraries	28,572	30,883	31,634	31,634	31,634	31,634	31,634	31,634	31,634	31,634
Square feet - offices	116,155	116,631	115,483	115,483	115,483	115,483	115,483	115,483	115,483	115,483
Square feet - other	512,949	498,067	502,470	502,470	502,470	502,470	502,470	502,470	502,470	502,470
Total square feet	895,046	905,308	906,155	906,155	906,155	906,155	906,155	906,155	906,155	906,155

Data Source

College RAMP reports filed with ICCB

SUPPLEMENTAL FINANCIAL INFORMATION

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

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

**ALL FISCAL YEAR 2025 NONCAPITAL AUDITED OPERATING
EXPENDITURES FROM THE FOLLOWING FUNDS:**

1	Education Fund	\$ 65,814,426
2	Operation and Maintenance Fund	8,817,226
3	Public Building Commission Operation and Maintenance Fund	-
4	Bond and Interest Fund	1,144
5	Public Building Commission Rental Fund	-
6	Restricted Purposes Fund	16,752,094
7	Audit Fund	101,230
8	Liability, Protection and Settlement Fund	2,976,909
9	Auxiliary Enterprises Fund (subsidy only)	<u>-</u>
10	TOTAL NONCAPITAL EXPENDITURES (sum of lines 1-9)	<u><u>\$ 94,463,029</u></u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>4,687,824</u>
12	TOTAL COSTS INCLUDED (line 10 plus line 11)	<u><u>\$ 99,150,853</u></u>
13	TOTAL SEMESTER CREDIT HOURS FOR FY 2025	<u>165,296</u>
14	PER CAPITA COST (line 12 divided by line 13)	<u><u>\$ 599.84</u></u>

(See independent auditor's report.)

UNIFORM FINANCIAL STATEMENTS

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1
FISCAL YEAR ENDED JUNE 30, 2025

	Education Fund*	Operations and Maintenance Fund	Operations and Maintenance Restricted Fund	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund
FUND BALANCES, JULY 1, 2024	\$ 46,762,730	\$ 8,227,475	\$ 112,641,555	\$ 2,614,734	\$ 27,491,999	\$ 294,697	\$ 4,690,827
REVENUES							
Local tax revenue	45,502,493	8,453,199	-	3,851,270	-	-	-
All other local revenue	1,358,909	-	-	-	-	-	-
ICCB grants	8,286,292	-	-	-	-	1,901,575	-
All other state revenue	-	-	-	-	-	12,656,476	-
Federal revenue	206,737	-	-	-	-	14,657,371	-
Student tuition and fees	20,671,874	-	-	-	-	-	-
All other revenue	4,827,408	594,374	5,647,798	71,699	7,615,747	224,185	280,602
Total revenues	80,853,713	9,047,573	5,647,798	3,922,969	7,615,747	29,439,607	280,602
EXPENDITURES							
Instruction	24,204,469	-	-	-	(1,976,019)	7,727,180	-
Academic support	5,696,899	-	-	-	(211,569)	558,726	-
Student services	11,660,529	-	-	-	(883,709)	3,807,251	-
Public service/continuing education	1,091,770	-	-	-	(98,432)	1,140,615	-
Organized research	-	-	-	-	-	-	-
Auxiliary services	4,326	-	-	-	5,160,939	197,351	-
Operations and maintenance	4,756	8,853,477	199,527	-	(455,343)	1,202,499	-
Institutional support	23,159,258	-	46,274,894	6,567,500	(931,184)	2,873,049	721
Scholarships, student grants, waivers	1,570,033	-	-	-	-	12,334,304	-
Total expenditures	67,392,040	8,853,477	46,474,421	6,567,500	604,683	29,840,975	721
NET TRANSFERS	(8,063,345)	900,000	3,022,000	2,225,700	-	240,645	-
FUND BALANCES, JUNE 30, 2025	\$ 52,161,058	\$ 9,321,571	\$ 74,836,932	\$ 2,195,903	\$ 34,503,063	\$ 133,974	\$ 4,970,708

