NEW ISSUE – BOOK ENTRY

*This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement. Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois and Cotillas and Associates ("Co-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 included 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.*

$186,565,000
COMMUNITY COLLEGE DISTRICT NUMBER 508
County of Cook and State of Illinois
(CITY COLLEGES OF CHICAGO)
Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024

DATED: Date of Delivery **Due: December 1 as shown on the inside cover page**

RATINGS A+ (Positive Outlook) by Fitch Ratings, based on the credit of the District, BBB+ (Stable Outlook) by Standard & Poor's Global Ratings, based on the credit of the District and Standard & Poor's Global Ratings is expected to assign the insured rating of "AA" (Stable Outlook) to the Bonds upon the delivery of the Bond Insurance Policy. See "**RATINGS**" and "**BOND INSURANCE.**"

TAX EXEMPTION Subject to compliance by the District with certain covenants, in the opinion of Co-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 for purposes of 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 current State of Illinois income taxes. See "**TAX MATTERS.**"

INTEREST PAYMENT DATES June 1, and December 1, commencing June 1, 2024

ISSUANCE The Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024 (the "*Bonds*"), will be issued by Community College District Number 508, County of Cook and State of Illinois (the "*District*") pursuant to the Act, the Debt Reform Act, the Resolutions (all as defined herein) and a Trust Indenture dated as of January 1, 2024 (the "*Indenture*"), by and between the District and U.S. Bank Trust Company, National Association, Chicago, Illinois, as trustee, registrar and paying agent (the "*Trustee*").

SECURITY The Bonds will be unlimited tax general obligations of the District to the payment of which the District will pledge its full faith and credit. The Bonds will be payable from Pledged Revenues and Pledged Taxes, as described herein. See "**SECURITY FOR THE BONDS.**"

BOND INSURANCE Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("*BAM*") will issue its Municipal Bond Insurance Policy for the Bonds (the "*Bond Insurance Policy*"). The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Bond Insurance Policy included as **APPENDIX F** to this Official Statement. The Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law. See "**BOND INSURANCE.**"

BOOK-ENTRY ONLY No physical delivery of the Bonds will be made to beneficial owners, except as described in this Official Statement. Payments with respect to the Bonds will be made to Cede & Co., as nominee of DTC. See **APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."**

DENOMINATIONS The Bonds will be issued in authorized denominations of $5,000 or any multiple thereof.

REDEMPTION The Bonds maturing on or after December 1, 2034 are subject to redemption prior to maturity at the option of the District, in whole or in part on any date on or after December 1, 2033, at the redemption price of par plus accrued interest thereon as further described herein.

PURPOSE The proceeds of the Bonds, together with other available funds of the District, will be used to (i) refund all of the District's Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2013, (ii) pay the premium for the Bond Insurance Policy, and (iii) pay the costs of issuance of the Bonds (including the Underwriters' discount). See "**PLAN OF FINANCE.**"

DELIVERY On or about January 24, 2024.

CO-BOND COUNSEL Chapman and Cutler LLP and Cotillas and Associates

LOOP CAPITAL MARKETS **CABRERA CAPITAL MARKETS, LLC**

BLAYLOCK VAN, LLC **ESTRADA HINOJOSA** **SIEBERT WILLIAMS SHANK & CO., LLC**

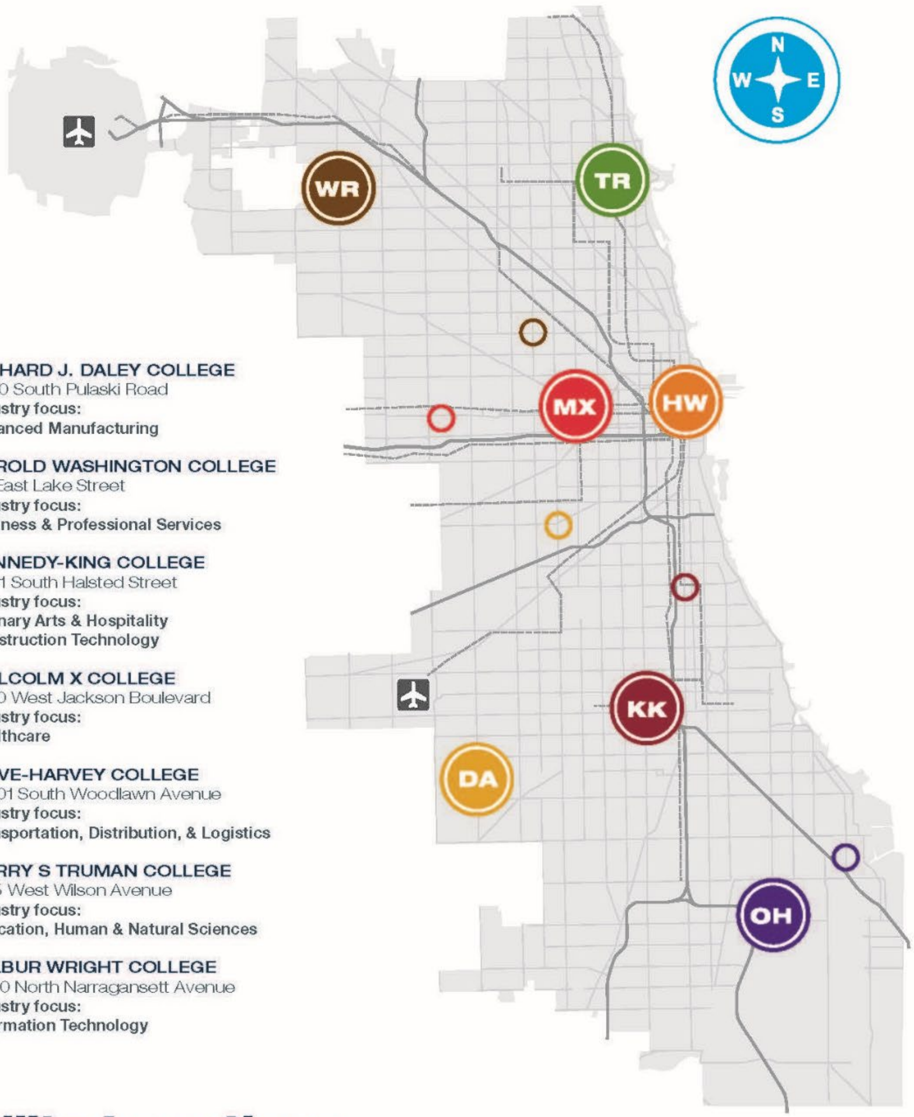
Dated: January 9, 2024

$186,565,000
COMMUNITY COLLEGE DISTRICT NUMBER 508
County of Cook and State of Illinois
(CITY COLLEGES OF CHICAGO)
Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024

Maturity	Principal Amount	Interest Rate	Yield	Price	CUSIP†
12/01/2027	$ 2,960,000	5.000%	2.920%	107.523	213187DS3
12/01/2028	7,760,000	5.000	2.940	109.249	213187DT1
12/01/2029	8,150,000	5.000	2.920	111.112	213187DU8
12/01/2030	8,560,000	5.000	2.940	112.697	213187DV6
12/01/2031	8,980,000	5.000	3.020	113.746	213187DW4
12/01/2032	9,435,000	5.000	3.050	115.025	213187DX2
12/01/2033	9,905,000	5.000	3.060	116.390	213187DY0
12/01/2034	10,400,000	5.000	3.100	116.021 C	213187DZ7
12/01/2035	10,920,000	5.000	3.220	114.922 C	213187EA1
12/01/2036	11,470,000	5.000	3.330	113.925 C	213187EB9
12/01/2037	12,040,000	5.000	3.430	113.028 C	213187EC7
12/01/2038	12,640,000	5.000	3.530	112.139 C	213187ED5
12/01/2039	13,275,000	5.000	3.640	111.171 C	213187EE3
12/01/2040	13,940,000	5.000	3.780	109.953 C	213187EF0
12/01/2041	14,630,000	5.000	3.830	109.522 C	213187EG8
12/01/2042	15,365,000	5.000	3.870	109.179 C	213187EH6
12/01/2043	16,135,000	5.000	3.910	108.837 C	213187EJ2

[C] Calculated to the December 1, 2033 first optional redemption date

CITY COLLEGES OF CHICAGO



RICHARD J. DALEY COLLEGE (DA)
7500 South Pulaski Road
Industry focus:
Advanced Manufacturing

HAROLD WASHINGTON COLLEGE (HW)
30 East Lake Street
Industry focus:
Business & Professional Services

KENNEDY-KING COLLEGE (KK)
6301 South Halsted Street
Industry focus:
Culinary Arts & Hospitality
Construction Technology

MALCOLM X COLLEGE (MX)
1900 West Jackson Boulevard
Industry focus:
Healthcare

OLIVE-HARVEY COLLEGE (OH)
10001 South Woodlawn Avenue
Industry focus:
Transportation, Distribution, & Logistics

HARRY S TRUMAN COLLEGE (TR)
1145 West Wilson Avenue
Industry focus:
Education, Human & Natural Sciences

WILBUR WRIGHT COLLEGE (WR)
4300 North Narragansett Avenue
Industry focus:
Information Technology

Satellite Locations

Humboldt Park Vocational Education Center
1645 North California Avenue

West Side Learning Center
4624 West Madison Street

Arturo Velasquez Institute
2800 South Western Avenue

Dawson Technical Institute
3901 South State Street

South Chicago Learning Center
3055 East 92 Street

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriters to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement is neither an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the District and include information from other sources that the District believes to be reliable. Such information is not guaranteed as to accuracy, fairness or completeness, and is not to be construed as a representation by the Underwriters. Such information and expressions of opinion 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 since the date hereof. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Bonds.

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

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "**BOND INSURANCE**" and in **APPENDIX F** – "**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**."

This Official Statement should be considered in its entirety. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Indenture for the Bonds. Copies of the Indenture are available for inspection at the offices of the District and the Trustee. The information contained herein is provided as of the date hereof and is subject to change.

These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

This Official Statement contains disclosures which contain "*forward-looking statements.*" Forward-looking statements include all statements that do not relate solely to historical or current fact, and can be identified by use of words like "*may*," "*believe*," "*will*," "*expect*," "*project*," "*estimate*," "*anticipate*," "*plan*," or "*continue*." These forward-looking statements are based on the current plans and expectations of the District and are subject to a number of known and unknown uncertainties and risks, many of which are beyond its control, that could significantly affect current plans and expectations and the District's future financial position including but not limited to changes in general economic conditions, demographic trends and federal and State funding of programs which may affect the transfer of funds from the federal and State governments to the District. As a consequence, current plans, anticipated actions and future financial positions may differ from those expressed in any forward-looking statements made by the

District herein. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The CUSIP numbers on the cover page of this Official Statement listed are being provided solely for the convenience of the owners only at the time of issuance of the Bonds and neither the District nor the Underwriters make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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$186,565,000
COMMUNITY COLLEGE DISTRICT NUMBER 508
County of Cook and State of Illinois
(CITY COLLEGES OF CHICAGO)
Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024

INTRODUCTION

General

The purpose of this Official Statement, including the cover page, the inside cover page and the Appendices hereto, is to set forth information in connection with the offering and sale by Community College District Number 508, County of Cook and State of Illinois (the "*District*" and also referred to in this Official Statement as "*City Colleges of Chicago*," "*CCC*," or "*City Colleges*") of $186,565,000 aggregate principal amount of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024 (the "*Bonds*"). The Bonds are being issued on a parity, and share ratably and equally in all or any portion of the Pledged Revenues (as defined herein), with the District's outstanding Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017 (the "*Series 2017 Bonds*").

All capitalized terms used in this Official Statement and not otherwise defined in the body of the Official Statement have the same meanings as assigned thereto in **APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions of Certain Terms."**

The proceeds of the Bonds, together with other available funds of the District, will be used to (i) refund all of the District's Series 2013 Bonds (the "*Refunded Series 2013 Bonds*"), (ii) pay the premium for the Bond Insurance Policy (defined herein), and (iii) pay the costs of issuance of the Bonds (including the Underwriters' discount). See **"PLAN OF FINANCE"** and **"ESTIMATED SOURCES AND USES OF FUNDS."**

The Bonds will be issued under a Trust Indenture dated as of January 1, 2024 (the "*Indenture*"), by and between the District and U.S. Bank Trust Company, National Association, Chicago, Illinois, as trustee, registrar and paying agent (the "*Trustee*"). The Bonds will be general obligations of the District to the payment of which the District will pledge its full faith and credit. The Bonds will be payable from Pledged Revenues and Pledged Taxes, as described herein.

Authorization for the Bonds

The Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the "*Debt Reform Act*"), authorizes the District to issue alternate revenue bonds ("*Alternate Bonds*") which are general obligation bonds, backed by the full faith and credit of the District, and which are payable from any revenue source available to the District (the "*Alternate Revenues*"). In general, the District must determine, at the time of issuance of the Alternate Bonds, that the Alternate Revenues are projected to be sufficient in each year to pay 125% of debt service on all outstanding Alternate Bonds payable from such Alternate Revenues in such year. However, Alternate Bonds (such as the Bonds) may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth above and as set forth in the Debt Reform Act, except that (i) the term of the refunding bonds shall not be longer than the term of the Refunded Series 2013 Bonds and (ii) the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the Refunded Series 2013 Bonds. The Bonds will satisfy the conditions noted in the preceding sentence and therefore are authorized to be issued.

Pursuant to the provisions of the Public Community College Act, 110 Illinois Compiled Statutes 805 (the "*Act*"), and the Debt Reform Act, the Board of Trustees of the District (the "*Board*") adopted a resolution on September 15, 2023 (the "*2023 Authorization*") authorizing the issuance of Alternate Bonds in an aggregate principal amount not to exceed $235,000,000, which Alternate Bonds could be payable from various sources of Alternate Revenues including, but not limited to: (i) student tuition and fees, net of scholarship allowances, imposed and collected pursuant to the Act ("*Tuition and Fee Revenues*") and (ii) grants and other revenues received by the District from the Illinois Community College Board pursuant to the Act ("*State Grant Revenues*"). On October 5, 2023, the Board adopted a resolution authorizing the issuance of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), in an aggregate principal amount not to exceed $235,000,000 (the "*Bond Resolution*" and, together with the 2023 Authorization, the "*Resolutions*"). The Bonds are being issued pursuant to the authority of the Act, the Debt Reform Act and the Resolutions.

Security for the Bonds

The Bonds are general obligations of the District to the payment of which the District has pledged its full faith and credit. The Bonds will be secured by and are payable (i) from the Tuition and Fee Revenues and the State Grant Revenues in amounts each year as shall provide for the payment of 125% of annual debt service on the Bonds in such years (the "*Pledged Revenues*"), (ii) to the extent that the Pledged Revenues, together with other amounts on deposit and available to be transferred by the Trustee during the then-current Bond Year from the Pledged Revenues Account pursuant to the Indenture, are insufficient to pay the debt service on the Bonds, from the Pledged Taxes (as defined herein) and (iii) from all Funds, Accounts and Sub-Accounts pledged pursuant to the Indenture. See **"SECURITY FOR THE BONDS"** and **APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."** For a discussion of other obligations of the District that may be payable from the Pledged Revenues, see **"Additional Bonds"** and **"Subordinate Obligations"** below.

Bond Insurance

Concurrently with the issuance of the Bonds, Build America Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Bond Insurance Policy"). The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Bond Insurance Policy included as **APPENDIX F** – "**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**" to this Official Statement. The Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BAM is a third party beneficiary under the Indenture and may enforce provisions of the Indenture as if it were a party thereto. Upon the occurrence and continuance of a default under the Indenture, BAM will be deemed to be the sole holder of the Bonds for all purposes thereunder other than enforcing the tax covenants therein and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds. The Trustee may not waive any default or event of default (other than a default of the tax covenant in the Indenture) without BAM's written consent. See **APPENDIX B** – "**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE** – Events of Default and Remedies."

Additional Bonds

Pursuant to the Indenture, the District reserves the right to issue Additional Bonds from time to time payable from all or any portion of the Pledged Revenues in addition to any other source of revenue that may be pledged under the Debt Reform Act, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; provided, however, that no Additional Bonds may be issued except in accordance with the provisions of the Debt Reform Act as in existence on the date of issuance of the Additional Bonds and the Indenture. Subject only to compliance with such provisions of the Debt Reform Act, including the requirement that Pledged Revenues must be sufficient in each year to pay 125% of debt service on all outstanding Bonds, the Series 2017 Bonds and the Additional Bonds, payable from such Pledged Revenues in such year, there is no limit on the aggregate principal amount of Additional Bonds that may be issued by the District. See **"SECURITY FOR THE BONDS – General,"** and **"– Additional Bonds Payable From Pledged Revenues."** After the issuance of the Bonds, the Bonds and the Series 2017 Bonds will be the only Alternate Bonds outstanding and payable from the Pledged Revenues.

Subordinate Obligations

Pursuant to the Indenture, the District reserves the right to issue bonds or other evidences of indebtedness payable from the Pledged Revenues that are subordinate to the Bonds and any Additional Bonds. Such subordinate obligations will be paid from such Pledged Revenues available to the District in each year in excess of those required to be deposited in the Pledged Revenues Account established under the Indenture. See **"SECURITY FOR THE BONDS – General,"** and **"– Subordinate Obligations Payable From Pledged Revenues."**

Other Alternate Bonds

Upon the issuance of the Bonds and refunding of the Refunded Series 2013 Bonds, the Bonds and the $77,955,000 principal amount of outstanding Series 2017 Bonds will be the only Alternate Bonds outstanding and payable from the Pledged Revenues. No other bonds of the District are currently outstanding. See **"COMMUNITY COLLEGE DISTRICT NUMBER 508 – Indebtedness."** In the future, the District may issue Alternate Bonds payable from Alternate Revenues designated by the District. There is no current plan to issue Additional Bonds other than the Bonds.

THE BONDS

General

The Bonds shall be issued only in fully registered form without coupons and shall be dated the date of issuance. The Bonds when issued will be registered through a book-entry-only system in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("*DTC*"), New York, New York. So long as DTC, or its nominee, Cede & Co., is the registered owner of all the Bonds, all payments on the Bonds, including redemptions, and notifications related to the Bonds will be made by the Trustee directly to DTC. Individual purchases of interests in the Bonds will be made in book-entry form only. Purchasers will not receive certificates representing their interests in the Bonds purchased. References herein to Bondholders or registered owners of the Bonds mean DTC or its nominee and do not mean the beneficial owners of such Bonds. Details of payments of the Bonds through the book-entry-only-system are described in **APPENDIX D – "BOOK-ENTRY ONLY SYSTEM**."