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

ALL FUNDS SUMMARY
UNIFORM FINANCIAL STATEMENT #1 (Continued)
FISCAL YEAR ENDED JUNE 30, 2025

	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	PBC** Rental Fund	PBC** Operations and Maintenance Fund	Total
FUND BALANCES, JULY 1, 2024	\$ 45,328	\$ 3,621,067	\$ -	\$ -	\$ -	\$ 206,390,412
REVENUES						
Local tax revenue	107,199	1,905,067	-	-	-	59,819,228
All other local revenue	-	-	-	-	-	1,358,909
ICCB grants	-	-	-	-	-	10,187,867
All other state revenue	-	-	-	-	-	12,656,476
Federal revenue	-	-	-	-	-	14,864,108
Student tuition and fees	-	-	-	-	-	20,671,874
All other revenue	950	151,560	-	-	-	19,414,323
Total revenues	108,149	2,056,627	-	-	-	138,972,785
EXPENDITURES						
Instruction	-	-	-	-	-	29,955,630
Academic support	-	-	-	-	-	6,044,056
Student services	-	-	-	-	-	14,584,071
Public service/continuing education	-	-	-	-	-	2,133,953
Organized research	-	-	-	-	-	-
Auxiliary services	-	-	-	-	-	5,362,616
Operations and maintenance	-	-	-	-	-	9,804,916
Institutional support	101,230	2,976,909	-	-	-	81,022,377
Scholarships, student grants, waivers	-	-	-	-	-	13,904,337
Total expenditures	101,230	2,976,909	-	-	-	162,811,956
NET TRANSFERS	-	1,675,000	-	-	-	-
FUND BALANCES, JUNE 30, 2025	\$ 52,247	\$ 4,375,785	\$ -	\$ -	\$ -	\$ 182,551,241

In accordance with the Illinois Community College Board Fiscal Management Manual, Uniform Financial Statement #1 includes the State of Illinois on-behalf revenue and expenditure for the College's in the State University Retirement System (SURS) and the College Health Insurance Program (CIP) within the Restricted Purposes Fund.

In accordance with the Illinois Community College Board Fiscal Management Manual, Uniform Financial Statement #1 includes the Retiree Medical Insurance and Retirement Fund investment income within the participation Auxiliary Enterprises Fund revenues. The College's OPEB expense related to their participation in the College Health Insurance Plan (CIP) is also recorded within the Auxiliary Enterprises Fund expenditures.

*Includes Budget Stabilization sub-fund

**Public Building Commission

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**SUMMARY OF CAPITAL ASSETS AND DEBT
UNIFORM FINANCIAL STATEMENT #2
FISCAL YEAR ENDED JUNE 30, 2025**

	Capital Asset/Debt Account Groups July 1, 2024			Additions	Deletions	Capital Asset/Debt Account Groups June 30, 2025		
CAPITAL ASSETS AND INTANGIBLE CAPITAL ASSETS								
Sites and improvements	\$	17,418,068	\$	1,158,029	\$	-	\$	18,576,097
Buildings, additions and improvements		150,270,371		524,525		-		150,794,896
Equipment		13,356,005		1,175,591		(274,845)		14,256,751
Other capital assets		8,683,715		46,979,261		(1,698,496)		53,964,480
Intangible assets		5,591,482		1,011,443		(602,586)		6,000,339
Total capital assets		195,319,641		50,848,849		(2,575,927)		243,592,563
Less accumulated depreciation and accumulated amortization		(89,711,927)		(5,829,004)		877,431		(94,663,500)
NET CAPITAL ASSETS	\$	105,607,714	\$	45,019,845	\$	(1,698,496)	\$	148,929,063
FIXED DEBT								
Bonds payable	\$	56,956,504	\$	-	\$	(5,174,151)	\$	51,782,353
Lease payable		401,785		-		(192,455)		209,330
SBITA payable		1,489,803		1,011,443		(826,624)		1,674,622
Other post employment benefit liability		12,528,331		-		(862,261)		11,666,070
TOTAL FIXED DEBT	\$	71,376,423	\$	1,011,443	\$	(7,055,491)	\$	65,332,375
		Outstanding July 1, 2024		Issued		Redeemed		Outstanding June 30, 2025
EDUCATION FUND								
Tax anticipation warrants	\$	-	\$	-	\$	-	\$	-
Tax anticipation notes		-		-		-		-
OPERATIONS AND MAINTENANCE FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-
BOND AND INTEREST FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-
AUDIT FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-
LIABILITY, PROTECTION AND SETTLEMENT FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-
PBC RENTAL FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-
PBC OPERATIONS AND MAINTENANCE FUND								
Tax anticipation warrants		-		-		-		-
Tax anticipation notes		-		-		-		-

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3
FISCAL YEAR ENDED JUNE 30, 2025**

	Education Fund*	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING REVENUES BY SOURCE				
Local Government				
Local Taxes	\$ 45,502,493	\$ 8,453,199	\$ -	\$ 53,955,692
Chargeback Revenue	-	-	-	-
CPPRT	1,358,909	-	-	1,358,909
Other	-	-	-	-
Total Local Government	46,861,402	8,453,199	-	55,314,601
State Government				
ICCB Base Operating Grant	6,250,030	-	-	6,250,030
ICCB Equalization Grant	1,601,980	-	-	1,601,980
ICCB Career & Technical Education	398,699	-	-	398,699
ICCB Adult Education	-	-	-	-
Other ICCB Grants not listed above	35,583	-	-	35,583
Dept. of Corrections	-	-	-	-
Dept. of Veteran Affairs	-	-	-	-
Illinois Student Assistance Commission	-	-	-	-
Other State not listed above	-	-	-	-
Total State Government	8,286,292	-	-	8,286,292
Federal Government				
Department of Education	143,652	-	-	143,652
Department of Labor	26,918	-	-	26,918
Department of Health and Human Services	-	-	-	-
Other	36,167	-	-	36,167
Total Federal Government	206,737	-	-	206,737
Student Tuition and Fees				
Tuition	18,702,628	-	-	18,702,628
Fees	1,969,246	-	-	1,969,246
Other Student Assessments	-	-	-	-
Total Student Tuition and Fees	20,671,874	-	-	20,671,874
Other Sources				
Sales and Service fees	772,397	-	-	772,397
Facilities Revenue	147,718	174,396	-	322,114
Investment Revenue	2,800,498	419,978	-	3,220,476
Non-Governmental Grants	-	-	-	-
Other	1,106,795	900,000	-	2,006,795
Total Other Revenue Sources	4,827,408	1,494,374	-	6,321,782
Total Revenue	80,853,713	9,947,573	-	90,801,286
Less Non-Operating Items				
Tuition Chargeback Revenue	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	-	(900,000)	-	(900,000)
ADJUSTED REVENUE	\$ 80,853,713	\$ 9,047,573	\$ -	\$ 89,901,286

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

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

OPERATING FUNDS REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #3 (Continued)
FISCAL YEAR ENDED JUNE 30, 2025

	Education Fund*	Operations and Maintenance Fund	PBC Operations and Maintenance Fund	Total Operating Funds
OPERATING EXPENDITURES BY PROGRAM				
Instruction	\$ 24,204,469	\$ -	\$ -	\$ 24,204,469
Academic Support	5,696,899	-	-	5,696,899
Student Services	11,660,529	-	-	11,660,529
Public Service/Continuing Education	1,091,770	-	-	1,091,770
Organized Research	-	-	-	-
Auxiliary Services	4,326	-	-	4,326
Operations and Maintenance	4,756	8,853,477	-	8,858,233
Institutional Support	23,159,258	-	-	23,159,258
Scholarships, Grants, Waivers	1,570,033	-	-	1,570,033
Total Expenditures	67,392,040	8,853,477	-	76,245,517
Adjustments				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	8,063,345	-	-	8,063,345
ADJUSTED EXPENDITURES	\$ 75,455,385	\$ 8,853,477	\$ -	\$ 84,308,862
OPERATING EXPENDITURES BY OBJECT				
Salaries	\$ 41,382,024	\$ 3,230,167	\$ -	\$ 44,612,191
Employee Benefits	7,824,569	676,965	-	8,501,534
Contractual Services	5,782,784	1,947,167	-	7,729,951
General Materials and Supplies	5,757,136	571,384	-	6,328,520
Conference and Meeting Expenses	1,022,627	4,675	-	1,027,302
Fixed Charges	1,242,579	1,184	-	1,243,763
Utilities	-	2,383,539	-	2,383,539
Capital Outlay	1,577,614	36,251	-	1,613,865
Other	2,802,707	2,145	-	2,804,852
Total Expenditures	67,392,040	8,853,477	-	76,245,517
Adjustments				
Tuition Chargeback	-	-	-	-
Instructional Service Contracts	-	-	-	-
Transfers	8,063,345	-	-	8,063,345
ADJUSTED EXPENDITURES	\$ 75,455,385	\$ 8,853,477	\$ -	\$ 84,308,862

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

*Includes Budget Stabilization sub-fund

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4
FISCAL YEAR ENDED JUNE 30, 2025**