Each Bond shall bear interest from the interest payment date to which interest has been paid as of the date on which it is authenticated or if it is authenticated prior to the first date on which interest is to be paid from its dated date, which interest shall be payable on June 1 and December 1 of each year, commencing June 1, 2024 (each, an "*Interest Payment Date*"), computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on December 1 of each of the years and in the principal amounts and shall bear interest at the respective rates shown on the cover page hereof. The Bonds shall be issued in denominations of $5,000 or any integral multiple thereof (the "*Authorized Denominations*"), but no single Bond shall represent principal maturing on more than one date. Interest on each Bond will be payable on each Interest Payment Date to the person in whose name the Bond is registered on the fifteenth day of the calendar month next preceding each Interest Payment Date (the "*Record Date*"). See **APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."**

Redemption

Optional Redemption. The Bonds maturing on or after December 1, 2034 are subject to redemption prior to maturity at the option of the District, in whole or in part (and if in part, in an Authorized Denomination), from such maturities and in such principal amounts as the District shall determine, and in part by lot, on any date on or after December 1, 2033, at the redemption price of par plus accrued interest thereon to the date fixed for redemption.

Redemption Procedures. In the case of any redemption of Bonds at the option of the District, the District shall give written notice to the Trustee of its election or direction to so redeem, of the date fixed for redemption, and of the principal amount, maturity date and interest rate of the Bonds to be redeemed. Such notice shall be given at least 35 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in the Indenture, (i) there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash and/or Government Obligations maturing on or before the specified redemption date that, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Bonds to be redeemed on the specified redemption date at their redemption price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the registered owners of the Bonds so called for redemption, or (ii) such redemption notice given under the Indenture may state that any redemption is conditional on such funds being deposited on the redemption date, and that failure to deposit such funds shall not constitute an Event of Default under the Indenture.

Whenever less than all of the Bonds of like maturity and interest rate are redeemed, whether pursuant to mandatory sinking fund redemption or optional redemption, the particular Bonds or portion thereof to be redeemed shall be selected as follows: (i) any Bond of a denomination of more than $5,000 shall be in the principal amount of an Authorized Denomination and (ii) in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of denominations of $5,000 which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000. If all Bonds are held in book-entry-only form, the particular Bonds or portions thereof to be redeemed shall be selected by the securities depository for the Bonds in such manner as such securities depository shall determine.

Notice of Redemption. When the Trustee shall receive notice from the District of its election to redeem Bonds pursuant to the Indenture or when the Trustee is required to redeem Bonds pursuant to the Indenture, the Trustee shall give notice, in the name of the District, of the redemption of such Bonds, which notice shall specify the maturities and interest rates to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Bonds of like maturity and interest rates are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state whether the redemption is conditioned upon sufficient moneys being available on the redemption date, or any other conditions. Such notice shall further state that on such date there will become due and payable the redemption price of each Bond to be redeemed, or the redemption price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first class mail, postage prepaid, not less than 30 days and not more than 60 days before the date fixed for redemption, to the registered owners of the Bonds to be redeemed at their addresses as shown on the registration books of the District maintained by the Registrar; provided, that if all Bonds are held in book-entry-only form, such notice may be given pursuant to the then-existing agreement with the securities depository for the Bonds. The failure of the Trustee to give notice to a registered owner of any Bond or any defect in such notice shall not affect the validity of the redemption of any other Bonds as to which proper notice was given.

Bond Registration and Transfers

Subject to the procedures governing the Bonds while in the book-entry only system, as described in **APPENDIX D – "BOOK-ENTRY ONLY SYSTEM,"** the Bonds are transferable only upon the registration books of the District (which will be kept for that purpose by the Registrar) by the registered owner in person or by such registered owner's attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer in form satisfactory to the Registrar, duly executed by the registered owner or its duly authorized attorney. Any Bond may be exchanged, upon surrender at the principal office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner thereof or such registered owner's duly authorized attorney, for an equal aggregate principal amount of fully registered Bonds of the like maturity and interest rate of any Authorized Denomination. The Registrar and the District may charge a fee sufficient to cover any tax, fee or other governmental charge in connection with any exchange or transfer of any Bond.

Defeasance

Bonds or interest installments thereon for the payment or redemption of which moneys have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of the Indenture and the pledge of the Trust Estate under the Indenture and all covenants, agreements and other obligations of the District thereunder shall be discharged and satisfied with respect to such Bonds. As a condition to such defeasance of the Bonds, the District shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Bonds or interest installments, as applicable, in specified amounts no less than the respective amounts of their principal or interest, as applicable, and on specified dates no later than the respective due dates thereof, (b) irrevocable instructions to mail the required notice of redemption of any Bonds or interest installments, as applicable, so to be redeemed, (c) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys that shall be sufficient, without further reinvestment to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Bonds or interest installments, as applicable, are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all registered owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, of said Bonds.

PLAN OF FINANCE

Use of Proceeds of the Bonds

The proceeds from the sale of Bonds, together with other available funds of the District, will be used to (i) refund the Refunded Series 2013 Bonds (ii) pay the premium for the Bond Insurance Policy, and (iii) pay the costs of issuance of the Bonds (including the Underwriters' discount).

Refunding Plan

The proceeds of the Bonds, together with other available funds of the District, will be used to refund the Refunded Series 2013 Bonds, as set forth in APPENDIX G. In order to provide for the refunding of the Refunded Series 2013 Bonds, the District will use the net proceeds of the Bonds in such amount, with interest earnings, sufficient to pay, prior to their maturity date, all interest on and principal of the Refunded Series 2013 Bonds, as and when due. The amount described in the preceding sentence will be held as cash and Defeasance Obligations in the Project Fund established under the Indenture (the "Refunding Project Fund"), for the respective benefit of the holders of the Refunded Series 2013 Bonds. From and after the funding of the Refunding Project Fund, the Refunded Series 2013 Bonds shall be deemed paid and the pledge, assignment and lien of the Indenture shall be discharged and satisfied with respect to such Refunded Series 2013 Bonds. Holders of the Bonds will have no claim to the Refunding Project Fund.

The accuracy and adequacy of the mathematical computations of the amounts, with interest earnings, sufficient to pay, prior to their maturity date, all interest on and principal of the Refunded Series 2013 Bonds, as described above, were verified by Precision Analytics Inc. based upon information supplied by the District in connection with such matters.

Future Financings

The current authorization for Bonds from the Board is limited to $235 million for the purpose of refunding the Refunded Series 2013 Bonds and paying the costs associated with the refunding of the Refunded Series 2013 Bonds. However, the Board is not prohibited from authorizing the District to issue Additional Bonds (which otherwise satisfy the requirements of the Debt Reform Act) or subordinate obligations.

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds in connection with the issuance of the aggregate principal amount of the Bonds:

Estimated Sources:	
Principal Amount of the Bonds	$186,565,000.00
Net Original Issue Premium	22,303,798.50
Series 2013 Bond Funds	1,405,553.59
Total Estimated Sources of Funds	$210,274,352.09
Estimated Uses:	
Refunding Project Fund Deposit	$208,035,270.35
Costs of Issuance [1]	2,239,081.74
Total Estimated Uses of Funds	$210,274,352.09

[1] Includes estimated costs of issuance, the Underwriters' discount and premium for the Bond Insurance Policy.

SECURITY FOR THE BONDS

General

The Bonds will be issued pursuant to the Act, the Debt Reform Act, the Resolutions and the Indenture. The Bonds will be general obligations of the District to the payment of which the District will pledge its full faith and credit.

The Bonds will be payable from and secured by a pledge of (i) Tuition and Fee Revenues and State Grant Revenues in amounts each year as shall provide for the payment of 125% of annual debt service on the Bonds when due in such years (the "*Pledged Revenues*"), (ii) the *ad valorem* taxes levied against all of the taxable property in the District without limitation as to rate or amount, and pledged under the Indenture as security for the Bonds (the "*Pledged Taxes*"), (iii) all moneys and securities and earnings thereon in all Funds, Accounts and Sub-Accounts established pursuant to the Indenture, and (iv) any and all other moneys, securities and property furnished from time to time to the Trustee, by the District or on behalf of the District or by any other persons, to be held by the Trustee under the terms of the Indenture. As described herein, the Pledged Taxes will be levied and will be collected only as and to the extent that amounts on deposit to the credit of the Pledged Revenues Account are not sufficient to pay the debt service on the Bonds. As of the date of delivery of the Bonds, the 2023 tax levy included in the Bond Resolution will have been abated in its entirety through the deposit of Pledged Revenues with the Trustee in an amount sufficient to pay debt service on the Bonds payable in 2024. No abatement of the tax levies is permitted unless and until adequate funds are on deposit with the Trustee to pay the annual debt service on the Bonds. See **"–Pledged Taxes"** and **"–Debt Service Fund and Accounts,"** below.

Pledged Revenues

The Bonds are secured by the Pledged Revenues as described below and are further secured by the Pledged Taxes, as described below.

The Debt Reform Act requires that the Pledged Revenues must be pledged to the payment of the Bonds and any Additional Bonds and that the District must covenant to provide for, collect and apply such Pledged Revenues to the payment of 125% of the debt service on the Bonds, the Series 2017 Bonds and any Additional Bonds. This pledge and covenant is contained in the Indenture. Pursuant to the Debt Reform Act, the covenant and pledge constitute continuing obligations of the District and a continuing appropriation of the Pledged Revenues received by the District. The Bonds are being issued on a parity with the Series 2017 Bonds and share ratably and equally in the Pledged Revenues.

Tuition and Fees. The District's Tuition and Fee Revenues are pledged as security for the Bonds. The Board has the authority to set tuition and fees. In Fiscal Year 2016, tuition and fees were combined into a new flat-rate tiered based tuition structure designed to encourage full-time status and timelier completion for students. In Fiscal Year 2019, the District switched back to a per Semester Hour rate structure to eliminate any inequities for part-time students.

Gross student tuition and fees account for approximately 27.4% of the District's operating (Education, O & M, Auxiliary/Enterprise, and Working Cash) funds revenue for Fiscal Year 2023. The following chart shows District tuition and fees for the past ten years.

Tuition and Fees
(Unaudited)

Fiscal Year	In-District Tuition & Fees per Semester Hr	Out-of-District Tuition & Fees per Semester Hr	Out of State Tuition & Fees per Semester Hr	VI - F-1 Visa Students Fees per Semester Hr	Total Semester Credit Hrs Generated	Tuition & Fees Revenue	Less: Scholarships and Allowances	Tuition & Fees Revenue (Net)
2014	$89.00	$202.01	$249.71	–	1,184,165	$110,456,613	($66,905,144)	$43,551,469
2015	89.00	200.17	246.42	–	1,098,558	99,573,913	(57,835,807)	41,738,106
2016	133.36	353.16	359.73	$624.68	983,907	105,005,157	(49,164,083)	55,841,074
2017	133.36	353.16	359.73	624.68	904,038	99,177,882	(46,670,605)	52,507,277
2018	133.36	353.16	359.73	624.68	821,349	94,772,150	(51,261,909)	43,510,241
2019	146.00	384.00	481.00	481.00	791,762	92,474,466	(56,328,989)	36,145,477
2020	146.00	384.00	481.00	481.00	750,937	85,769,182	(46,873,374)	38,895,808
2021	146.00	384.00	481.00	481.00	653,576	76,746,431	(46,700,849)	30,045,582
2022	146.00	384.00	481.00	481.00	596,894	73,363,188	(48,984,682)	24,378,506
2023	146.00	384.00	481.00	481.00	619,501	76,655,210	(59,599,804)	17,055,406

Source: City Colleges of Chicago Annual Comprehensive Financial Reports
In Fiscal Year 2016 to 2018, City Colleges adopted a flat-price structure designed to make City Colleges' prices more transparent by eliminating fees.

Scholarships are administered through the City Colleges of Chicago Foundation. Scholarships are awarded based on a student's academic achievements, individual goals, and recommendations. Each scholarship has eligibility criteria that must be met by the student as part of the application process. City Colleges offers many scholarships opportunities to its students that include, but are not limited to, scholastic merit, type of career being pursued, athletic, ethnic background and college specific.

Tuition for college credit courses is a flat rate, including fees and is charged based on the total credit hours for a semester that falls within one of three rate tiers and varies depending on whether a student lives within or outside of the District's boundaries. Students enrolled in the Advanced Certificate or Associate Degree Nursing programs will be charged a higher rate. Student tuition may be paid by or on behalf of a student. Tuition must either be paid in full at the time of registration, by means of a monthly payment plan (without interest) or the student must have received a deferral while awaiting financial aid funding.

Financial aid eligibility is determined annually based on information filed by the student in the Free Application for Federal Student Aid ("*FAFSA*"). The information from the FAFSA is provided to the colleges in the Student Aid Report and is sent to students within 3-10 days after the FAFSA has been processed. Students who qualify to receive financial aid will receive a financial aid deferment for tuition and fees due once the financial aid process is completed. If a student drops a course within the refund period and the number of enrolled credit hours drops to a lower tier, the tuition is refunded.

The following charts set forth the schedule of resident and non-resident tuition for all of the District's Colleges.

Schedule of Tuition Rates per Credit Hour

	In-District Resident	Out-of-District	Out-of-State	International
Credit Courses	$ 146.00	$ 384.00	$ 481.00	$ 481.00
Specialized Programs:				
Radiography	182.25	382.25	480.14	741.19
Dental Hygiene	161.58	255.93	427.98	655.35
BNA Nursing	74.87	74.87	74.87	74.87

Source: District records

Schedule of Specialized Programs per Semester

	In-District Resident	Out-of-District	Out-of-State	International
Gas Utility	$ 4,650.00	$ 9,206.00	$ 17,873.33	$ 43,124.21
Overhead Electrical	5,500.00	N/A	N/A	N/A
Combination Welder, Construction Carpentry, Construction Masonry, Plumbing & Fire Protection	2,200.00	4,840.00	5,940.00	5,940.00

Source: District records

State Grants. The District receives funding from the State of Illinois (the "*State*") through the Illinois Community College Board ("*ICCB*"). The level of this funding is dependent on annual State appropriations for State community colleges as well as a formula based on credit hours, including adult education classes (subject to a two-year lag in certified credit hours).

State grant funding accounted for approximately 7.8% of all District revenues for Fiscal Year 2023. As the following table indicates, current State funding for Illinois community colleges has trended up over the past five years. Due to the fact that the State is facing significant financial shortfalls and challenges to balancing the State budget, the District cannot predict future levels of State funding.

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Community College State Funding

Fiscal Year	State Funding to All State Community Colleges	ICCB Funding to the District
2014	$ 284,556,500	$ 58,695,624
2015	278,773,899	55,231,784
2016	74,142,300	14,370,863
2017	161,872,900^	31,385,973^
2018	249,007,400	48,890,440
2019	257,111,600	47,594,594
2020	269,222,284	45,566,809
2021	269,222,286	44,107,140
2022	278,178,388^	45,311,205^
2023	281,597,697	45,743,823

Source: Illinois Community College Board

^ *Includes Supplemental appropriations.*

The current funding plan for community colleges was adopted in 1979 and first affected Fiscal Year 1981 appropriations. While the State appropriation for a community college is intended to equal the difference between estimated resource requirements for the community college and the estimated resources available to such community college from sources other than the grants appropriated by the ICCB, actual appropriations have not historically satisfied this intention and have been reduced to fit available State resources.

Resource requirements are estimated by multiplying the statewide average cost per semester credit hour (obtained via a statewide unit cost study) by the number of credit hours produced during the Fiscal Year completed two years prior to the budget year. This amount is adjusted to account for the average of two years of inflation, thus providing an estimate of the budget year's resource needs. The two-year inflation factor is determined by utilizing actual appropriation increases experienced for the first year and economic forecast estimates of inflation factors for salaries, library materials, utilities and the general cost of living for the second year.

Credit hour grants are paid for each of six instructional categories: baccalaureate transfer; business occupational; technical occupational; health occupational; remedial; and adult education. The credit hour rate for each instructional category is determined by calculating a projected statewide average per semester credit hour cost for that category and subtracting the system's other available resources in each instructional category. Since the resources available to each instructional category are nearly the same, an instructional category that has a high unit cost will be funded at a higher level than a category that has a lower unit cost. Credit hour grants are not restricted as to use and comprise approximately 80% of total ICCB grants.

Pledged Taxes

The District will levy Pledged Taxes to satisfy the debt service on the Bonds if the Pledged Revenues are insufficient. As of the date of delivery of the Bonds, the 2023 tax levy included in the Bond Resolution will have been abated in its entirety through the deposit of Pledged Revenues with the Trustee in an amount sufficient to pay debt service on the Bonds payable in 2024. The Pledged Taxes are *ad valorem* taxes levied against all of the taxable property in the District without limitation as to rate or amount. However, based on projected receipts of Pledged Revenues, the District anticipates that all Pledged Taxes will be abated prior to extension on a year-by-year basis prior to such Pledged Taxes being extended. **The District may only direct abatement of such Pledged Taxes in any year if and to the extent that the Trustee has Pledged Revenues or other funds irrevocably on deposit in the Pledged Revenues**

Account under the Indenture to provide for the payment of annual debt service on the Bonds in such year. To the extent that the Pledged Revenues or other funds in the Pledged Revenues Account are not available in sufficient amounts, the debt service on the Bonds is payable from the Pledged Taxes. In the event the Pledged Taxes are extended for collection, in any year, the District will direct the County Collectors to segregate from each distribution of property taxes to be paid to the District that percentage attributable to the levy of the Pledged Taxes for the payment of the debt service on the Bonds. The County Collectors will deposit the amount so segregated directly with the Trustee for application to the payment of debt service on the Bonds in accordance with the provisions of the Indenture. All Pledged Taxes received by the Trustee shall be (i) deposited promptly upon receipt into the Pledged Taxes Account described under **"– Debt Service Fund and Accounts,"** below and (ii) applied to the payment of the interest on and principal of the Bonds due during the calendar year in which such Pledged Taxes are collected. The District has covenanted in the Indenture to take all actions necessary to cause the levy and extension of additional Pledged Taxes in excess of those previously levied if necessary to pay debt service on the Bonds. For additional information concerning the levy and collection of the Pledged Taxes, see **"THE REAL PROPERTY TAX SYSTEM – Real Property Assessment, Tax Levy and Collection Procedures."**

In accordance with the Debt Reform Act, the Bonds will be excluded from statutory limitations on indebtedness unless *ad valorem* property taxes are extended for the payment of the Bonds. In such case, the outstanding Bonds will be included in computing all statutory limitations on indebtedness of the District until an audit shows that the Bonds have been paid from the Pledged Revenues for one complete fiscal year. It is the District's intention to use the Pledged Revenues or other available funds for the payment of the Bonds so that it will not be necessary to extend the Pledged Taxes levied by the Bond Resolution.