REVENUES BY SOURCE

Local Government	\$ -
Total Local Government	<u>-</u>
State Government	
ICCB - Workforce Development Grants	-
ICCB - Retirees Health Insurance Grants	-
ICCB - P-16 Initiative Grants	-
ICCB - Special Initiative Grants	1,067,627
ICCB - Program Improvement Grant	-
ICCB - Adult Education	833,948
ICCB - (Other, Attach Itemization)	-
Department of Corrections	-
Illinois Student Assistance Commission	-
Other	<u>12,656,476</u>
Total State Government	<u>14,558,051</u>
Federal Government	
Department of Education	13,839,890
Department of Labor	400,232
Department of Health and Human Services	-
Other	<u>417,249</u>
Total Federal Government	<u>14,657,371</u>
Other Sources	
Tuition and Fees	-
Other	<u>224,185</u>
Total Other Sources	<u>224,185</u>
TRANSFERS	<u>240,645</u>
TOTAL RESTRICTED PURPOSES FUND REVENUES	<u><u>\$ 29,680,252</u></u>

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**RESTRICTED PURPOSES FUND REVENUES AND EXPENDITURES
UNIFORM FINANCIAL STATEMENT #4 (Continued)
FISCAL YEAR ENDED JUNE 30, 2025**

EXPENDITURES BY PROGRAM

Instruction	\$ 7,727,180
Academic Support	558,726
Student Services	3,807,251
Public Service/Continuing Education	1,140,615
Organized Research	-
Auxiliary Services	197,351
Operations and Maintenance	1,202,499
Institutional Support	2,873,049
Scholarships, Grants, Waivers	<u>12,334,304</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 29,840,975</u>
--	-----------------------------

EXPENDITURES BY OBJECT

Salaries	\$ 2,666,769
Employee Benefits	13,222,844
Contractual Services	200,238
Student Financial Aid	12,334,304
General Materials and Supplies	484,440
Travel & Conference/Meeting Expenses	110,848
Fixed Charges	3,504
Utilities	-
Capital Outlay	447,406
Other	<u>370,622</u>

TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	<u>\$ 29,840,975</u>
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In accordance with the Illinois Community College Board Fiscal Management Manual, Uniform Financial Statement #4 includes the State of Illinois on-behalf revenue and expenditure for the College's participation in the State University Retirement System (SURS) and the College Health Insurance Program (CIP).

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5
FISCAL YEAR ENDED JUNE 30, 2025**

INSTRUCTION

Instructional Programs	\$ 26,412,632
Other	<u>5,515,510</u>
Total Instruction	<u>31,928,142</u>

ACADEMIC SUPPORT

Library Center	1,421,676
Instructional Materials Center	2,483,941
Educational Media Services	339,782
Academic Computing Support	5,444,076
Academic Administration and Planning	(153,657)
Other	<u>1,413,315</u>
Total Academic Support	<u>10,949,133</u>

STUDENT SERVICES SUPPORT

Admissions and Records	2,960,953
Counseling and Career Services	4,649,556
Financial Aid Administration	2,534,563
Other	<u>5,319,530</u>
Total Student Services Support	<u>15,464,602</u>

PUBLIC SERVICE/CONTINUING EDUCATION

Community Education	390,951
Customized Training (Instructional)	1,151,734
Professional Development	181,451
Community Services	244,369
Other	<u>263,881</u>
Total Public Service/Continuing Education	<u>2,232,386</u>

ORGANIZED RESEARCH

-

AUXILIARY SERVICES

5,362,616

(This statement is continued on the following page.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**CURRENT FUNDS* - EXPENDITURES BY ACTIVITY
UNIFORM FINANCIAL STATEMENT #5 (Continued)
FISCAL YEAR ENDED JUNE 30, 2025**

OPERATIONS AND MAINTENANCE OF PLANT

Maintenance	\$ 2,041,589
Custodial Services	1,664,582
Grounds	1,664,581
Campus Security	3,414,780
Transportation	71,016
Utilities	2,383,539
Administration	590,159
Other	<u>1,210,574</u>

Total Operations and Maintenance of Plant	<u>13,040,820</u>
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INSTITUTIONAL SUPPORT

Executive Management	2,783,367
Fiscal Operations	2,880,924
Community Relations	2,919,976
Administrative Support Services	3,202,333
Board of Trustees	63,818
General Institutional	901,556
Institutional Research	1,092,006
Administrative Data Processing	4,693,507
Other	<u>2,902,543</u>

Total Institutional Support	<u>21,440,030</u>
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SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	<u>13,907,841</u>
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TOTAL CURRENT FUNDS EXPENDITURES	<u><u>\$ 114,325,570</u></u>
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*Current Funds include the Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement Funds

(See independent auditor's report.)

**ILLINOIS COMMUNITY COLLEGE BOARD
STATE GRANTS FINANCIAL - COMPLIANCE SECTION**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

Opinions

We have audited the accompanying balance sheet of Waubonsee Community College District Number 516 (the College), State Adult Education and Family Literacy Grant Programs as of June 30, 2025, and the related statement of revenues, expenditures and changes in fund balances 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 Waubonsee Community College District Number 516's State Adult Education and Family Literacy Grant Programs as of June 30, 2025, and the changes in financial position for the year then ended in conformity 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), the standards applicable to financial audits contained in *Government Auditing Standards*, 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 District 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 District 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 fund 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 District'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 *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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 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
November 20, 2025

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

**STATE ADULT EDUCATION AND FAMILY LITERACY RESTRICTED FUNDS
BALANCE SHEET**

June 30, 2025

	State Basic	State Performance	Total
<hr/>			
ASSETS			
Cash and cash equivalents	\$ -	\$ 27,667	\$ 27,667
Investments	18,826	-	18,826
<hr/>			
TOTAL ASSETS	\$ 18,826	\$ 27,667	\$ 46,493
<hr/>			
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 858	\$ 2,737	\$ 3,595
Accrued payroll	7,087	3,290	10,377
Accrued compensated absences	10,881	21,640	32,521
<hr/>			
Total liabilities	18,826	27,667	46,493
<hr/>			
FUND BALANCES			
None	-	-	-
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,826	\$ 27,667	\$ 46,493
<hr/>			

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

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

For the Year Ended June 30, 2025

	State Basic	State Performance	Total
REVENUES			
State sources	\$ 572,768	\$ 261,180	\$ 833,948
Total revenues	572,768	261,180	833,948
EXPENDITURES			
Direct instruction	340,777	83,642	424,419
Total direct instruction	340,777	83,642	424,419
Student services			
Guidance services	133,217	93,469	226,686
Assessment and testing	13,890	50,128	64,018
Total student services	147,107	143,597	290,704
Direct program support			
General administration	12,066	19,705	31,771
Workforce coordination	-	1,905	1,905
Data and information systems	45,546	-	45,546
Total direct program support	57,612	21,610	79,222
Indirect cost	27,272	12,331	39,603
Total expenditures	572,768	261,180	833,948
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES, JULY 1, 2024	-	-	-
FUND BALANCES, JUNE 30, 2025	\$ -	\$ -	\$ -

(See independent auditor's report.)

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS

June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Waubonsee Community College District 516 (the College) conform to generally accepted accounting principles 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 Restricted Grant Program. These transactions have been accounted for in the Restricted Purposes Funds of the governmental subgroup.

b. Basis of Accounting

The statements have been prepared on the modified 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, 2025. 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.

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.

a. Unrestricted Grants

Base Operating Grants

General operating funds provided to colleges based upon credit enrollment.

WAUBONSEE COMMUNITY COLLEGE

DISTRICT 516

SUGAR GROVE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - STATE GRANT PROGRAMS (Continued)

2. BACKGROUND INFORMATION ON STATE GRANT ACTIVITY (Continued)

a. Unrestricted Grants (Continued)

Equalization Grants

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

b. Restricted Adult Education Grants/State

State Basic and State Performance

Grant awarded to Adult Education and Family Literacy providers to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children, to assist in completion of a secondary school education and to assist immigrants and other individuals who are English language learners in improving their reading, writing, speaking and comprehension skills in English and mathematics.

Instructional activities included in the adult education grants may include adult basic education, adult secondary education, English language acquisition, career exploration/awareness skills, integrated English literacy/civics education, bridge programs, integrated career and academic preparation systems, high school credit, vocational training, family literacy, volunteer literacy coordination, workplace literacy and correction education.

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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**

Members of the Board of Trustees
Waubonsee Community College
District 516
Sugar Grove, Illinois

We have examined management of Waubonsee Community College - Illinois Community College District 516'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 Waubonsee Community College during the period July 1, 2024 through June 30, 2025. 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 Waubonsee Community College is fairly stated, in all material respects.

Sikich CPA LLC

Naperville, Illinois
November 20, 2025

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

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

For the Year Ended June 30, 2025

	Total Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted
CATEGORIES								
Baccalaureate	-	13,538.0	-	46,528.0	-	46,531.0	-	106,597.0
Business occupational	-	912.0	-	3,746.0	-	4,112.5	-	8,770.5
Technical occupational	-	574.0	-	5,577.0	-	5,833.0	-	11,984.0
Health occupational	-	784.0	-	2,924.0	-	3,769.5	-	7,477.5
Remedial developmental	-	665.0	-	3,293.0	-	2,667.0	-	6,625.0
Adult basic education/adult secondary education	1,269.0	-	11,530.0	24.0	11,001.0	18.0	23,800.0	42.0
TOTAL CREDIT HOURS VERIFIED	1,269.0	16,473.0	11,530.0	62,092.0	11,001.0	62,931.0	23,800.0	141,496.0