Debt Service Fund and Accounts

The Indenture establishes the Debt Service Fund as a separate fund pledged to the payment of debt service on the Bonds. The Indenture also establishes separate accounts in the Debt Service Fund, known as the "*Pledged Revenues Account,*" the "*Pledged Taxes Account*" and the "*Bond Payment Account*" consisting of the "*Interest Sub-Account*" and the "*Principal Sub-Account.*"

Pledged Revenues Account. The Trustee shall deposit to the credit of the Pledged Revenues Account any amounts paid by the District to the Trustee from time to time with written instructions for such deposit.

On or before February 16 of each year, or such earlier date as may be necessary to permit the District to lawfully make the abatement of the Pledged Taxes with respect to the Bonds as described below (a "*Deposit Date*"), the District shall deposit to the credit of the Pledged Revenues Account such amounts derived from Pledged Revenues as shall be sufficient to cause the amount on deposit in said Account to equal the sum of the interest on and principal of the Bonds that will come due and payable, whether at maturity or upon mandatory sinking fund redemption, during such Bond Year (the "*Annual Debt Service Requirement*").

On or before February 16 of each year, whenever sufficient funds are on deposit in the Pledged Revenues Account as shall be necessary to pay the principal of and interest on the Bonds due during the current Bond Year, the Trustee shall deliver to the District a notice evidencing the sufficiency of such deposit for said purpose and directing the District to take such actions as are necessary to abate the Pledged Taxes with respect to the Bonds. Once such full deposit has been made, the District shall take such actions as are necessary to abate in full the Pledged Taxes levied for the calendar year next preceding the calendar year of such Deposit Date.

In the event that on any Deposit Date there is not on deposit to the credit of the Pledged Revenues Account an amount sufficient to satisfy the Annual Debt Service Requirement, the District shall take such actions as are necessary to cause the extension of the Pledged Taxes previously levied for the calendar year next preceding the calendar year of such Deposit Date in an amount sufficient, when added to the amount then on deposit in the Pledged Revenues Account to provide funds sufficient to satisfy the Annual Debt Service Requirement for such Bond Year.

All amounts on deposit in the Pledged Revenues Account on December 2 of each year, following the transfers required to be made to the Bond Payment Account, shall be withdrawn from said Account and paid to the District free and clear of the lien of the Indenture without further written direction.

Bond Payment Account. The Trustee shall deposit to the credit of the Interest Sub-Account and the Principal Sub-Account any amounts directed in writing by the District to be deposited into either such Sub-Account. The Trustee shall also transfer, from time to time, to the credit of the Interest Sub-Account and the Principal Sub-Account all other amounts so directed in writing by the District to be transferred into either such Sub-Account.

There shall be transferred first from moneys on deposit in the Pledged Taxes Account and second from moneys on deposit in the Pledged Revenues Account: (i) first, to the Interest Sub-Account on or before each Interest Payment Date for any of the Outstanding Bonds, the amount required for the interest payable on such date, less the amount then on deposit in the Interest Sub-Account and available for such payment; and then (ii) pro rata, to the Principal Sub-Account on or before each December 1, an amount equal to the principal amount of the Outstanding Bonds that mature on such December 1, in each case less the amount then on deposit in the Principal Sub-Account and available for such payments.

Pledge of Funds, Accounts and Sub-Accounts

In addition to the Pledged Revenues and the Pledged Taxes, all Funds, Accounts and Sub-Accounts established pursuant to the Indenture are pledged to the payment of the Bonds. See **APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."**

Additional Bonds Payable From Pledged Revenues

Pursuant to the Indenture, the District reserves the right to issue Additional Bonds from time to time payable from all or any portion of the Pledged Revenues in addition to any other source of revenues that may be pledged under the Debt Reform Act, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds and the Series 2017 Bonds; provided, however, that no Additional Bonds may be issued except in accordance with the provisions of the Debt Reform Act as in existence on the date of issuance of the Additional Bonds and the Indenture. Subject only to compliance with such provisions of the Debt Reform Act, there is no limit on the aggregate principal amount of Additional Bonds, which may be issued by the District.

Subordinate Obligations Payable From Pledged Revenues

The District reserves the right to issue bonds or other evidences of indebtedness payable from all or a portion of the Pledged Revenues, which are subordinate to the Bonds and any Additional Bonds. Such subordinate obligations will be paid from such Pledged Revenues available to the District in each year in excess of those required to be deposited in the Pledged Revenues Account under the Indenture applicable to the Bonds during such year.

Other Indebtedness

In addition, the District reserves the right to issue bonds or other evidences of indebtedness payable from additional designated amounts of the District's revenues that are not Pledged Revenues under future authorizing resolutions.

Bonds Are General Obligations of the District

The Bonds are the direct and general obligations of the District to the payment of which the District has pledged its full faith and credit and taxing power. The Bonds are not the obligations of the City (as hereinafter defined), the State or any other political subdivision of the State (other than the District). Neither the full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State (other than the District) is pledged to the payment of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("*BAM*") will issue its Municipal Bond Insurance Policy for the Bonds (the "*Bond Insurance Policy*"). The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $502.8 million, $217.0 million and $285.8 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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INVESTMENT CONSIDERATIONS

Investment in the Bonds involves certain risks. In evaluating an investment in the Bonds, prospective purchasers should carefully consider the risk factors set forth under this heading "INVESTMENT CONSIDERATIONS" regarding a purchase of the Bonds, as well as all other information contained in or incorporated by reference into this Official Statement, including the appendices hereto and additional information in the form of the complete documents summarized herein and in the appendices hereto, copies of which are available as described herein.

There follows under this heading a discussion, in no particular order of importance or priority, of some, but not necessarily all, of the possible risks and investment considerations that should be carefully evaluated prior to purchasing any of the Bonds. There may be other risk factors and investment considerations that may be material or may become material in the future to a prospective purchaser's investment decision regarding purchasing or holding any Bonds, or that may materially and adversely affect the financial condition of the District and its ability to repay the Bonds. Moreover, any one or more of the factors discussed under this heading, and other factors not described under this heading, could lead to a decrease in the market value and the liquidity of the Bonds.

Overlapping Districts and Availability of Property Tax Revenues

There are seven major units of local government located in whole or in part within the boundaries of the District (the "*Overlapping Taxing Districts*"). See "**OTHER LOCAL GOVERNMENTAL UNITS**." The Overlapping Taxing Districts share, to varying degrees, a common property tax base and have the power to impose and increase property taxes on the same property tax base as the District. Reasons for such tax increases include, but are not limited to, increased costs of operation, increased debt service requirements on new or outstanding indebtedness, increased pension funding requirements, and other increased costs. The District does not control the amount or timing of the taxes levied by these Overlapping Taxing Districts.

In addition, the District and certain of the Overlapping Taxing Districts have levied taxes to pay Alternate Revenue Bonds and certain other general obligation bonds and such taxes are currently not extended for collection and are not reflected in the current tax rates of the District and the Overlapping Taxing Districts. Such debt service taxes could be extended in the future resulting in an increase in the tax burden of property owners within the boundaries of the District. Such increased burden could potentially be harmful to the local economy and may impact the value of property in the region and lead to population migration, delayed payments of taxes, lower tax collection rates and other factors that may result in a decrease in the rate and amount of tax collections received by the District, including the Pledged Taxes if extended for collection. As described above and in "**SECURITY FOR THE BONDS – Pledged Taxes**," several factors impact whether Pledged Taxes, if extended, will be collected in amounts sufficient to make timely debt service payments on the Bonds.

Local and State Economy

The financial health of the District is in part dependent on the strength of the local economy, which in turn is a component of the State economy. Many factors affect both economies, including rates of employment and economic growth and the level of residential and commercial development. Actions of local governments and the State may also have an economic impact to the extent such actions foster or impede economic growth and development. In addition, financial difficulties experienced by the State and by the Overlapping Taxing Districts may place stress on the same sources of revenue from which the District derives the funds for its operations and debt service. It is not possible to predict whether any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur or to quantify what impact such changes would have on the finances of the District.

Student Enrollment

Tuition revenue paid by enrolled students is a significant element of CCC's overall revenue base. A decline in enrollment can therefore impact its revenues and cash flows. Levels of enrollment may be impacted by factors such as the health of the local economy, levels of State financial support available to students, local wages and student loan availability and rates. The District has taken steps to address a declining enrollment trend, primarily a result of the impact of the COVID-19 pandemic, and the District has experienced recent positive results with a reduced rate of decline. See "**COMMUNITY COLLEGE DISTRICT NUMBER 508 – Enrollment Data**." The District cannot predict whether these early indications represent a trend reversal. A continued decline in enrollment could have a negative impact on the District's finances, including Pledged Revenues.

Unfunded Pensions

The District participates in the State Universities Retirement System of Illinois ("*SURS*") defined benefit and defined contribution plans. SURS is a cost-sharing, multi-employer defined pension plan to which the State makes substantially all legally required contributions on behalf of the participating employers, including the District. SURS is substantially underfunded. See "**COMMUNITY COLLEGE DISTRICT NUMBER 508 – Pension and Retirement Plan"** for a discussion of the shift to the District of a portion of the obligation to make the employer contribution.

Ratings

The Bonds have been rated by S&P and Fitch Ratings Inc. ("*Fitch*"). There is no assurance that such ratings will be maintained for any given period of time or that any rating will not be lowered or withdrawn entirely. Any revision or withdrawal of any such ratings could have a material adverse effect on the availability of a market for the Bonds and the prices at which the Bonds may be resold. See "**RATINGS**."

Cybersecurity Risks

In the last few years, the increase in reported customer or data breaches and other fraudulent activities/attacks, have heightened awareness of data security. Like many organizations, the District relies on digital technologies to conduct customary operations, therefore the District could be the target of cyber-attacks. Additionally, outside parties may attempt to fraudulently induce the District's employees, students, business partners, service providers and other users of its services to disclose information in order to gain access to sensitive data and the District's systems. The District maintains a network security system that is designed to stop cyber-attacks by third parties and minimize its impact on operations.

However, the techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. Such incidents are likely to continue and the District is unable to predict the direct or indirect impact of these future attacks and activities on the District.

Bankruptcy

Units of Illinois local government, such as the District, cannot file for protection under the U.S. Bankruptcy Code unless specifically authorized to be a debtor by State law or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor in a bankruptcy proceeding. State law does not currently permit the District to be a debtor in a bankruptcy proceeding. However, from time to time, legislation has been introduced in the Illinois General Assembly which, if enacted, would permit Illinois units of local government to be a debtor in bankruptcy under the U.S. Bankruptcy Code. The District cannot predict whether the Illinois General Assembly may adopt any such legislation that would permit units of local government, such as the District, to be a debtor in bankruptcy and the form and terms of any such proceeding.

COVID-19 Pandemic

The COVID-19 pandemic had certain economic impacts on governmental entities, including the District. With respect to the payment of the principal of and interest on the Bonds, these impacts may affect the level and timing of property tax collections, the level of student enrollment and other operational and financial impacts. The District cannot predict with any level of the certainty the scope and level of any future impact of the COVID-19 pandemic or similar health crisis on the District.

Change in Laws

There are a variety of State and federal laws, regulations and constitutional provisions that apply to the District, including the District's ability to pledge taxes and generate other revenues, fund its pension obligations or to reorganize its debts. There is no assurance that there will not be any change in, change in the interpretation of, or addition to such applicable laws, regulations and provisions. Any such change, change in interpretation, or addition may have a material adverse effect, either directly or indirectly, on the District or the taxing authority of the District, which could materially adversely affect the District's operations or financial condition.

Financial Condition of the State

The State may experience adverse budget and deficit conditions, which may impact the amount and timing of receipt of State Grant Revenues. Any failure of the State to resolve any budget or deficit conditions or resolve them by budget cuts and/or increases in taxes, could have an adverse effect on the local and State economy and/or property tax base and therefore an adverse impact on the operations and revenues of the District.

Financial Condition of the City

The City may increase property taxes in the future to address budget needs and the City is not currently subject to the PTELL limit on property tax increases. The City has an overlapping taxing base with the District. The failure of the City to resolve any future deficits or resolving them by budget cuts and/or continued increases in property taxes, could have an adverse effect on the local economy and/or property tax base. Such actions may therefore have an adverse impact on the operations of the District and the revenues it receives, including the Pledged Taxes if extended for collection.

Forward-Looking Statements

This Official Statement contains certain statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, bondholders and potential investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. The District does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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COMMUNITY COLLEGE DISTRICT NUMBER 508

Community College District Number 508 was organized in 1911 as a public community college district of the State of Illinois, having boundaries coterminous with the City. It was established under and is governed by the Act and operates seven colleges offering two-year associates' degrees, occupational certificates, continuing education, customized business-specific training and adult education programs.

The District's service area is approximately 237 square miles and has a population of approximately 2,746,388 per the most recent decennial census.

The District's seven colleges are strategically located throughout the City as set forth in the map on the inside front cover. Each of the District's colleges are separately accredited by the Higher Learning Commission (HLC).

Board of Trustees

The District is governed by an eight member Board of Trustees, seven of whom are appointed by the Mayor of the City with the approval of the City Council. One non-voting student member is selected in accordance with the Act. Day-to-day operations are administered by the Chancellor and staff administrators, which positions are appointed by the Board.

Official	Term Expires (June 30)
Walter E. Massey, Chair	2023 [3]
Elizabeth F. Swanson, Vice Chair	2024
Peggy A. Davis, Secretary	2024
Laritza Lopez	2024
Darrell A. Williams	2022 [3]
<vacant>	n/a
<vacant>	n/a
Yehuda Goldbloom, *Student Trustee* [1]	2024 [2]

[1] While the Student Trustee may cast an advisory vote on matters taken up by the Board and may make motions and second actions proposed by the Board, the Student Trustee's vote is not binding, nor does attendance by the Student Trustee count towards quorum. The Student Trustee is selected by the students at one of the City Colleges of Chicago on a rotating basis on an annual cycle.

[2] Student Trustee's term expires April 14, 2024.

[3] Term has expired; currently serving until a successor or reappointment is confirmed.

Administration

Following is information regarding key administrators of the District.

Juan Salgado, *Chancellor*. Chancellor Juan Salgado has focused his career on improving education and economic opportunities for residents in low-income communities. From 2001 to 2017, he served as CEO of Instituto del Progreso Latino, where he worked to empower residents of Chicago's Southwest Side through education, citizenship, and skill-building programs that led to sustainable employment and economic stability. As Chancellor of City Colleges of Chicago, he oversees Chicago's community college system, serving more than 60,000 students across seven colleges, 75 percent of whom are Black and Latinx students. Under his leadership, City Colleges of Chicago has seen an increase in student graduation rates to the highest level on record, an unprecedented systems-level partnership with the Chicago Public Schools called the Chicago Roadmap, the launch of Future Ready, a program to prepare Chicagoans with short-term credentials in in-demand fields at no cost, the launch of Fresh Start, a first-ever debt forgiveness program, the completion of two new major state-of-the-art facilities, a re-energizing of fundraising for student supports, and campus specific plans focused on equity in student outcomes, among other efforts. Chancellor Salgado is a community college graduate himself, earning an associate degree from Moraine Valley Community College, prior to earning a Bachelor's degree from Illinois Wesleyan

University, and a Master's degree in Urban Planning from the University of Illinois at Urbana-Champaign. Chancellor Salgado has been nationally recognized for his work, including as a 2015 MacArthur Fellow. Among his civic commitments, he serves as a board member of the Obama Foundation and a Class C Director for the Federal Reserve Bank of Chicago.

Dr. Mark Potter, *Provost and Chief Academic Officer*. Dr. Mark Potter is Provost and Chief Academic Officer at City Colleges of Chicago. In service to the seven City Colleges (Truman, Wilbur Wright, Malcolm X, Harold Washington, Kennedy-King, Olive-Harvey, and Richard J Daley), he leads efforts to advance quality academic experiences and high-value student outcomes in both credit programs and adult education. Dr. Potter began his career as a history professor at the University of Wyoming, and prior to his current position he was Associate Vice President for Undergraduate Studies at Metropolitan State University of Denver. He has a successful record of leading teams across academic affairs, student success, enrollment, and information technology to research, design, and implement innovative solutions for engaged learning, student success, and retention. Dr. Potter is driven by the educational mission of expanding opportunity to traditionally under-represented populations. His devotion as an academic leader is grounded in a commitment to the open-access sector where the work of providing a pathway to educational attainment has the greatest potential to impact lives and communities. In advancing the mission of City Colleges of Chicago, Dr. Potter is able to focus his leadership on pathways to and through college so that all of Chicago's residents can benefit from inclusive economic growth. Dr. Potter earned a Ph.D. in History from UCLA and a Bachelor's degree from the University of California, Berkeley.

Verónica Herrero, *Chief Institutional Advancement Officer and Chief of Staff*. Veronica Herrero currently serves as the Chief Institutional Advancement Officer and Chief of Staff at the City Colleges of Chicago. She also serves as President of the City Colleges of Chicago Foundation. In her capacity, she partners with the Chancellor and the seven Presidents of the City Colleges in the successful execution of the district's five-year strategic framework, college strategic plans, and strategic priorities. She provides leadership and oversight for the district in the areas of public and private fundraising, marketing and communications, community partnerships, government relations, equity, human capital, and strategy. Veronica also fosters relationships with local, regional, and national partners in the public, non-profit, and private sectors in support of City Colleges' vision. In her previous role as Chief of Strategy and Staff, she led the design and district-wide facilitation of CCC's strategic framework, which is centered on a powerful vision—for CCC to be recognized as the most accessible, higher education engine of socioeconomic mobility and racial equity, empowering all Chicagoans to take part in building a stronger and more just city. Prior to joining the City Colleges of Chicago, Veronica was Chief Program Officer of One Million Degrees (OMD), a non-profit organization partnering with community colleges in the Chicagoland area and committed to empowering community college students to succeed in school, work, and life. She brings over fifteen years of cross-sector leadership experience in strategy, design, student success, and education management through her previous roles at OMD, the University of Chicago Urban Education Institute, and Chicago Public Schools. Veronica is the proud daughter of two Mexican immigrants and mother to two young boys. She has dedicated her career to ensuring equitable paths to economic mobility, in service of first-generation students and communities of color. Veronica serves on the Illinois Board of Higher Education (IBHE) as Vice Chair, and the Northern Illinois University Board of Trustees as Chair of the Research and Innovation, Legal and Legislative Affairs. Veronica holds a BA from the University of Wisconsin-Madison, an MBA from the University of Chicago Booth School of Business, and is an alumna of the University of Chicago Civic Leadership Academy and the Erikson Institute's Early Childhood Leadership Academy.

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Maribel Rodriguez, *Chief Financial Officer*. Maribel Rodriguez joined City Colleges of Chicago as Chief Financial Officer in October 2018. She is responsible for the financial oversight of the third largest community college district in the nation, with seven colleges and five satellite sites. She has over 25 years of experience in the public financial sector. Prior to joining the City Colleges, she served as the Director of Treasury Operations of the Chicago Transit Authority (CTA). In that capacity, she managed the CTA's debt and operating funds of approximately $1 billion, debt issuance of more than $1.3 billion, and cash and investments. Ms. Rodriguez has also served as the Portfolio Manager for Cook County, a Deputy Treasurer for the Chicago Public Schools, and a Portfolio Manager for the City Treasurer's Office. Maribel holds a Bachelor of Science degree from Northeastern Illinois University and a Master of Business Administration degree from DePaul University.

Lamesha Smith, *Inspector General*. Effective December 14, 2020, Lamesha Smith was appointed as the Inspector General for the City Colleges of Chicago. Prior to this appointment, Lamesha worked in the City Colleges of Chicago Office of the Inspector General in various roles since December 2010. The City Colleges of Chicago Office of the Inspector General has the authority to conduct investigations regarding waste, fraud and misconduct by any officer, employee, member of the Board; any contractor, subcontractor, consultant or agent providing or seeking to provide goods or services to the City Colleges of Chicago; and any program administered or funded by the District or Colleges. Prior to joining the City Colleges of Chicago Office of the Inspector General, Lamesha worked in Allstate Insurance Company's corporate Law and Regulation Department as an investigator/attorney. While at Allstate, Lamesha conducted numerous investigations across the United States regarding alleged misconduct by employees and independent contractors. While in law school and for a period of time after graduating from law school, Lamesha worked as a law clerk for a law firm where she completed substantive legal work on various matters related to labor and employment law. Lamesha earned a B.A. in Industrial/Organizational Psychology, with honors, from DePaul University. Lamesha earned a J.D. from DePaul University College of Law. Lamesha is an Illinois licensed attorney. Lamesha earned the designations of Certified Inspector General and Certified Inspector General Investigator by the Association of Inspectors General.

Carol Dunning, *Chief Talent Officer.* Ms. Dunning joined the administrative staff of City Colleges in 2019 after leading Human Resources departments at multiple CPG companies and most recently at the Sagent Pharmaceuticals. As Vice Chancellor of Human Resources for CCC, Ms. Dunning helped our employees to get through the COVID years and will continue to focus on guiding a strong HR team that will ensure support of City Colleges' students and employees through their journey. Reflecting her love of education, Ms. Dunning has an Associate's Degree in Computer Science from College of DuPage in Glen Ellyn, IL, a Bachelor's Degree in Business Management, a MBA with HR concentration from National-Louis University in Chicago, IL and a Master's Degree in Legal Studies with HR Concentration from Northeastern University in Boston, MA. Ms. Dunning is certified as a SPHR and SHRM-SCP.

Karla Gowen, *General Counsel*. General Counsel Gowen is the Chief Legal Officer of the District. In such role she provides legal and strategic advice to the Administration and the Board of Trustees. General Counsel Gowen also oversees the District's Risk Management and Ethics Departments. Prior to joining the City Colleges of Chicago, General Counsel Gowen held the role of Assistant General Counsel with Marmon Retail Technologies Company where she advised executive management concerning legal matters and acquisitions. From 2006 to 2016, she held various roles at Cabot Microelectronics Corporation, including Associate General Counsel & Managing Attorney, in which she advised management concerning sales, sourcing, mergers and acquisitions and human resources matters. General Counsel Gowen commenced her career as a Corporate Associate with Winston & Strawn LLP. During her service with City Colleges of Chicago, General Counsel Gowen has been honored as one of Crain's Notable General Counsels 2019, an OnCon Icon Awards Top 10 Corporate Counsel 2022 and one of The Legal 500 GC Powerlist 2023.

Aarti Dhupelia, *Chief Student Experience Officer.* Overseeing City Colleges of Chicago enrollment management and student services District-wide, Aarti Dhupelia is focused on driving growth and equity in student access and success across CCC, and she is responsible for ensuring a seamless, supportive, empowering experience for every student from their enrollment at CCC through their transition to their next educational and/or career steps after CCC. Ms. Dhupelia joins City Colleges after most recently serving as Vice President for Undergraduate Education and Founding Dean of the Undergraduate College at National Louis University, where for nearly eight years she led the start-up and rapid scaling of NLU's innovative efforts to drive equity in Bachelor's Degree attainment and employment. Before joining NLU, Ms. Dhupelia served in several senior leadership roles at Chicago Public Schools, including as CPS' Chief Officer for the Office of College and Career Success, where she oversaw districtwide student wraparound support and college and career preparation programming and services. Prior to CPS she worked as a management consultant to Fortune 500 companies at Marakon Associates. Ms. Dhupelia holds a Master of Business Administration from Harvard Business School, an Education Specialist degree from National Louis University, a Bachelor of Arts from Northwestern University, and a certificate in Academic Leadership from Penn State University.

Description of the Colleges

The following are short descriptions of the seven City Colleges.

Richard J. Daley College is located on the southwest side of Chicago. Richard J. Daley College and its satellite campus, Arturo Velasquez Institute, collectively serve approximately 13,000 students whom study and work in a facility equipped with a 60,000-volume library, laboratories for chemistry, physics, biology, mathematics, languages, microcomputers, a gymnasium, a pool, a cafeteria and a student activities center. The Center of Excellence at Richard J. Daley College is advanced manufacturing and engineering, and the state-of-the-art Manufacturing Technology and Engineering Center is located at Richard J. Daley College. MTEC enables students to participate in a hands-on curriculum that prepares them for technological advancements in the engineering and manufacturing industries. With more than 75 percent student population identifying as Latino/Latinx, Richard J. Daley College has earned the designation of a Hispanic-Serving Institution by the United States Department of Education.

Harold Washington College is located in the Chicago Loop area and serves approximately 9,000 students. The college is located in an area considered to have the largest higher education footprint in Illinois with several colleges and universities nearby enrolling over 65,000 students. Several articulation agreements have been established by City Colleges with many of these four-year institutions allowing students to transfer on to complete Bachelor's Degrees. Harold Washington College is a federally designated Hispanic-Serving Institution and Minority Serving Institution with more than 70 percent Latinx and African-American students. Harold Washington College's Center of Excellence focus on business, entrepreneurship and professional services, and is home to the Goldman Sachs 10,000 Small Businesses Program.

Kennedy-King College constructed in 2007, is located on the south side of Chicago, and its affiliated satellite campuses serve more than 3,000 students annually. Affiliated satellite campuses include the Washburne Culinary & Hospitality Institute and Dawson Technical Institute. Students can earn an Associate of Arts (with areas of concentration in communications, social sciences, humanities and pre-professional fields), Associate in Science, Associate in Fine Arts, Music, or Associate in General Studies Degree. Kennedy-King College is City Colleges' Center of Excellence in culinary arts, hospitality, and construction technology, an emerging center of equity for creative arts, and home to the Tech Launchpad.

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Malcolm X College is located near the Illinois Medical District, a 560-acre special use zoning district west of Chicago's downtown, and serves over14,000 students. Malcolm X College offers Associate Degrees, Certificates and short-term training programs that prepare students to transfer to Bachelor's Degree programs or to move directly into the workforce. English as a Second Language ("*ESL*") courses are offered to help students master the English language, while adult education courses prepare students to pass the GED examination. Malcolm X College is City Colleges' Center of Excellence in health sciences. Malcolm X College's state-of-the-art campus includes the School of Health Sciences and School of Nursing, featuring a simulated hospital. Malcolm X also includes the West Side Learning Center satellite. Malcolm X College oversees the largest ensemble of health science programs in Illinois and boasts one of the best nursing programs in the state as recognized by RNCareers.org.

Olive-Harvey College is located on the southeast side of Chicago and serves approximately 5,000 students. At 67 acres, the Olive-Harvey College is the largest physical campus within the District. Associate Degrees, Certificates and short-term training programs are offered to prepare students to transfer to Bachelor's Degree programs or to move directly into the workforce. ESL courses help students master the English language while adult education courses prepare students to pass the GED examination. Non-credit classes range from short-term job training/career skills courses to personal development and leisure courses in a wide variety of areas. The South Chicago Learning Center (SCLC) satellite campus is a vital community institution for South Chicago and the surrounding neighborhoods, and prepares students for both higher education and employment by offering vocational and technical training as well as adult education courses. Olive-Harvey College's state-of-the-art transportation, distribution and logistics training center, its Center of Excellence, supports students as they pursue degrees and certificate programs in several fields, including: supply chain management and logistics, commercial truck driving, forklift operation, and automotive, diesel and aviation maintenance and technology. Olive-Harvey College is also leading efforts in offering the first cannabis vocational training program in Chicago.

Harry S Truman College is located on the northeast side of Chicago and serves more than 12,500 students. Harry S Truman College boasts the largest adult education program in the State of Illinois. Harry S Truman College offers college credit, continuing education, free GED and ESL classes, supporting students on their way to their educational and career goals. Harry S Truman College is City Colleges' Center of Excellence in education, human and natural sciences, giving students the opportunity to become the best teachers by learning from the best teachers.

Wilbur Wright College is located on the northwest side of Chicago and serves over 17,000 students with college credit, adult education, continuing education and special interest classes. Wilbur Wright College provides a park-like campus of five interconnected buildings, designed by award-winning architect Bertrand Goldberg, that offer access to classrooms, laboratories, and support services. Wilbur Wright College also provides vocational training at its Humboldt Park campus, the Humboldt Park Vocational Educational Center, in health careers and advanced manufacturing. Wilbur Wright College is a Hispanic-Serving Institution with one of the largest enrollments of Hispanic college students of all institutions of higher education in Illinois. Wilbur Wright College received the prestigious Seal of Excelencia, a national award, for its work serving Hispanic students. The Center of Excellence at Wilbur Wright College is in engineering and computer science.

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Admissions Policy

The District's seven colleges maintain open enrollment. All individuals, regardless of where they live, qualify for general admission if they have graduated from an accredited high school, hold a GED Certificate, or are 18 years of age or older. Health career programs may have additional requirements.

Once students are admitted, they may enroll in classes at the District as long as they meet the pre-requisites for the class and as long as seats are available. Students who reside in the City are charged in-district tuition, which is substantially less than out-of-district, out-of-state and out-of-country tuition.

Financial Aid

City Colleges offers federal, state, and institutional financial aid to eligible students. Participation in these financial aid programs enhances the District's ability to provide students entry into higher education. Financial aid may be in the form of a grant, scholarship, loan, or on-campus Federal Work Study employment. Students are required to complete the FAFSA and/or an institutional scholarship application to begin the application process.

Students routinely seek to access financial aid in order to finance their education. In Fiscal Year 2023, approximately 65% of students received some type of financial assistance.

Enrollment Data

In Fiscal Year 2023, more than 64,000 enrolled students took courses with City Colleges of Chicago, which includes credit, noncredit, adult education, continuing education and varied certification programs.

The following table shows the enrollment headcount and full-time equivalent for the last five years.

Historical Enrollment
(Unaudited)

Fiscal Year	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses	Total Enrollment
2019	23,147	50,558	28,927	79,485
2020	21,481	46,522	25,329	71,851
2021	18,632	40,988	29,222	70,210
2022	16,937	38,359	18,616	56,975
2023	17,720	40,134	24,037	64,171

Source: City Colleges of Chicago Annual Comprehensive Financial Reports.

City Colleges' leadership has made enrollment growth a high priority, following years of declining enrollment exacerbated by the COVID-19 pandemic. In response to this recent enrollment trend, City Colleges embarked on a 5-year strategic plan beginning in 2021 called "Our Path Forward" which includes detailed Strategic Enrollment Management plans. Fall 2023 enrollment is an early indication that the system is continuing an upward enrollment trend.

In Fiscal Year 2023, the District awarded 6,484 degrees and certificates. The ICCB has established minimum requirements for each degree program and City Colleges operates within those standards. Since 2009, Illinois community colleges, coordinated by the ICCB, have undertaken efforts to increase the proportion of adults in the state with postsecondary degrees and credentials. The ICCB and local community college officials have initiated an array of approaches to increase certificate and degree attainment. For example, through the District's reverse transfer policy for awarding associate degrees to students who have transferred in pursuit of a bachelor's degree before completing the requirements for an associate degree at a two-year institution, students are recognized for the credits they have earned.

District Revenues

The operating and debt service funds of the District have four primary sources of revenue: local property taxes, student tuition and fees, State grants and federal government funding. The following chart shows the revenues of the District by source for the fiscal year ("*Fiscal Year*" or "*FY*") ended June 30, 2023.

District Revenues by Source

	FY 2023	% of Total	I/(D) FY 2022	% I/(D) FY 2022
Local Tax Revenues	$199,055,094	37.8	$13,765,012	7.4
Other Local Government	13,046,116	2.5	2,390,251	22.4
Tuition and Fees, Net	17,055,406	3.2	(7,323,100)	(30.0)
State Government	175,647,573	33.4	(8,577,250)	(4.7)
Federal Government	114,230,563	21.7	(25,392,606)	(18.2)
Income on Investment	4,548,586	0.9	6,017,014	409.8
All Other	2,937,804	0.5	(2,629,267)	(47.2)
TOTAL	$526,521,142	100.0%	($21,749,946)	(4.0%)

Source: District records.

The following chart shows revenue in the operating funds of the District over the past five years.

Total Operating Funds Revenue of District

2020	2021	2022	2023
$486,135,986	$544,686,262	$548,271,088	$526,521,142

Source: District records. Amounts equal revenue plus inter-fund transfers.

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Indebtedness

The District previously issued its Series 2013 Bonds and Series 2017 Bonds. Upon the issuance of the Bonds and the refunding of the Refunded Series 2013 Bonds, other than the Series 2017 Bonds outstanding in the aggregate principal amount of $77,955,000 and the Bonds outstanding in the aggregate amount of $186,565,000, no other bonded debt will be outstanding. The District currently has $9,260,975 of lease obligations outstanding.

The following table shows the District's historical bond debt, bond debt as a percentage of the Estimated Fair Value of property in the District and bond debt per capita for the last 10 Fiscal Years. See "**OTHER LOCAL GOVERNMENT UNITS – Overlapping Entities**" for a description of other governmental units that levy taxes on property located in the City and share a tax base with the District.

Bonded Debt Outstanding
Last 10 Fiscal Years

Fiscal Year	Total Outstanding Bond Debt	Percentage of Estimated Fair Value	Bonded Debt Per Capita
2014	$ 257,406,782	0.14%	$ 94.68
2015	256,211,924	0.13	94.11
2016	251,089,656	0.12	92.29
2017	245,933,132	0.11	90.92
2018	325,987,163	0.14	120.00
2019	320,445,797	0.12	118.42
2020	314,797,847	0.12	116.85
2021	309,014,437	0.12	114.48
2022	303,071,153	0.10	112.39
2023 [1]	296,939,507	0.10 [2]	111.42 [3]

Source: District records.

1 Outstanding bond debt (including outstanding lease obligations), percentage and per capita as of June 30, 2023. Taking into account the Outstanding Bond Debt on the date of delivery of the Bonds, ($296,939,507), the percentage of Estimated Fair Value would be 0.10% and the debt per capita would be $111.42.

2 Based on Estimated Fair Value of property within the District for property tax year 2022 of $290,541,692,793. Source: Cook County Clerk's Office. See also "THE REAL PROPERTY TAX SYSTEM – Property Tax Information."

3 Based on District 2022 population of 2,665,064. Source: U.S. Census Bureau.

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District Debt Service Schedule*

Debt service on the Bonds is shown in the following table.

Calendar Year	Series 2017 Bonds	Series 2024 Bonds	Total Annual Debt Service
2024	$ 4,003,200.00	$ 7,954,924.31	$ 11,958,124.31
2025	4,002,450.00	9,328,250.00	13,330,700.00
2026	4,006,450.00	9,328,250.00	13,334,700.00
2027	4,004,950.00	12,288,250.00	16,293,200.00
2028	3,998,200.00	16,940,250.00	20,938,450.00
2029	4,001,450.00	16,942,250.00	20,943,700.00
2030	3,999,200.00	16,944,750.00	20,943,950.00
2031	4,006,700.00	16,936,750.00	20,943,450.00
2032	4,003,450.00	16,942,750.00	20,946,200.00
2033	3,999,950.00	16,941,000.00	20,940,950.00
2034	4,002,950.00	16,940,750.00	20,943,700.00
2035	4,000,550.00	16,940,750.00	20,941,300.00
2036	3,997,950.00	16,944,750.00	20,942,700.00
2037	4,005,150.00	16,941,250.00	20,946,400.00
2038	4,001,750.00	16,939,250.00	20,941,000.00
2039	4,001,000.00	16,942,250.00	20,943,250.00
2040	3,999,750.00	16,943,500.00	20,943,250.00
2041	4,003,000.00	16,936,500.00	20,939,500.00
2042	4,000,500.00	16,940,000.00	20,940,500.00
2043	4,002,500.00	16,941,750.00	20,944,250.00
2044	20,943,750.00		20,943,750.00
2045	20,947,250.00		20,947,250.00
2046	20,947,500.00		20,947,500.00
2047	20,947,500.00		20,947,500.00
Total	$163,827,100.00	$309,958,174.31	$473,785,274.31

*Assumes the issuance of the Bonds and the refunding of the Refunded Series 2013 Bonds.