	In-District	Chargeback/ Contractual Agreement	Total
Reimbursable credit hours (unrestricted)	127,416.5	3,757.0	131,173.5
	In-District		Total
Reimbursable credit hours (restricted)	21,269.0		21,269.0
	Dual Credit		Dual Enrollment
Reimbursable credit hours (unrestricted)	25,587.0		442.0
	Dual Credit		Dual Enrollment
Reimbursable credit hours (restricted)	-		-

A student's legal residence is used to determine the student's residency for both tuition calculation and submission of reports for state funding purposes. According to ICCB guidelines, a student must reside within the district for at least 30 days prior to the start of the semester in order to meet in district residency requirements.

The College uses the U.S. Postal Service to verify a student's permanent residence. If there is a question about a student's residency, the student must submit a combination of three types of documentation:

- (1) rental or property ownership documentation
- (2) governmental recognition of the residential address (employer, state or federal documents)
- (3) institutional recognition of the residential address (utilities, bank, etc.)

Each case is treated individually and documentation tailored to the student's specific situation.

DISTRICT'S 2024 EQUALIZED ASSESSED VALUATION \$ 14,620,519,870

**WAUBONSEE COMMUNITY COLLEGE
DISTRICT 516
SUGAR GROVE, ILLINOIS**

RECONCILIATION OF TOTAL SEMESTER CREDIT HOURS

For the Year Ended June 30, 2025

	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	106,597.0	106,597.0	-	-	-	-
Business occupational	8,770.5	8,770.5	-	-	-	-
Technical occupational	11,984.0	11,984.0	-	-	-	-
Health occupational	7,477.5	7,477.5	-	-	-	-
Remedial developmental	6,625.0	6,625.0	-	-	-	-
Adult basic education/adult secondary education	42.0	42.0	-	23,800.0	23,800.0	-
TOTAL	141,496.0	141,496.0	-	23,800.0	23,800.0	-

Form of Continuing Disclosure Undertaking

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the “*District*”), in connection with the issuance of \$_____ General Obligation Limited Tax Community College Bonds, Series 2026 (the “*Bonds*”). The Bonds are being issued pursuant a resolution adopted by the Board of Trustees of the District on the 21st day of January, 2026, as supplemented by a notification of sale (together, the “*Resolution*”).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, the Official Statement:

FINANCIAL INFORMATION

- Trend of EAV
- EAV by County
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Repayment Schedule
- Debt Statement (with respect to the District’s debt only)
- Debt Ratios (with respect to the District’s debt only)

SUMMARY OF OPERATING RESULTS

- Combined Education Account and Operations and Maintenance Account Revenue

Sources

- General Account Statement of Revenues, Expenses and Changes in Net Position
- Operations and Maintenance Restricted Account
- Working Cash Fund
- Budget Summary

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated January 26, 2026, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds; *provided, however*, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market. The District will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. **DISSEMINATION AGENT.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. **RECORDKEEPING.** The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. **ASSIGNMENT.** The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY COLLEGE DISTRICT NO. 516,
COUNTIES OF KANE, KENDALL, DEKALB,
LASALLE AND WILL AND STATE OF ILLINOIS

By _____
Chair, Board of Trustees

Date: February 17, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (484062)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	

Appendix D

Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

AND

BID FORM

FOR

**COMMUNITY COLLEGE DISTRICT NO. 516
COUNTIES OF KANE, KENDALL, DEKALB, LASALLE AND WILL AND STATE OF ILLINOIS
(WAUBONSEE COMMUNITY COLLEGE)**

\$8,350,000* GENERAL OBLIGATION LIMITED TAX COMMUNITY COLLEGE BONDS, SERIES 2026

DATE AND TIME:

January 26, 2026
10:00 a.m.
Central Standard Time

PLACE:

PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Attention: Addison Heffron
Phone: (630) 657-6578
E-mail: compbidIL@pmanetwork.com

FORM OF BIDDING:

Electronic or via e-mail, as described herein

*Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

COMMUNITY COLLEGE DISTRICT NO. 516

COUNTIES OF KANE, KENDALL, DEKALB, LASALLE AND WILL AND STATE OF ILLINOIS \$8,350,000* GENERAL OBLIGATION LIMITED TAX COMMUNITY COLLEGE BONDS, SERIES 2026

NOTICE IS HEREBY GIVEN that the Board of Trustees (the “Board”) of Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to compbidIL@pmanetwork.com (each as more fully described below), for the purchase of its \$8,350,000* General Obligation Limited Tax Community College Bonds, Series 2026 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.
Central Standard Time
January 26, 2026

PLACE: Offices of the District’s Municipal Advisor:
PMA Securities, LLC (the “Municipal Advisor”)
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by the designated officials of the Board and the District to the bidder offering the *lowest true interest cost* (“TIC”) to the District.