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Demographics of the District

The table below depicts certain population, income and employment trends for the City over the last ten Fiscal Years.

Demographic and Economic Statistics
(Unaudited)

Fiscal Year	Population [A]	Personal Income *(in thousands)*	Per Capita Personal Income [B]	Unemployment Rate [C]
2014	2,722,407	$145,959,129	$53,614	7.90%
2015	2,720,556	153,828,398	56,543	6.60
2016	2,704,965	154,656,374	57,175	6.50
2017	2,716,462	161,474,651	59,443	5.40
2018	2,705,988	171,657,055	63,436	4.40
2019	2,693,959	175,931,686	65,306	4.10
2020	2,699,347	188,778,832	69,935	12.00
2021	2,696,561	198,350,937	73,557	7.60
2022	2,665,064	--------Data Not Available-----		5.30
2023	----------------------Data Not Available -------------------------			

Sources:
[A] *United States Census Bureau.*
[B] *United States Department of Labor – Bureau of Economic Analysis.*
[C] *Illinois Workforce Info Center Website.*

Historical population trends for the City are shown below:

Year	Population	% Change
1980	3,005,072	—
1990	2,783,726	(7.3) %
2000	2,896,016	4.0
2010	2,695,598	(6.9)
2020	2,746,388	1.9

Source: United States Census Bureau.

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Employees and Status of Collective Bargaining Agreements

In order to provide a wide variety of programming and services, the District maintains a staff of approximately 3,500 people, a slight increase since 2021, as shown below.

Employee Headcount
(Unaudited)

Unrestricted Funds

Functional Job Type	Full-time FTE 2021	Full-time FTE 2022	Full-time FTE 2023	Part-time FTE 2021	Part-time FTE 2022	Part-time FTE 2023	Total FTE 2021	Total FTE 2022	Total FTE 2023
Faculty	550	550	558	1,017	1,039	1,044	1,567	1,589	1,602
Professional/Technical Staff	311	320	327	34	38	30	345	358	357
Administrators	316	323	310				316	323	310
Clerical	208	214	216	10	11	12	218	225	228
Front-Line Direct Support (Custodial/Maintenance/Security)	227	234	233	152	175	178	379	409	411
Academic Support/ Direct Student-Facing Personnel	362	372	375	222	236	237	584	608	612
Student Workers	-	-		13	18	23	13	18	23
Totals	**1,974**	**2,013**	**2,019**	**1,448**	**1,517**	**1,524**	**3,422**	**3,530**	**3,543**

Source: District records.

The District is currently negotiating successor labor agreements with Local 1708 (Clerical and Technical Employees) and Local 399 (Engineers).

The District considers its relationship with its employees to be very strong, as management, faculty and staff have worked hard to build a collaborative working environment that focuses on student success.

Risk Management

The District purchases commercial insurance to cover property and non-property losses for amount in excess of its self-insured retention levels. The District maintains a comprehensive insurance plan through third-party administrators, insurance brokers and consultants for some of its employees' health coverage and risk management exposures. The District believes that it maintains adequate reserves to address potential losses. The facilities financed with the Bonds will be included under the District's insurance program.

Pension and Retirement Plan

The District contributes to the State Universities Retirement System of Illinois ("*SURS*") defined benefit and defined contribution plans. SURS is a cost-sharing, multi-employer defined pension plan to which the State makes substantially all legally required contributions on behalf of the participating employers, including the District. SURS is included in the State's financial reports as a pension trust fund. SURS provides coverage to faculty and staff of State universities, community colleges and related agencies. SURS draws contributions from employees of nine universities, 39 community college districts and 10 other State agencies. As of June 30, 2023, SURS had a total membership of 247,963, consisting of 74,645 active members (of which 13,136 are in the self-managed Retirement Savings Plan), 100,738 inactive members entitled to benefits but not yet receiving them (of which 11,014 are in the self-managed Retirement Savings Plan), and 72,580 retirees and beneficiaries currently receiving benefits. Members contribute either 8.0% or 9.5% of their salary depending on the benefits package applicable to them.

The employer contributions to SURS made by the State are set forth in the following table:

Employer Contributions to SURS Made by the State

Year Ending June 30	State Contribution
2020	$ 152,449,449
2021	166,771,454
2022	115,823,711
2023	90,086,854

Source: SURS GASB Letters.

The contribution requirements are established by State law and may be changed at any time by the General Assembly of the State.

The District's financial statements recognize the amount appropriated by the State as additional appropriations (non-operating) revenue and recognize the corresponding expense as an operating expense.

In addition to funding SURS, the State also provides funding for the Teacher's Retirement System of the State of Illinois, the State Employees' Retirement System of Illinois, the Judges' Retirement System of Illinois and the General Assembly Retirement System State of Illinois (each a "*Retirement System*" and, collectively, the "*State Retirement Systems*") that provide benefits upon retirement, death or disability to employees and beneficiaries. The Pension Code requires each Retirement System to produce an Actuarial Valuation within nine months of the end of such Retirement System's Fiscal Year. The primary purpose of the Actuarial Valuation is to determine the amount the State must contribute to each Retirement System in a given Fiscal Year to satisfy its current and future obligations to pay benefits to its eligible members as provided in the State Pension Code (the "*Required Annual Statutory Contribution*"). To determine the Required Annual Statutory Contribution, the actuary calculates both the "*Actuarial Accrued Liability*" and the "*Actuarial Value of Assets*." The Actuarial Accrued Liability is an estimate of the present value of the benefits each Retirement System must pay to current and retired employees as a result of their employment and participation in the Retirement System. The Actuarial Accrued Liability is calculated by use of a variety of demographic and other data (such as employee age, salary and service credits) and various assumptions (such as estimated salary increases, interest rates, employee turnover, mortality and disability rates). The Actuarial Value of Assets reflects the value of the investments and other assets held by the Retirement System. Various methods exist for calculating the Actuarial Value of Assets.

Any shortfall between the Actuarial Value of Assets and the Actuarial Accrued Liability is referred to as the "*Unfunded Actuarial Accrued Liability*" or "*UAAL*." The UAAL represents the present value of future benefits that are not matched by current plan assets. In addition, the actuary will compute the "*Funded Ratio*," which is the result obtained by dividing the Actuarial Value of Assets by the Actuarial Accrued Liability. The Funded Ratio and the UAAL are used to measure the financial health of a pension plan. An increasing UAAL or a decreasing Funded Ratio from year to year signals a deterioration in the financial health of a pension plan because it indicates the incurrence of additional liabilities without a corresponding increase in assets necessary to pay those additional liabilities. Conversely, a decreasing UAAL or an increasing Funded Ratio indicates an improvement in the financial health of a pension plan because such a change reflects a closing gap between the liabilities accrued by the pension plan and the assets necessary to pay those liabilities when they become due. A 100% Funded Ratio means existing actuarial assets are sufficient to pay the present value of currently estimated future benefits to be paid over time.

The actuaries use the Actuarial Accrued Liability, the Actuarial Value of Assets and the UAAL to compute the required annual statutory contribution for each Retirement System in accordance with the State Pension Code. This method does not conform with the provisions of GASB 67 and 68 for financial reporting. The Pension Code sets forth the manner of calculating the required annual statutory contribution under the statutory funding plan. The statutory funding plan requires the State to contribute annually an amount equal to a constant percent of payroll necessary to allow the Retirement Systems to achieve a 90% Funded Ratio by Fiscal Year 2045, subject to any revisions necessitated by actuarial gains or losses, or actuarial assumptions.

The following table sets forth certain relevant data regarding the funding status of SURS.

Funding Progress of SURS
($ in Millions)

Fiscal Year	Actuarial Value of Assets[(1)]	Accrued Actuarial Liabilities	Unfunded Accrued Actuarial Liabilities (Actuarial Value)	Funding Ratio (Actuarial Value)	Covered Payroll	UUAL as % of Covered Payroll
2014	$15,844.7	$37,429.5	$21,584.8	42.3	$3,522.2	612.8%
2015	17,104.6	39,520.7	22,416.1	43.3	3,606.5	621.5
2016	17,701.6	40,923.3	23,221.7	43.3	3,513.1	661.0
2017	18,594.3	41,853.3	23,259.0	44.4	3,458.3	672.6
2018	19,347.9	45,258.7	25,910.8	42.7	3,470.2	746.7
2019	19,661.9	46,444.0	26,782.1	42.3	3,506.7	763.8
2020	20,091.7	47,580.5	27,488.8	42.2	3,642.6	754.6
2021	21,484.8	48,898.4	27,413.6	43.9	3,638.2	753.5
2022	22,554.8	49,870.0	27,315.2	45.2	3,613.4	755.9
2023	23,364.7	51,050.8	27,686.1	45.8	3,744.8	739.3

Source: SURS Draft Actuarial Valuation Report as of June 30, 2023.

(1) Per Public Act 96-0043, beginning in Fiscal Year 2009, measures of financial soundness will be calculated using an actuarial value of assets based on a smoothed investment income rate. Investment income in excess or shortfall of the expected 6.5% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.

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With a Funded Ratio of 45.8% as of June 30, 2023, SURS is considered significantly underfunded. For the State's Fiscal Year 2022 (the most recent fiscal year for which audited financial statements of the State are available), the plan's Net Pension Liability (difference of the Total Pension Liability from the Plan Fiduciary Net Position) increased by nearly $550 million. The required annual statutory contributions to the Retirement Systems, while in conformity with State law, are currently less than the contributions that would otherwise be determined in accordance with the Government Accounting Standards Board ("*GASB*").

Schedule of Employer Contributions to SURS
($ in Millions)

Fiscal Year	Amount Contributed	Actuarially Required Contribution	Percentage Contributed
2014	$ 1,502.9	$ 1,560.5	96.3%
2015	1,528.5	1,622.7	94.2
2016	1,582.3	1,811.1	87.4
2017	1,650.6	1,864.8	88.5
2018	1,607.9	1,862.0	86.4
2019	1,642.1	2,239.4	73.3
2020	1,838.8	2,299.0	80.0
2021	1,978.7	2,303.3	85.9
2022	2,136.1	2,377.8	89.8
2023	2,138.7	2,373.0	90.1

Source: SURS Draft Actuarial Valuation Report as of June 30, 2023.

The statutory funding requirement is based upon the following requirements:

(1) the plan will achieve a 90% funded ratio by the end of State Fiscal Year 2045;
(2) the State's contribution amount is based upon a constant percentage of payroll of active members based on the actuarial value of the assets at the valuation date and assuming the actuarial value of assets earns the assumed investment return, currently set at 6.5% for the future;
(3) after 2045, the State's contribution amount is sufficient to maintain the funding level at 90%.

Changes were made to the SURS plan, primarily relating to new employees of the District, which resulted in a shift in the employer contribution obligation to include payments made by the District. Prior to the enactment of Public Act 100-0023, the difference between the total normal cost of annual contributions and the employee-required contributions was paid by the State. Under Public Act 100-0023, the portion of the total normal cost of contributions made on behalf of those employees enrolled in the Tier II defined benefit plan (anyone first hired after January 1, 2011) ("*Tier II Employees*") that was previously paid by the State shifted to the actual employers for Tier II members hired on or after the implementation date of the Optional Hybrid Plan, which occurred in FY 2018. The Optional Hybrid Plan is a combined defined benefit/defined contribution plan. While there has always been a Tier II employer normal cost paid under SURS, the Optional Hybrid Plan employer normal cost is expected to be less than that paid previously by the State, given that the total normal cost of the Optional Hybrid Plan is projected to grow from roughly 8 percent to 9 percent of payroll by FY 2045 and the employee contributes 6.2 percent of payroll towards that amount.

As of the date of this Official Statement, the District cannot estimate the amounts of future employer contributions required to be paid by the District or what impact it will have on the District's future finances. Such costs will depend in part on the volume of new hires over the next several years. However, the financial impact is not expected to be material in the near term.

SURS Projected Statutorily Required Contributions
($ in Millions)

Year Ending June 30	Statutorily Required State Contribution Amount	Assumed % of Payroll
2024	$ 2,186.0	42.2%
2025	2,235.4	42.1
2026	2,284.7	41.9
2027	2,326.0	41.6
2028	2,421.5	42.1

Source: SURS Annual Comprehensive Financial Report for fiscal year ended June 30, 2022.

Other Post-Employment Benefits

The District provides post-retirement health insurance benefits ("*OPEB*") and life insurance to retirees and their spouses or partners based on employee type and years of service. There were 1,911 vested employees and retirees as of June 30, 2023. The benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the Board and, if applicable, through its union contracts. The District provides subsidized coverage for the medical, dental and vision insurance for a period of 10 years from the employee's retirement date. Retired employees are covered for life insurance for a period of six to ten years, with City Colleges paying the cost of the coverage. During the ten-year subsidy period, City Colleges pays approximately 85% of the cost of the premiums and retirees pay approximately 15% of the cost of the medical, dental and vision coverage. To be eligible for benefits, an employee must qualify for retirement under the State University Retirement System. It is expected that all full-time active employees, who retire directly from the District and meet the eligibility criteria, will participate for up to 10 years. The District has implemented a freeze of benefits and participation in the health plan beginning in 2018 for non-bargained for employees.

The District's contributions to OPEB costs were $5,428,330 and $5,304,869, respectively for Fiscal Years 2023 and 2022. Based on an actuarial valuation performed by a third-party service provider, the total OPEB liability was $92,470,188 and $90,248,733 or the respective Fiscal Years 2023 and 2022. This obligation assumes an inflation rate of 2.6% per year, a discount rate assumption of 3.65% in 2023 from 3.54% in 2022, and a healthcare cost trend rate assumption that starts at 2.9% to 4.0% over 52 years. Actuarial valuations are obtained by the District every other year. The District has not established an irrevocable trust to account for the OPEB, so it is not accounted for as a trust fund and the District does not issue as a separate report.

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Financial Information

The following table shows five years of Statements of Net Position for the District.

	2019	2020	2021	2022	2023
Assets					
Current assets:					
Cash and cash equivalents	$ 16,390,584	$ 12,497,600	$ 11,232,398	$ 14,119,563	$ 9,726,134
Short-term investments	84,580,128	80,024,498	99,888,691	117,717,109	113,296,276
Property tax receivable, net	57,996,391	61,724,362	64,430,075	65,420,395	75,612,501
Personal property replacement tax receivable	2,158,338	2,079,883	3,802,214	7,199,559	7,231,217
Other accounts receivable, net	18,644,765	16,727,917	19,402,628	24,347,169	19,983,651
Prepaid items and other assets	-	1,763,079	3,387,633	4,700,519	5,714,956
Total current assets	$ 179,770,206	$ 174,817,339	$ 202,143,639	$ 233,504,314	$ 231,564,735
Non-current assets:					
Restricted cash	35,707,459	33,693,355	29,494,661	26,001,687	26,467,877
Funds held by others - restricted	232,055	152,454	735,346	1,035,233	1,225,023
Long-term investments	-	20,612,325	20,746,591	27,680,425	37,480,509
Other accounts receivable	3,508,260	2,552,090	1,547,000	490,493	-
Capital assets not being depreciated	57,283,027	57,696,934	57,033,595	63,138,338	70,728,429
Capital assets being depreciated, net	864,052,298	780,454,926	753,448,011	735,415,629	715,810,758
Total non-current assets	$ 960,783,099	$ 895,162,084	$ 863,005,204	$ 853,761,805	$ 851,712,596
Total assets	$ 1,140,553,305	$ 1,069,979,423	$ 1,065,148,843	$ 1,087,266,119	$ 1,083,277,331
Deferred outflows of resources					
Deferred other post-employment benefits	3,627,160	9,381,082	6,519,644	3,146,037	3,053,553
Deferred grant-related pension contributions	616,634	688,442	2,047,510	1,540,231	1,929,542
Total deferred outflows of resources	$ 4,243,794	$ 10,069,524	$ 8,567,154	$ 4,686,268	$ 4,983,095
Liabilities					
Current liabilities:					
Accounts payable	12,562,006	11,016,021	13,019,523	17,869,757	24,523,680
Accrued payroll	20,752,449	17,885,881	21,294,132	20,751,635	13,945,898
Other accruals	2,982,143	4,106,230	2,133,311	1,963,022	4,439,769
Deposits held in custody for others	1,387,878	1,309,037	-	-	-
Unearned tuition and fees revenue	5,890,028	5,375,454	5,762,385	5,627,662	6,921,861
Unearned grant revenue	641,588	6,460,664	7,222,114	10,771,259	7,734,514
Other liabilities	17,908,043	14,646,814	11,295,348	8,982,259	7,379,634
Current portion of non-current liabilities	6,818,642	7,412,045	8,298,510	9,748,654	10,860,262
Total current liabilities	$ 68,942,777	$ 68,212,146	$ 69,025,323	$ 75,714,248	$ 75,805,618
Non-current liabilities:					
Accrued compensated absences	2,662,644	3,353,833	3,554,227	3,692,232	4,056,352
Accrued property tax refunds	18,512,069	18,695,476	19,126,094	17,099,921	14,922,020
Sick leave benefits	3,488,021	3,260,597	2,982,331	2,669,455	2,834,321
Other post-employment benefits	98,287,002	107,291,401	105,759,050	90,248,733	92,470,188
Workers compensation	-	1,177,121	1,145,668	1,206,644	1,268,600
Bonds payable, net of premiums and discounts	320,445,797	314,797,847	309,014,437	303,071,153	296,939,507
Lease obligations	8,516,221	7,794,593	7,051,313	8,302,808	17,597,876
Other non-current liabilities	-	-	-	6,285,737	-
Less current portion of non-current liabilities	(6,818,642)	(7,412,045)	(8,298,510)	(9,748,654)	(10,860,262)
Total non-current liabilities	$ 445,093,112	$ 448,958,823	$ 440,334,610	$ 422,828,029	$ 419,228,602
Total liabilities	$ 514,035,889	$ 517,170,969	$ 509,359,933	$ 498,542,277	$ 495,034,220
Deferred inflows of resources					
Deferred other post-employment benefits	29,442,112	17,319,337	5,196,549	11,143,945	7,727,415
Deferred property tax revenue	61,090,733	62,930,477	65,142,600	67,757,739	-
Deferred leases	-	-	-	14,357	72,455,856
Total deferred inflows of resources	$ 90,532,845	$ 80,249,814	$ 70,339,149	$ 78,916,041	$ 80,183,271
Net Position					
Net investment in capital assets	622,386,371	535,255,971	509,655,082	488,858,156	474,138,462
Restricted for specific purposes:					
Audit	238,546	293,763	334,907	424,501	332,785
Liability, protection and settlement	194,117	-	-	-	-
Trust and Agency	-	-	1,020,227	1,012,595	1,022,200
Restricted Purposes (Grants)	-	-	2,461,883	3,080,149	1,593,425
Unrestricted	(82,590,665)	(52,921,570)	(19,455,184)	21,118,668	35,956,063
Total net position	$ 540,228,369	$ 482,628,164	$ 494,016,915	$ 514,494,069	$ 513,042,935

Source: District records.

The following table shows five years of Statements of Revenues, Expenses and Changes in Net Position for the District:

	2019	2020	2021	2022	2023
Revenues					
Operating revenues:					
Student tuition and fees:					
Resident tuition	$ 85,798,034	$ 79,300,636	$ 70,871,127	$ 66,853,483	$ 68,618,278
Nonresident tuition	5,611,992	5,670,751	5,212,916	2,059,485	5,650,384
Fees	1,064,440	797,795	662,388	4,450,220	2,386,548
Less: scholarship allowances	(56,328,989)	(46,873,374)	(46,700,849)	(48,984,682)	(59,599,804)
Net student tuition and fees	36,145,477	38,895,808	30,045,582	24,378,506	17,055,406
Other operating revenues	5,143,109	2,298,628	2,683,054	5,567,071	2,937,804
Total operating revenues	$ 41,288,586	$ 41,194,436	$ 32,728,636	$ 29,945,577	$ 19,993,210
Expenses					
Operating expenses:					
Instructional salaries	88,524,100	91,069,112	90,179,547	91,156,656	97,386,526
Non-instructional salaries	109,912,039	112,315,513	111,071,138	118,865,175	131,025,489
Fringe benefits	155,017,642	177,342,268	191,085,401	151,824,451	134,974,988
Supplies	16,590,301	19,369,703	20,876,911	23,021,322	29,656,103
Professional development	1,080,524	670,323	191,859	558,721	1,272,013
Equipment not capitalized	-	-	-	-	-
Utilities	8,140,159	7,447,037	8,647,525	9,072,584	8,572,212
Contractual services	22,418,335	28,022,825	17,667,481	22,286,105	28,074,434
Depreciation	46,570,373	46,108,387	34,655,652	32,105,950	29,771,317
Financial aid, exclusive of scholarship allowances	30,392,713	33,362,697	47,233,334	69,627,115	54,212,003
Other expenses	6,245,996	3,184,974	(266,064)	200,116	1,369,329
Total operating expenses	$ 484,892,182	$ 518,892,839	$ 521,342,784	$ 518,718,195	$ 516,314,414
Operating loss	($ 443,603,596)	($ 477,698,403)	($ 488,614,148)	($ 488,772,618)	($ 496,321,204)
Non-operating revenues (expenses):					
State apportionment and equalization	47,565,890	45,538,109	45,952,397	47,185,162	47,405,311
Other state grants and contracts	139,865,030	169,183,060	185,805,080	137,039,661	128,242,262
Local grants and contracts	4,461,449	10,861,218	7,722,619	10,655,865	13,046,116
Local property taxes	125,547,962	130,359,887	135,789,947	141,347,110	153,197,663
Personal property replacement tax	13,490,094	14,586,627	20,323,479	43,942,972	45,857,431
Federal grants and contracts	72,002,237	71,494,722	116,062,253	139,623,169	114,230,563
Litigation settlement	-	-	-	16,600	-
Investment income	3,941,896	2,917,927	301,851	(1,468,428)	4,548,586
Building lease and interest payments on debt	-	-	-	-	-
Interest payments on debt	(12,632,012)	(15,047,917)	(14,906,707)	(14,738,790)	(14,544,449)
Other non-operating revenue	586,271	(11,620,473)	80,806	579,532	(39,178)
Total non-operating revenues (expenses), net	$ 394,828,817	$ 418,273,160	$ 497,131,725	$ 504,182,853	$ 491,944,305
Income (Loss) before capital appropriations and grants	(48,774,779)	(59,425,243)	8,517,577	15,410,235	(4,376,899)
Capital appropriations and grants	11,711,485	1,825,038	1,562,137	5,066,919	2,925,765
Change in net position	($ 37,063,294)	($ 57,600,205)	$ 10,079,714	$ 20,477,154	($ 1,451,134)
Net position, beginning of year	577,291,663	540,228,369	483,937,201	494,016,915	514,494,069
Net position, end of year	$ 540,228,369	$ 482,628,164	$ 494,016,915	$ 514,494,069	$ 513,042,935

Source: District records.

District Financial Position

The District's total net position as of June 30, 2023 of $513.0 million represents a decrease of $1.5 million from the previous Fiscal Year. This decrease is largely attributable to decreases in federal grants and contracts and financial aid, which is offset by increases in salaries, fringe benefits, and other state grants and local property taxes.

Investment Policy

The District has adopted an Investment Policy (the "*Investment Policy*") which is consistent with the Act and the Public Funds Investment Act, 30 Illinois Compiled Statutes 235. The objectives of the Investment Policy are to invest public funds legally in a manner to provide for the safety and preservation of capital and preservation of capital and protection of investment principal, liquidity and yield. The Investment Policy specifically prohibits the use of or investment in reverse repurchase agreements, inverse floaters and derivative products such as collateralized mortgage obligations. All investments of the moneys on deposit in the Funds and Accounts established under the Indenture are subject to the provisions of the Investment Policy to the extent they are more restrictive than the Indenture.

Debt Policy

The Board adopted a Debt Policy on December 7, 2017 to guide the issuance and management of its debt portfolio. The Debt Policy addresses bond terms, procurement rules, and debt burden metrics. Under the Debt Policy, debt incurrence is limited to capital investment in assets with useful lives matching debt amortization. Fixed rate, variable rate, and short-term debt issuance is permitted based on market conditions and Board approval. The overall debt burden and portfolio risk is specifically limited and the procurement and agreements governing financial professionals is described. Derivative instruments are not permitted, nor is the use of debt for operating purposes. The Debt Policy will be reviewed no less than every three years and any modifications to the Debt Policy must be presented to and approved by the Board of Trustees.

OTHER LOCAL GOVERNMENTAL UNITS

Overlapping Entities

There are seven major units of local government, including the District, located in whole or in part within the boundaries of the District, each of which (i) is separately incorporated under the laws of the State, (ii) has an independent tax levy, (iii) derives its power and authority under the laws of the State, (iv) maintains its own financial records and accounts and (v) is authorized to issue debt obligations. In addition to the District, these units are: the City; the Chicago Park District; the Chicago Board of Education; the County of Cook; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago. Each of the foregoing governmental units levies taxes upon property located in the City, and, in some cases, in other parts of Cook County as well. For additional information about the District, see **"COMMUNITY COLLEGE DISTRICT NUMBER 508."** Information about these other units of local government is set forth below.

City Colleges of Chicago
Community College District Number 508

Direct and Overlapping General Obligation Debt
(Unaudited)
As of January 9, 2024

($000s)

	Net Direct Long-Term Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt [1]			
City Colleges of Chicago	$264,520*	100.00%	$264,520*
Estimated General Obligation Overlapping Debt			
City of Chicago General Obligation Bonds	$5,293,895	100.00%	$5,293,895
Chicago Board of Education	9,309,714	100.00	9,309,714
Chicago Park District	853,865	100.00	853,865
Cook County	2,783,732	52.48	1,460,903
Cook County Forest Preserve District	87,340	52.48	45,836
Metropolitan Water Reclamation District of Greater Chicago	2,477,600	53.34	1,321,552
Total Estimated Overlapping Long-Term Debt			18,285,764
Direct and Estimated Overlapping Long-Term Debt			$18,550,284*

Source: Records of each respective governmental unit. Includes Alternate Bond Debt.
[1]For additional information about the District's direct indebtedness, see "**COMMUNITY COLLEGE DISTRICT NUMBER 508 – Indebtedness**."
*Assumes the issuance of the Bonds and the refunding of the Refunded Series 2013 Bonds.

Major Units of Government

The City of Chicago is a home rule unit of government under the Illinois Constitution and was incorporated in 1837. The City is governed by a Mayor (the "*Mayor*"), elected at-large for a four-year term, and the City Council (the "*City Council*"). The City Council consists of 50 aldermen ("*Aldermen*"), each representing one of the City's 50 wards. Aldermen are elected for four-year terms.

The Chicago Park District (the "*Park District*") is responsible for the maintenance and operation of parks, boulevards, marinas and certain other public property within the City. The Park District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

Board of Education of the City of Chicago (the "*Chicago Public School District*") maintains a system of public elementary and high schools within the City. The Chicago Public School District is governed by a seven-member board, appointed by the Mayor.

Cook County (the "*County*") is a home rule unit of government under the Illinois Constitution, and includes virtually all of the City, plus numerous surrounding suburbs and unincorporated areas. The County is governed by a board of 17 Commissioners, each elected for four-year terms from one of 17 districts. The voters of the entire County elect a number of County Officials, including the President of the District of Commissioners, the County Sheriff, the County Assessor, the County Clerk, the State's Attorney and the County Treasurer.

The Forest Preserve District of Cook County (the "*Forest Preserve District*") is coterminous with the County. The Forest Preserve District creates, maintains and operates forest preserves within the County. The Forest Preserve District is governed by a seventeen-member board composed of the members of the County Board.

The Metropolitan Water Reclamation District of Greater Chicago (the "*Water Reclamation District*") includes virtually all of the City and most of the County. The Water Reclamation District constructs, maintains and operates sewage treatment plants and certain sanitary sewers and constructs and maintains drainage outlets. The Water Reclamation District is governed by a nine-member board elected at-large by the voters of the Water Reclamation District.

Interrelationships of These Bodies

The governmental units and other public bodies described above, share in varying degrees a common property tax base with the District. See **"– Overlapping Entities"** above. However, they are all separate legal and financial units, and the financial condition or circumstances of any one unit does not necessarily imply similar financial conditions or circumstances for the District.

Other Public Bodies

Other governmental bodies in the District's geographical boundaries are described below. These governmental bodies are authorized to issue debt obligations, but are not authorized to levy real property taxes.

The Public Building Commission of Chicago (the "*PBC*") is a municipal corporation authorized to acquire, construct and improve public buildings and facilities for use by one or more of the local governmental units. The PBC issues bonds to finance its various projects and then leases its facilities to certain governmental units.

The Chicago Transit Authority (the "*CTA*") is a municipal corporation empowered to acquire, construct, own, operate and maintain a transportation system in the City and portions of the County. The CTA is governed by a seven-member board.

The Regional Transportation Authority (the "*RTA*") is a municipal corporation authorized to provide planning, funding, coordination and fiscal oversight of three separately governed operating entities which provide public mass transportation services in a six-county area of northeastern Illinois, including Cook County. The RTA is governed by a 16-member board, consisting of City and suburban members appointed by elected officials in the six-county RTA region.

The Metropolitan Pier and Exposition Authority (the "*MPEA*"), formerly known as the Metropolitan Fair and Exposition Authority, is a municipal corporation which owns the McCormick Place convention and exposition facilities and Navy Pier. MPEA is authorized to impose certain taxes to provide security for its bonds.

The Illinois Sports Facilities Authority (the "*ISFA*") is responsible for the operation of U.S. Cellular Field. The ISFA is primarily funded from hotel taxes and lease revenues from the use of U.S. Cellular Field.

THE REAL PROPERTY TAX SYSTEM

Real Property Assessment, Tax Levy and Collection Procedures

General. Information in this Appendix provides a general summary of the current procedures for real property assessment, tax levy and tax collection in Cook County (the "*County*") applicable to the District. The following is not an exhaustive discussion, nor is there any assurance that the procedures described in this Appendix will not be changed either retroactively or prospectively. The Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (35 ILCS 200) (the "*Property Tax Code*").

Substantially all (approximately 99.99%) of the **"***Equalized Assessed Valuation***"** (as herein defined) of taxable property in the District is located in the County. The remainder is located in DuPage County. Accordingly, unless otherwise indicated, the information set forth in this Appendix and elsewhere in this Official Statement with respect to taxable property of the District does not reflect the portion situated in DuPage County.

Assessment. The Cook County Assessor (the *"Assessor"*) is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the Assessor. The real property within the District is reassessed every three years, with 2018 being the last reassessment year.

Pursuant to the Cook County Real Property Assessment Classification Ordinance (the *"Classification Ordinance"*), real property in the County is separated into various classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. Beginning with the 2009 tax year, the classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualifies for certain incentives for reduced rates. For prior years, the classification percentages ranged from 16 to 38 percent.

The Cook County Board of Commissioners has adopted various amendments to the Classification Ordinance pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

The Assessor has established procedures enabling taxpayers to contest the Assessor's tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by the Cook County Board of Review (the *"Board of Review"*). The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor. Owners of property are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the *"PTAB"*), a state-wide administrative body, or to the Circuit Court of Cook County (the *"Circuit Court"*). The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Based on the amount of the proposed change in assessed valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Valuation, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization. After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year, including any revisions made by the Board of Review, the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the *"Equalization Factor"*), commonly called the *"multiplier,"* for each county. The purpose of equalization is to bring the aggregate assessed value of all real property in each county, except farmland, wind turbines with a nameplate capacity of at least 0.5 megawatts and undeveloped coal, to the statutory requirement of 33-1/3% of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the *"Equalized Assessed Valuation"* or *"EAV"*). The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the *"Assessment Base"*). The Equalization Factor for a given year is used in computing the taxes extended for collection in the following year. In addition, the Equalized Assessed Valuation used to determine any applicable tax limits is the one for the immediately preceding year and not the current year. See the discussion under the heading *"Property Tax Extension Limitation Law"* below.

Exemptions. The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, currently up to a maximum reduction of $10,000 in the County and $6,000 in all other counties. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $8,000. There is also an exemption available for homes owned and exclusively used for residential purposes by disabled veterans or their spouses, for whom the Assessor is authorized to annually exempt up to $100,000 of the Assessed Valuation. An additional exemption is available for disabled persons, for whom the Assessor is authorized to reduce the EAV by $2,000. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $65,000 or less, and who are either the owner of record or have a legal or equitable interest in their residential property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called *"freeze"* and each year thereafter in which the qualifying criteria are maintained.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable (including qualifying not-for-profit hospitals), and educational organizations, as well as units of federal, state and local governments.

In 2001, the County enacted the *"Longtime Homeowner Exemption Ordinance,"* which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners: (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner's triennial assessment does not exceed 115% of the "*Chicago Primary Metropolitan Statistical Area"* median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150% of the current average assessed value for properties in the assessment district where the property is located, (iv) whose property has a market value for assessment purposes of $300,000 or less in the current reassessment year, and (v) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property's fair cash value in excess of the $45,000 allowance set forth in the Property Tax Code.

Tax Levy. There are over 800 units of local government (the *"Units"*) located in whole or in part in the County that have taxing power. The major units of local government having taxing power over property located in whole or in part within the boundaries of the County are the City, the Chicago Park District, the Chicago Public Schools, the District, the County, the Forest Preserve District of Cook County and the Metropolitan Water Reclamation District of Greater Chicago.

As part of the annual budgetary process of the Units, each year in which the determination is made to levy real property taxes, proceedings are adopted by the governing body of each Unit. Typically, real property taxes are levied in one calendar year and collected in the following calendar year. The tax levy proceedings impose the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The remaining administration and collection of the real property taxes is statutorily assigned to the County Clerk and the County Treasurer, who is also the County Collector (the *"County Collector"*).

The Local Government Debt Reform Act (30 ILCS 350/16) (the *"Debt Reform Act"*) includes special provisions applicable to tax levies to pay debt service on general obligation bonds, including Alternate Revenue Bonds. A governmental unit may levy a tax for the payment of principal of and interest on general obligation bonds, including Alternate Revenue Bonds, at any time prior to March 1 of the calendar year during which the tax will be collected. The County Clerk is required to accept the filing of the ordinance levying such tax notwithstanding that such time is subsequent to the end of the calendar year next preceding the calendar year during which such tax will be collected.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Pursuant to the Debt Reform Act, in extending taxes for general obligation bonds, including Alternate Revenue Bonds, such as the Bonds, the County Clerk is required to increase the levy for debt service on such bonds to provide an allowance for loss in collections, in an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all the Units having jurisdiction over the particular parcel. The County Clerk enters in the books prepared for the County Collector (the *"Warrant Books"*) the tax (determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel), along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law (the *"Truth in Taxation Law"*) contained within the Property Tax Code imposes procedural limitations on a Unit's real estate taxing powers and requires that a notice in a prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the levy of the preceding year, exclusive of levies for debt service (including debt service on Alternate Revenue Bonds, such as the Bonds), levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures. The Truth in Taxation Law does not impose any limitations on the rate or amount of the levy to pay principal of and interest on the Unit's general obligations bonds and notes (including payment of debt service on Alternate Revenue Bonds, such as the Bonds).

Collection. Property taxes are collected by the County Collector, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and historically the second on the later of August 1 or 30 days after the mailing of the tax bills. As a result of the onset of the COVID-19 pandemic at the beginning of calendar year 2020, the tax penalty dates for the second installment of Tax Levy Year 2019, the first installment of Tax Levy Year 2020 and the second installment of Tax Levy Year 2020 property taxes levied in the County were extended to October 1, 2020, May 3, 2021 and October 1, 2021, respectively. The due dates for the second installment for Tax Levy Year 2021, the first installment for Tax Levy Year 2022 and the second installment for Tax Levy Year 2022 were extended to December 30, 2022, April 3, 2023 and December 1, 2023, respectively, primarily because of the implementation of a new computer system by the County. The first installment is an estimated bill calculated at 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, assessed value and Equalization Factor and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The following table sets forth the second installment penalty date for the Tax Levy Years 2013 through 2022. Except for the first installment penalty date for Tax Levy Year 2020 of May 3, 2021, and the first installment penalty date for Tax Levy Year 2022 of April 3, 2023, the first installment penalty date has been March 1, 2 or 3 for all years.