The Bonds

The Bonds are issued pursuant to the Public Community College Act of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of the District on January 21, 2026, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the working cash fund of the District and (ii) pay costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended. See “THE BONDS – Limited Bonds” in the Preliminary Official Statement.

*Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds to the amount of the Base (as defined in the Preliminary Official Statement). The District expects to pay debt service on the Bonds in excess of the Base, if any, from funds of the District on hand and lawfully available for such purpose. The Bond Resolution will be filed with the County Clerks of The Counties of Kane, Kendall, DeKalb, LaSalle and Will, Illinois (the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

The proposed form of opinion of Bond Counsel regarding the Bonds is set forth in Appendix A to the Preliminary Official Statement.

Bidding Instructions

Each proposal must be submitted on the Official Bid Form without alteration or change until 10:00 a.m. Central Standard Time either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to compbidIL@pmanetwork.com.

The bidder bears all risk of transmission failure.

Any bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on January 23, 2026.

Determination of Winning Bid

The Bonds will be awarded to the single and best bidder (the “Purchaser”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds (commencing on December 15, 2026 and semiannually on each June 15 and December 15 thereafter), produces an amount on the date of the Bonds (expected to be February 17, 2026) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

Bidding Parameters

The Bonds will be dated the date of issuance thereof and will mature on the dates and in the amounts as described in the Official Bid Form attached hereto.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

Any bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

All interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.00%. The minimum rate of interest is 4.00% on the December 15, 2036 maturity and all maturities thereafter. All bids must be for all of the Bonds and must be for not less than 101.30% of the par amount thereof.

Attorneys' fees, rating agency fees, Municipal Advisor fee, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing this Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting a bid, the Purchaser agrees to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

A good faith deposit will not be required prior to bid opening. The Purchaser is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for TWO PERCENT OF PAR payable to the Treasurer of the Board of Trustees of the District as evidence of good faith of the Purchaser (the "Deposit") not later than 3:30 P.M. Central Standard Time on the Sale Date (as hereinafter defined). The Deposit will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of the Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied as follows: (a) at the delivery of the Bonds and upon compliance with the Purchaser's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Purchaser fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Establishment of Issue Price

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor, identified herein, and any notice or report to be provided to the District may be provided to the Municipal Advisor. Within one hour of the award, the Purchaser will provide the District and the Municipal Advisor the expected initial offering price of the Bonds, which the Purchaser used to formulate its bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District will disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders will have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, any bid proposal submitted will not be subject to cancellation or withdrawal, and the District agrees to use the rules selected by the Purchaser on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the “10% Test” which will establish the issue price of a maturity of the Bonds as the first price at which 10% of such maturity of the Bonds is sold to the Public and/or (ii) the “Hold-the-Offering-Price Rule” which will establish the issue price of a maturity of the Bonds as the initial offering price of that maturity, in each case applied on a maturity-by-maturity basis. If the Purchaser selects the Hold-the-Offering-Price Rule, the Purchaser shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds have not satisfied the 10% Test and will be subject to the Hold-the-Offering-Price Rule. *Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test, as selected on the bid form, in order to establish the issue price of the Bonds. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.*

(d) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the Hold-the-Offering-Price Rule**, then the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields set forth in the bid submitted by the Purchaser and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Purchaser will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the 10% Test**, then until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

- (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of

the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the Public or it is notified by the Purchaser that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,
- (B) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public, and
- (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,
- (ii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to (A) more

than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

- (iii) “Sale Date” means the date that the Bonds are awarded by the District to the Purchaser, and
- (iv) “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Closing Transcript

At the time of delivery, the District will furnish to the Purchaser the approving legal opinion of Bond Counsel and, in due course, a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

Tax Exemption

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” in the Preliminary Official Statement for a more complete discussion.

Qualified Tax-Exempt Obligations

Subject to the District’s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Book-Entry Only

The Bonds will be issued as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Purchaser shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denominations of \$5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same maturity then outstanding to the beneficial owners of the Bonds.

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Purchaser.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance during the last five years with undertakings previously entered into by it pursuant to the Rule.

The Purchaser’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

Official Statement

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Purchaser. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Purchaser will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Purchaser with an electronic copy of the final Official Statement. The Purchaser agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Conditions of Closing

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the Parity® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the Purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to February 17, 2026. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the Purchaser, the District may cancel the award or the Purchaser may withdraw the Deposit and thereafter the Purchaser's interest in and liability for the Bonds will cease.

Additional Information

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: John Bryant, Vice President of Finance and Administration, Route 47 at Waubensee Drive, Sugar Grove, Illinois 60554, Telephone: (630) 466-7900, or from the Municipal Advisor, Attention: Addison Heffron, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563, Telephone: (630) 657-6578.

By order of the Board of Trustees of the District, dated this 16th day of January, 2026.

/s/ John Bryant

Vice President of Finance and Administration
Community College District No. 516, Counties of
Kane, Kendall, DeKalb, LaSalle and Will and State of
Illinois

OFFICIAL BID FORM

Board of Trustees
Community College District No. 516
Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois

January 26, 2026

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation Limited Tax Community College Bonds, Series 2026 (the "Bonds"), as described below:

Par amount of Bonds: \$8,350,000*
Dated date: Date of Issuance
Purchase price: \$_____
(not less than 101.30% of the par amount of the Bonds)

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1%, (ii) not exceeding 5.00%) and (iii) a minimum of 4.00% on the December 15, 2035 maturity and all maturities thereafter):

<u>Maturity (December 15)</u>	<u>Amount (\$)*</u>	<u>Rate</u>	<u>Term Bonds (Year)</u>
2026	105,000	_____	_____
2027	265,000	_____	_____
2028	280,000	_____	_____
2029	295,000	_____	_____
2030	310,000	_____	_____
2031	325,000	_____	_____
2032	340,000	_____	_____
2033	360,000	_____	_____
2034	380,000	_____	_____
2035	400,000	_____	_____
2036	420,000	_____	_____
2037	440,000	_____	_____
2038	460,000	_____	_____
2039	485,000	_____	_____
2040	510,000	_____	_____
2041	535,000	_____	_____
2042	565,000	_____	_____
2043	595,000	_____	_____
2044	625,000	_____	_____
2045	655,000	_____	_____

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If the principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

Any bidder electing to designate a maturity as a term bond shall so specify on the bid form. The term bond shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

The Bonds are to be accompanied by the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost:	\$ _____
True Interest Cost:	_____ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. If the Competitive Sale Requirements are not met, the bidder selects the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof applied on a maturity-by-maturity basis (mark one):

_____ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _____

_____ Hold-the-Offering-Price Rule: the initial offering price of that maturity for the following maturities: _____

By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder, we will deposit with the Treasurer of the Board of Trustees of the District not later than 3:30 P.M. CST on the Sale Date a certified or cashier's check or a wire in the amount of two percent (2%) of the par amount of the Bonds payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

Managing Underwriter Signature

Name of Firm:

Direct Contact:

Address:

Phone Number:

E-Mail Address:

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 26th day of January, 2026, by the Board of Trustees of Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois, and in recognition thereof is signed by the officials of the District empowered and authorized to make such acceptance.

Chair, Board of Trustees
Community College District No. 516,
Counties of Kane, Kendall, DeKalb, LaSalle
and Will and State of Illinois

Vice President of Finance and Administration
Community College District No. 516,
Counties of Kane, Kendall, DeKalb, LaSalle
and Will and State of Illinois

Form of Issue Price Certificate

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _____, _____, _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$_____ General Obligation Limited Tax Community College Bonds, Series 2026 (the “*Bonds*”), of Community College District No. 516, Counties of Kane, Kendall, DeKalb, LaSalle and Will and State of Illinois (the “*District*”).

I. General

On the Sale Date the Purchaser purchased the Bonds from the District by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. Price

A. 10% Test, All Maturities Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A* (the “*First Sale Price*”).

B. Competitive Sale Requirements Met (3 bids received)

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Schedule A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

C. Competitive Sale Requirements Not Met (3 bids not received)

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).

D. Some Maturities Use Hold the Offer Price

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. A. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Schedule A* (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Schedule B*.

B. As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

C. No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

III. Defined Terms

[1. *General Rule Maturities* means those Maturities of the Bonds not listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2026), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 26, 2026.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including, specifically, the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. Use of Representations

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman

and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this 17th day of February, 2026.

_____,
_____, _____

By: _____

Title: _____

SCHEDULE A

SCHEDULE B