Second Installment Penalty Date

Tax Levy Year	Penalty Date
2022	December 1, 2023
2021	December 30, 2022
2020	October 1, 2021
2019	October 1, 2020
2018	August 1, 2019
2017	August 1, 2018
2016	August 1, 2017
2015	August 1, 2016
2014	August 3, 2015
2013	August 1, 2014

The County may provide for tax bills to be payable in four installments instead of two. Currently, the County does not require payment of tax bills in four installments.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on the year's Warrant Books (the *"Annual Tax Sale"*). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue interest at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus an additional penalty fee calculated from the penalty bid at sale times a certain multiplier based on each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes, interest and certain other costs to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale, except that a different penalty rate may apply depending on the length of the redemption period.

A scavenger sale (the *"Scavenger Sale"*), like the Annual Tax Sale, is a sale of unpaid taxes. A Scavenger Sale must be held, at a minimum, every two years on all property in which taxes are delinquent for two or more years. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

Property Tax Extension Limitation Law

The Property Tax Code specifically limits the annual growth in property tax extensions for certain Units pursuant to the provisions of the Property Tax Extension Limitation Law (35 ILCS 200/18-185) (the *"PTELL"*). The effects of the PTELL are to limit or retard the growth in the amount of property taxes that can be extended for a non-home rule taxing body and to impose direct referendum requirements upon the issuance of certain types of general obligation bonds by such non-home rule taxing bodies.

The PTELL was extended in 1995 (effective as of the 1994 assessment year) to non-home rule taxing districts in the County, including the District. The PTELL limits the annual growth in certain property tax extensions by the District to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant tax levy year. Generally, extensions can be increased beyond this limitation only due to increases in the Equalized Assessed Valuation attributable to new construction and referendum approval of tax or limitation rate increases. The PTELL requires the County Clerk in extending taxes to use the Equalized Assessed Valuation of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended.

The PTELL does not limit the rate or amount of taxes extended by the District to pay its Alternate Revenue Bonds or the Bonds.

On August 20, 2021, the Governor signed Public Act 102-0519 ("P.A. 102-0519"), which went into effect immediately and amends the PTELL to provide that a taxing district's levy will automatically be increased each year to recapture property tax refunds made in the prior 12 months arising from a PTAB appeal, tax objection suit, or certificate of error that reduced a property's assessed value.

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Assessed and Estimated Value of Taxable Property in District

Tax Year Levy	Class 2 Residential Property	Class 5 Commercial Property	Class 5 Industrial Property	Other Railroad Property	Total Equalized Assessed Valuation (1)	Total Equalized Assessed Valuation (2)	Total Direct Tax Rate	Total Estimated Fair Value (3)	Assessed Value as % of Estimated Fair Value
2013	$ 37,165,845,442	$ 18,664,711,059	$ 6,359,267,977	$ 140,913,053	$ 62,330,737,531	$ 62,337,066,955	0.199	$ 187,011,200,865	33.33%
2014	39,639,728,826	23,151,162,620	1,946,233,867	137,040,420	64,874,165,733	64,879,908,794	0.193	194,639,726,382	33.33%
2015	43,871,767,527	24,955,908,048	1,943,080,901	148,390,582	70,919,147,058	70,924,421,349	0.177	212,773,264,047	33.33%
2016	45,774,355,574	26,093,545,448	1,964,171,087	148,006,500	73,980,078,609	73,984,605,433	0.169	221,953,816,299	33.33%
2017	47,154,589,038	27,405,102,153	2,002,796,882	156,007,870	76,718,495,843	76,722,182,440	0.164	230,166,547,320	33.33%
2018	53,179,494,934	30,824,287,901	2,091,437,327	181,450,474	86,276,670,636	86,286,411,094	0.147	258,859,233,282	33.33%
2019	53,727,795,420	31,715,562,586	2,138,147,273	185,020,498	87,766,525,777	87,776,056,332	0.149	263,328,168,996	33.33%
2020	54,854,403,410	32,130,756,913	2,286,713,081	197,280,051	89,469,153,455	89,478,355,786	0.151	268,435,067,358	33.33%
2021	60,824,820,535	33,323,094,513	2,518,278,663	197,672,375	96,863,866,086	96,868,463,441	0.145	290,605,390,323	33.33%
2022	60,373,070,968	33,802,396,747	2,437,209,993	230,199,162	96,482,894,120	96,847,230,931	0.155	290,541,692,793	33.33%

Note: Assessed value is computed by the Cook County Clerk's office at one-third estimated actual value.

Sources: *Cook County Clerks' Offices*

(1) Source: Cook County Clerk. Includes Cook County Valuation only

(2) Source: Cook County Clerk. Includes Cook & DuPage County Valuation

(3) Tax rates are per $100 of assessed value.

(4) Source: Cook County Office. Total equalized assed valuation is computed at one-third the estimated actual fair value.

Tax Revenues. The following chart shows the total tax levies and collections of the District for the past five years as of June 30, 2023.

District's Property Tax Extensions and Collections

			Collected within the Fiscal Year of Extension (A)			Total Collections to Date (B)	
Levy Year	**Fiscal Year of Extension**	**Tax Levied**	**Amount**	**Percentage of Tax Levy**	**Collections in Subsequent Years**	**Amount**	**Percentage of Levy**
2018	2019	$126,691,690	$66,440,187	52,44%	$57,835,724	$124,275,911	98.09%
2019	2020	130,507,003	66,458,041	50.92	62,362,049	128,820,090	98.71
2020	2021	135,013,605	68,259,809	50.56	65,865,611	134,125,420	99.34
2021	2022	140,360,333	72,595,503	51.72	66,087,617	138,683,120	98.81
2022	2023	150,261,215	71,973,562	47.90	–	71,973,562	47.90

Source: *College and Cook County Treasurer's Tax Records, Office of the County Clerk*

Notes:

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

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

(C) Beginning in Levy Year 2021, the tax levied amounts include levy adjustments made by Cook County pursuant to Illinois Public Act 102-0519 relating to the recapture of property tax refunds.

Real Property Tax Rates
(per $100 equalized assessed valuation)

Taxing Bodies	**Legal Limit**	**2018**	**2019**	**2020**	**2021**	**2022**
City Colleges of Chicago						
Audit Fund	$0.005	$0.001	$0.001	$0.000	$0.000	$0.000
Tort Liability	N/A	0.005	0.005	0.005	0.006	0.011
Education Fund	0.750	0.109	0.110	0.112	0.107	0.107
Building	0.100	0.032	0.033	0.033	0.031	0.034
PBC Rental	N/A	–	–	–	–	–
Total City Colleges of Chicago Rate		$0.147	$0.149	$0.151	$0.144	$0.152
Overlapping Rates						
Chicago Board of Education		$3.552	$3.620	$3.656	$3.517	$3.757
City of Chicago		1.812	1.893	1.886	1.838	1.914
Chicago Park District		0.330	0.362	0.329	0.311	0.323
Metropolitan Water Reclamation District		0.396	0.389	0.378	0.382	0.374
Cook County		0.489	0.454	0.453	0.446	0.431
Cook County Forest Preserve		0.060	0.059	0.058	0.058	0.081
South Cook County Mosquito Abatement		0.017	0.018	0.017	0.019	0.021
Total Overlapping Rate		$6.656	$6.795	$6.777	$6.571	$6.901
Total Rate		$6.803	$6.944	$6.928	$6.715	$7.053

Source: Cook County Clerk's Office - tax rates by levy year.

Principal Property Taxpayers

The taxpayers set forth below are believed to be the largest taxpayers in the City.

	2022			2013		
Taxpayer	Taxable Assessed Value (000)	Rank	% Total Assessed Valuation	Taxable Assessed Value (000)	Rank	% Total Assessed Valuation
Willis Tower	$ 730,003	1	0.75	$ 370,197	1	0.59
Merchandise Mart Owner	515,974	2	0.53	–	–	–
One Prudential Plaza	395,210	3	0.41	193,495	4	0.31
Aon Building	338,566	4	0.35	248,906	2	0.40
CBRE Suite 2530	338,524	5	0.35	–	–	–
Bank of America Tower	319,867	6	0.33	–	–	–
HCSC Blue Cross J Kaye	303,047	7	0.31	201,987	3	0.32
River Point LLC	279,075	8	0.29	–	–	–
227 Monroe Street LLC	269,885	9	0.28	–	–	–
300 LaSalle LLC	266,149	10	0.27	159,537	10	–
Chase Tower	–	–	–	190,442	6	0.31
Water Tower LLC	–	–	–	190,953	5	0.31
Three First National Plaza	–	–	–	177,862	8	0.29
Franklin Center	–	–	–	183,114	7	0.29
Citadel Center	–	–	–	177,008	9	0.28
	$3,756,300		3.88	$2,093,501		3.10

Sources: Cook County Assessor's Office – 2022 is latest data available.
Cook County Clerk's Office

TAX MATTERS

Federal tax law contains a number of requirements and restrictions that 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 opinions of Co-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 their opinions, Co-Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Co-Bond Counsel's opinions represent their legal judgment based upon their review of the law and the facts that they deem relevant to render such opinions 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 that 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 included 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 Illinois Department of Revenue under Illinois 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. Co-Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue 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. Co-Bond Counsel express 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.

RATINGS

The Bonds have been assigned the ratings of "A+" (Positive Outlook) by Fitch and "BBB+" (Stable Outlook) by S&P, based on the credit of the District. S&P is expected to assign the insured rating of "AA" (Stable Outlook) to the Bonds based upon the issuance of the Bond Insurance Policy by BAM at the time of delivery of the Bonds.

A rating reflects only the view of the rating agency giving such rating. Any explanation of the significance of such ratings may be obtained only from the respective rating agency. There is no assurance that any such rating will be maintained for any given period of time or that any such rating may not be raised, lowered or withdrawn entirely by the respective rating agency if in its judgment circumstances so warrant. Any change in or withdrawal of any such rating may have an effect on the price at which the Bonds may be resold and on their liquidity.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

FINANCIAL STATEMENTS

The financial statements of the District as of and for the year ended June 30, 2023, included in **APPENDIX A** to this Official Statement, have been audited by RSM US LLP ("*RSM*"), independent auditors, as stated in their report appearing herein.

RSM has not been engaged to perform and has not performed, since the date of its report included as **APPENDIX A** to this Official Statement, any procedures on the financial statements addressed in that report. RSM has not performed any procedures relating to this Official Statement.

FINANCIAL ADVISOR

The District has engaged PFM Financial Advisors LLC (the "*Financial Advisor*") in connection with the authorization, issuance and sale of the Bonds. The Financial Advisor has provided advice on the plan of financing and structure of the Bonds and have reviewed certain legal documents, including this Official Statement, with respect to financial matters. Unless indicated to the contrary, the Financial Advisor has not independently verified the factual information contained in this Official Statement, but have relied on the information supplied by the District and other sources. The Financial Advisor is a "*municipal advisor*" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203.

UNDERWRITING

Loop Capital Markets LLC, as representative and on behalf of itself and the other underwriters listed on the cover page of this Official Statement (the "*Underwriters*") has agreed to purchase the Bonds at an aggregate purchase price of $207,933,955.06 (representing the aggregate principal amount of the Bonds plus $22,303,798.50 of net original issue premium and less $934,843.44 of Underwriters' discount). The Bonds will be offered to the public at the prices as set forth on the cover page of this Official Statement. The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering a Series of Bonds to the public.

The obligation of the Underwriters to accept delivery of and pay for the Bonds is subject to various conditions set forth in the Contract of Purchase entered into in connection with the Bonds, including, among others, the delivery of specified opinions of counsel and a certificate of the District that there has been no material adverse changes in its conditions (financial or otherwise) from that set forth in this Official Statement.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and investments of the District.

CERTAIN LEGAL MATTERS

The Bonds are being offered when, as and if issued and received by the Underwriters, subject to the delivery of the approving legal opinions of Chapman and Cutler LLP and Cotillas and Associates, Co-Bond Counsel. The proposed form of such opinions is included herein as **APPENDIX C**. Certain legal matters will be passed upon for the District by its General Counsel, Karla Gowen, Esq. and its Disclosure Counsel, Charity & Associates, P.C., Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by their counsel, Hardwick Law Firm, LLC. Delivery of the Bonds is expected to be made through the facilities of DTC in New York, New York.

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LITIGATION

General

The District is involved in numerous lawsuits that arise out of the ordinary course of operating a community college system, including, but not limited to, the lawsuits described in this Official Statement. Some of the cases pending against the District involve claims for substantial monies. As is true with any complex litigation, neither the District nor its counsel is able to predict either the eventual outcome of such litigation or its impact on the District's finances. The District has available to it a Liability, Protection and Settlement Fund established pursuant to Illinois law (745 ILCS 10/9-107) to pay tort judgments and settlements along with other eligible expenses.

Upon delivery of the Bonds to the Underwriters, the District will furnish a certificate to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds.

Specific Matters

Property Tax Objections – Similar to other property taxing bodies in the State of Illinois, the District must defend certain property tax objections by commercial property owners who claim that the District's property tax levy, budgeting techniques or accounting practices are deficient in some way. Many of the objections are without merit but, if the District agrees that there is some validity to any given objection, then the District is liable to refund a portion of its property tax levy in succeeding years to the objectors. Settlement for Tax Years through 2010 are complete. The Cook County Circuit Court activated the 2011-2014 tax rate objections on May 20, 2021. Negotiations continue regarding the 2011-2014 period. The 2015-2020 Taxes have been levied, but not yet activated by the Court.

CMO Arbitration and Moody Nolan Litigation – The District has identified significant construction deficiencies related to the construction of the new Malcolm X College (*"MXC"*) Campus, including elevator operating systems, retention pool failures and inoperative automated HVAC monitoring systems, and involving contracts with CMO, A Joint Venture (the *"CMO Agreement")* and Moody Nolan (the *"Moody Nolan Agreement"*). The CMO Agreement requires dispute resolution through arbitration. Such action has been initiated by the District. The Moody Nolan Agreement makes no provision through arbitration and therefore suit has been filed in the Circuit Court of Cook County. The District received an appropriation from the State of Illinois, Capital Development Board (*"CDB"*) for a portion of the MXC Elevator replacements and repairs. The repairs are ongoing under the management of CDB as is litigation and arbitrator against the responsible parties. The District anticipates a favorable resolution of these matters through continuing arbitration and settlement negotiations.

ICCB-IBEW – This matter represents a potential liability the District may incur resulting from a Memorandum of Understanding by and between the District and the local International Brotherhood of Electrical Workers (*"IBEW"*) to conduct training and classes at a member College and at sites hosted by IBEW. Following a routine internal audit, in 2017 the District became aware that it may have incorrectly sought ICCB reimbursement for said classes. The District self-reported the same to ICCB. In FY18 the District recorded an initial $2.8 million liability, added $6.6 million in FY19 and a final $11,000 in FY 2020 based on notification from ICCB received in October 2020. In Fiscal Year 2021, ICCB reduced the District's base operating grants by $1,873,957 and shall continue to do so for the next four Fiscal Years. The total reduction in ICCB (State) funding over the affected five years will total just short of $9.4 million. The FY24 ICCB appropriation withholding is expected to be in the approximate amount of $1,873,957. The FY25 appropriation is expected to be a like amount and shall represent the final appropriation reduction to retire the liability.

College Advisors – This matter pertains to an arbitration over the right of certain District employees to bargain the impact of implementation of a college advisor grievance associated with exemptions pertaining to overtime compensation. This matter was before the Illinois Education Labor Relations Board. A decision was rendered, and a subsequent appeal was upheld in favor of the District thus creating an adjusted financial liability of $250,000 for a one course caseload for the period of 2014 to 2017.

CCCLOC-IEA/NEA – This matter stems from a union grievance challenging the District's decision in the Fall 2014 term to not schedule active State Universities Retirement System annuitants for classes as a result of risks under applicable return-to-work guidelines. Following an improperly issued initial arbitration award and litigation over the enforceability of the initial award, the District elected to re-arbitrate the grievance. The arbitrator issued an award in September 2021 recognizing the District's legitimate interest in avoiding penalties but also awarding relief to the grievant class. This matter resolved via settlement with payment by the District in the amount of $230,000 in September 2022.

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 certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. A copy of the form of the Undertaking that will be entered into by the District is attached to this Official Statement as **APPENDIX E**.

A failure by the District to comply with the Undertaking will not constitute a default under the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **APPENDIX E – "FORM OF CONTINUING DISCLOSURE 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.

Except as noted below, the District has complied in all material respects with its continuing disclosure undertakings during the five years previous to the issuance of the Bonds.

On November 12, 2019, the District filed on EMMA on a timely basis the District's audited financial statements and certain financial operating information of the District for Fiscal Year 2019 (collectively, the "2019 Financial Information") for its then-outstanding general obligation bonds, except with respect to the Series 2017 Bonds. On December 6, 2023, the 2019 Financial Information was filed on EMMA with respect to the Series 2017 Bonds, and the District filed on EMMA a notice regarding its failure to file on a timely basis the 2019 Financial Information with respect to the Series 2017 Bonds.

On December 22, 2020, the District filed on EMMA on a timely basis the District's audited financial statements and certain financial operating information of the District for Fiscal Year 2020 (collectively, the "2020 Financial Information") for its then-outstanding general obligation bonds, except with respect to the Series 2017 Bonds. On December 6, 2023, the 2020 Financial Information was filed on EMMA with respect to the Series 2017 Bonds, and the District filed on EMMA a notice regarding its failure to file on a timely basis the 2020 Financial Information with respect to the Series 2017 Bonds.

AUTHORIZATION AND MISCELLANEOUS

The District has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the District.

COMMUNITY COLLEGE DISTRICT NUMBER 508

By: /s/ Maribel Rodriguez
Chief Financial Officer

APPENDIX A

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2023

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CITY COLLEGES OF CHICAGO

Fiscal Year Ended
June 30, 2023
Annual Comprehensive Financial Report

Brandon Johnson
Mayor, City of Chicago

Juan Salgado
Chancellor

Walter E. Massey, Ph.D.
Chair, Board of Trustees of Community College District No. 508

Cook County, State of Illinois

Richard J. Daley

Harold Washington

Kennedy-King

Malcolm X

Olive-Harvey

Harry S Truman

Wilbur Wright

CITY COLLEGES® of CHICAGO

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COMMUNITY COLLEGE DISTRICT NO. 508

Chicago, Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2023

Prepared by:
Office of Finance

CITY COLLEGES of CHICAGO

180 N. Wabash
Suite 200
Chicago, Illinois 60601
(312) 553-2500
Dial 711 for the Telecommunications Relay Service
www.ccc.edu

Dear City Colleges' Community:

The FY2023 Annual Comprehensive Financial Report (ACFR) reflects a year of recovery and strategic progress as the city's most accessible higher education engine of socioeconomic mobility and racial equity.

This ACFR reflects that City Colleges concluded the FY2023 year with $513 million in assets; a .3 percent (-0.3%) decrease over the prior year.

While holding the credit hour rate of $146 level for the seventh straight year, we provided our students and communities with a quality, affordable education through investments in:

- A comprehensive suite of student supports to improve student access, retention and completion, including Future Ready no cost short term programs, an updated Star Scholarship with only a 3.0 GPA requirement, and a scholarship for CPS Options school graduates
- Enhanced marketing and enrollment infrastructure to attract and retain a diverse student body, achieving enrollment gains that surpassed state and national averages
- A robust offering of remote, online and in-person learning options to meet students where they are at
- Academic programs aligned with workforce demand that ensure students are prepared to seize opportunities in the economic recovery
- The Chicago Roadmap, a national model for K-12 and community college partnership with the Chicago Public Schools, that supports students along a seamless path to and through college on the way to their chosen careers
- A modest capital program targeted for in-demand and emerging programs, technology, deferred maintenance, and life safety infrastructure

To support revenues in FY23, City Colleges relied on federal HEERF stimulus funds, taxing to the city levy cap, Tax Increment Financing surplus proceeds from the City of Chicago, and expense management practices focused on achieving continued operational efficiency.

The FY2023 ACFR reflects our efforts to restore City Colleges' financial health while making critical investments that surround our students in a culture of care and connect communities to economic opportunity.

Sincerely,

Juan Salgado
Chancellor
City Colleges of Chicago
jsalgado@ccc.edu

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City Colleges of Chicago
Community College District No. 508
Annual Comprehensive Financial Report
Fiscal year ended June 30, 2023

City Colleges of Chicago
Community College District No. 508
Annual Comprehensive Financial Report
Fiscal year ended June 30, 2023

City Colleges of Chicago
Community College District No. 508
Annual Comprehensive Financial Report
Fiscal year ended June 30, 2023

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Introductory Section

CITY COLLEGES of CHICAGO

Transmittal Letter

November 30, 2023

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

We are pleased to submit to you the Annual Comprehensive Financial Report of City Colleges of Chicago, Community College District No. 508 (City Colleges or the District), for the fiscal year ended June 30, 2023. It has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as set forth by the Governmental Accounting Standards Board (GASB).

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

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

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

PROFILE OF CITY COLLEGES OF CHICAGO

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

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

The District currently occupies a land area of approximately 228.5 square miles and serves an estimated population of 2,665,039.

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

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

On Saturday, May 6, 2023, City Colleges of Chicago graduates from all seven colleges gathered at Wintrust Arena to celebrate a remarkable achievement: earning their associate degrees. The celebration was spread across two ceremonies and included performances by the Harold Washington College Jazz Pop Ensemble, engaging speeches from students, faculty, staff, and guests, and a traditional marching of graduates.

The total number of degrees, certificates and general education completer credentials awarded in fiscal year 2023 was 7,721 and degrees awarded totaled 3,401.

STRATEGIC GOALS AND STRATEGIES

OUR STRATEGIC GOALS

City Colleges of Chicago has outlined a common strategic framework, consisting of six strategic levers and a common set of goals, values, and Key Performance Indicators (KPIs) for each college. Six levers form the framework for all strategic activities and will steer City Colleges' long-term goals and vision:

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

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

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

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

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

- INSTITUTIONAL HEALTH: Our Goal: Develop and Improve Critical Institutional Health Measures
  We will develop, monitor and improve critical institutional health metrics that ensure financial sustainability and well-being of our institution.

Three transformational goals are embedded in the five-year framework:

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

The following set of KPIs measure our success:

• ACCESS: Total ICCB headcount (credit + adult education enrollment), total headcount (ICCB headcount + continuing education enrollment).

• MOMENTUM: Fall to spring credit retention, fall to fall credit retention, taking and passing college level English in the first year, and taking and passing college level Math in the first year.

• COMPLETION: Four-year student outcome measures.

• MOBILITY: Transfer within two years of degree completion.

Targets have been set through fiscal year 2026. Unified strategic initiatives support the success of college plans, and provide the leadership and vision needed to achieve our goals and mission. They identify and support common areas of activity across colleges, shared opportunities for innovation or improvement, and the needed infrastructure to enable or accelerate meeting our goals.

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

FINANCIAL CHALLENGES

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

COVID-19 Recovery: The pandemic had a significant impact on our students and communities. City Colleges is working to attract students back to the classroom who did not enroll during the pandemic in order to care for their family, work, or meet other life-sustaining needs.

Enrollment: City Colleges continues to work to turn around a downward trend in community college enrollment that was substantially exacerbated by COVID-19. The Fall 2022, Spring 2023 and Fall 2023 enrollment increases outpaced state and national averages. The fiscal year 2024 budget continues investments in enrollment-related systems and marketing.

ECONOMIC CONDITION AND OUTLOOK

In 2022, the **Federal Reserve Bank of Chicago** (Chicago Fed) reported the year began with global supply chains still in disarray; after a rapid recovery from the most extreme pandemic-related disruptions, overall growth stalled in the first half of the year. Yet with consumers resuming travel and other activities delayed by the pandemic, the economy continued to add jobs at a breakneck pace, bringing the unemployment rate back to the very low levels seen prior to the pandemic. Worryingly, though inflation, which had initially been concentrated in items that were especially sensitive to the pandemic, continued to rise and become more widespread. Russia's invasion of Ukraine and ongoing Covid-related shutdowns abroad delivered further jolts to the economy, adding to already strong inflationary pressures and an uncertain economic climate. With inflation running far above the Federal Open Market Committee's 2 percent target, the FOMC began in March 2022 to remove the extraordinary degree of monetary policy accommodation that had been in place since the early days of the pandemic. By the end of the year, the FOMC had increased the federal funds rate range by 4.25 percentage points to a moderately restrictive setting. Additionally, the Fed began in June to reduce the size of its balance sheet, tightening monetary policy further. The Fed remains focused on reducing inflation. As is always the case, the exact path for monetary policy will depend on economic developments. And policy always aims to support the Federal Reserve's dual mandate objectives of maximum inclusive employment and price stability-goals that, in the long run, go hand in hand. We look forward to helping the Federal Reserve achieve our dual mandate goals and create an economic environment in which all can prosper. (Federal Reserve Bank of Chicago 2022 Annual Report).

The Chicago Fed Survey of Economic Conditions (CFSEC) Activity Index increased to -30 in July from -52 in June, suggesting that economic growth was well below trend. The CFSEC Manufacturing Activity Index increased to -48 in July from -50 in June, and the CFSEC Nonmanufacturing Activity Index increased to -18 in July from -52 in the previous month.

Springfield **–The Illinois Department of Employment Security (IDES)**. Over the year, total nonfarm jobs increased in all fourteen metropolitan areas for the year ending June 2023, according to data released by the U.S. Bureau of Labor Statistics (BLS) and the Illinois Department of Employment Security (IDES). Over the year, the unemployment rate increased in thirteen metropolitan areas and decreased in one. Chicago City unemployment rate decreased from 5.9% in June 2022 to 4.8% in June 2023. This represents a 1.1% change year over year (YOY). (ides.illinois.gov/resources/labor-market-information).

Chicago Fed National Activity Index (CFNAI). Led by improvements in production-related indicators, the Chicago Fed National Activity Index (CFNAI) rose to +0.12 in July from –0.33 in June. Two of the four broad categories of indicators used to construct the index increased from June, and two of the four categories made positive contributions in July. The index's three-month moving average, CFNAI-MA3, ticked up to -0.13 in July from -0.15 in June. The CFNAI Diffusion Index, which is also a three-month moving average, edged up to –0.05 in July from –0.08 in June. Forty-five of the 85 individual indicators made positive contributions to the CFNAI in July, while 40 made negative contributions. Forty-nine indicators improved from June to July, while 35 indicators deteriorated, and one was unchanged. Of the indicators that improved, 15 made negative contributions.

Production-related indicators contributed +0.18 to the CFNAI in July, up from –0.36 in June. Industrial production increased 1.0 percent in July after decreasing 0.8 percent in the previous month. Employment-related indicators contributed -0.02 to the CFNAI in July, down slightly from +0.01 in June. The contribution of the personal consumption and housing category to the CFNAI ticked up to +0.02 in July from a neutral value in June.

The CFNAI was constructed using data available as of August 22, 2023.

The fiscal year 2024 budget is balanced. The combined unrestricted and enterprise operating budget of $350.5 million represents a 7 percent increase from the prior fiscal year as we continue to invest for the long-term. This budget planned for a projected 3 percent year to year enrollment increase (fiscal year 2023 to fiscal year 2024).

The budget reflects City Colleges' commitment to providing our students and communities with an exceptional student experience, quality, responsive and affordable education, equitable student outcomes and a collaborative, healthy environment underpinned by a culture of excellence.

Key planned investments include:

- Strategic scholarship programs to improve access, including Future Ready which offers no cost, short-term programs in high-demand fields, the Star Scholarship for recent high school graduates with a B average, and a scholarship for graduates of CPS options schools.

- A comprehensive suite of student supports to further retention and completion, including new evening and weekend mental telehealth supports, new benefits coordinators at every college, and a full complement of wellness centers, advisors, tutors, career and transfer centers, undocumented student liaisons, and more.

- The Chicago Roadmap, an unprecedented partnership with the Chicago Public Schools, to support students along a seamless path to and through college on the way to their chosen careers.

- A robust offering of remote and online, along with in-person learning options.

- Increased faculty and staff pay following successful negotiations with labor partners.

- Enhanced marketing and enrollment infrastructure to attract and retain a diverse student body.

- Grant funded efforts to better connect Chicago communities and adult learners to opportunities at City Colleges and to remove students' technology barriers to academic success.

- A capital program targeted for in-demand/emerging programs, technology, deferred maintenance, and life safety infrastructure.

- The budget allows us to maintain an average class size of 17 students: 1 instructor and a credit student to advisor ratio of 410:1.

- This budget allows City Colleges to continue in increasingly strong financial health.

Community College State Funding

Fiscal Year	State Funding to All State Community Colleges	
2014	$ 284,916,500	
2015	278,773,899	
2016	74,142,300	
2017	114,525,000	
2018	409,595,700	*
2019	257,111,600	
2020	269,222,284	
2021	269,222,286	
2022	278,178,388	
2023	301,876,696	

Source: Illinois Community College Board
**Amounts include the appropriations from Illinois Senate Bill 6 passed on July 6, 2017.*

ACHIEVEMENTS

- Holding our credit hour rate of $146 level, recognizing the economic strain of the pandemic, and increasing marketing to attract a diverse student body as the COVID-19 environment slowly normalizes.

- Maintaining a robust suite of student academic and related supports from wellness centers, new telehealth services, tutoring to a new coaching advising model, housing and technology supports, and disability access centers.

- Star Scholarship recipients were the largest ever enrolled with 1,679 students from the high school class of 2022. The Star Scholarship program was launched in 2015, and to date, more than 174,000 Chicago high school graduates have been named Star Scholars. Students qualify for the Star Scholarship if they graduate from high school with at least a 3.0 GPA, and the Star Scholarship covers up to three years at City Colleges. The Star Scholarship is open to any qualifying CPS student from all over Chicago and partner Big Shoulders Fund schools. Star Scholarship recipients have the opportunity to begin working with four-year universities while still at City Colleges and can take advantage of guaranteed admissions from City Colleges to a variety of colleges and universities across the country. In addition, City Colleges of Chicago participates in the Illinois Articulation Initiative, a comprehensive statewide effort among more than 100 colleges and universities in Illinois to facilitate the transfer of any CCC student to a four-year college or university. For more information, visit www.ccc.edu/starscholarship.

- In fiscal year 2023, the Future Ready pilot program enabled more than 1,500 students to enroll in dozens of in-demand programs at no cost. Students are 44% Black and 41% Latinx. Starting summer 2003, City Colleges continued to offer 50+ Future Ready programs without federal funding.

- Enrollment increased 6.9 percent year over year, exceeding the Illinois community college average of +1.5% and the national average (flat), as reported by the Illinois Community College Board. Enrollment in a combination of credit and adult education programs has increased at six of its colleges: Harry S Truman (+11.5%), Kennedy-King (+17.4%), Malcolm X (+11.6%), Olive-Harvey (+14.8%), Richard J. Daley (+5.5%), and Wilbur Wright (+3.6%). The number of Adult Education students alone grew by 16.6 percent – an increase of 1,098 students – from fall 2021. The increase in enrollment comes after City Colleges embarked on targeted efforts to enhance and expand college resources and offerings in recent years, especially in the aftermath of the COVID-19 pandemic. The seven City Colleges are meeting the needs of the Chicago economy with quality, in-demand programs in transportation, distribution, logistics, cannabis studies, manufacturing, IT, early childhood education, engineering, healthcare, and more. City Colleges launched Future Ready in 2021 to help eligible Chicagoans gain credentials and prepare for in-demand careers in many of those industries at no cost. The Chicago Roadmap is helping create a clear path to college for CPS students. Through enrollment management and strategic marketing efforts, City Colleges is making a concerted effort to educate the public on all the community college system has to offer, including in-demand, high-growth career pathways, transfer options for students who want to earn a bachelor's degree, and supports for adult learners looking to return to the classroom.

- We have developed a national model of partnership with our K-12 school system centered on increasing equity. The Chicago Roadmap model has led to collaboration at every level of our systems. As a result of this work so far, we increased the number of students earning 15 or more college credits through CCC at 88 percent from 2021 to 2023 (from 330 to 620 students). The number of students in transitional math and transitional English classes, when passed, allow CPS students to accelerate into college credit classes at CCC. This is up 41 percent for transitional math and 270 percent for transitional English from 2021 to 2023. CCC postsecondary navigators continue to support more CPS high schools, which is up from 28 in the Fall of 2020 to 84 high schools in the Fall of 2022. The Options for the Future scholarship for alternative CPS high school graduates helped increase CCC enrollment from this group by 94% from the Class of 2021 to the Class of 2022. New supports for CPS students with documented disabilities helped increase CCC enrollment for this group by 48% from the Class of 2021 to the Class of 2022. This model has been studied by the US Department of Education, Congressional staff and other education organizations across the country.

- City Colleges of Chicago (CCC) in partnership with the Illinois Dream Fund and University of Illinois at Chicago (UIC) made resources available for undocumented students as well as the Colleges' new Undocumented Liaisons and a CCC District Coordinator position. The Undocumented Liaisons along with strengthened resources will now be available at each college in accordance with House Bill 3438 for academic year 2022-2023 and beyond. City Colleges provides a welcoming environment for all students, regardless of immigration status. Numerous initiatives, both within the institution and in partnership with immigrant-serving allies, work to ensure City Colleges of Chicago responds to new immigration policies affecting our students so they are prepared to pursue their goals and dreams. City Colleges of Chicago has long supported undocumented students with college admissions and resources. For more information on services available at CCC for undocumented students, visit www.ccc.edu/undocumented.

CAPITAL IMPROVEMENT PLAN

On July 1, 2021, City Colleges of Chicago entered a new five-year capital plan, consisting of key strategic programmatic and academic improvements, necessary deferred maintenance, technology and technology infrastructure upgrades. The projects prioritized and included in the Capital Plan further our strategic vision and maintain the condition of our colleges. Each year City Colleges updates the plan based on a renewed assessment of conditions and evolving academic priorities. The updated 5-year total plan is $248.5 million. For fiscal year 2024, City Colleges has budgeted capital investments of up to $54.9 million that included $16.9 million in technology, technology infrastructure and information security, $33.7 million in deferred maintenance, and $4.3 million in recommended academic and programmatic improvements which will be prioritized by their impact on student success and are subject to external funding and/or Chancellor approval.

FINANCIAL INFORMATION

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

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

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

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

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

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

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

GASB Net Position Category	**ICCB FUND**
Unrestricted	Education
	Auxiliary / Enterprise
	Operations and Maintenance
	Operations and Maintenance – Restricted (Board Designated Capital Projects)
	Working Cash
Restricted for Specific Purpose	Audit Fund
	Liability, Protection and Settlement
	Restricted Purposes (Grants)
	Bond and Interest
	Trust and Agency
Net Investment in Capital Assets	Building Bond Proceeds
	Long-Term Debt

Property Tax: Estimated assessed value of taxable property for tax year 2022 collectible in fiscal year 2023 was $96,847,230,931. Estimated assessed value of taxable property for tax year 2021 collectible in fiscal year 2022 was $96,868,463,441. City Colleges' average collection rate over the past five years has been over 97%.

Debt Administration: Outstanding long-term and current debt at June 30, 2023 totaled $290,425,000.

In fiscal year 2024, City Colleges is budgeting $20,798,013 for debt service expenditures, which includes total interest of $14,883,013 and total principal payments of $5,915,000 for the Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2013 and Series 2017. Both Series 2013 and 2017 bonds are amortized over 30 years and are issued with an average interest rate of 5% with payments made on June 1 and December 1 of each year. The last payment for the Series 2013 and 2017 bonds is December 1 of 2043 and 2047, respectively.

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

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

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

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

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

OTHER INFORMATION

***Independent Audit*:** State statutes require an annual audit by independent certified public accountants. The City Colleges of Chicago Board of Trustees selected the audit firm RSM US LLP as its independent certified public accountants for fiscal year 2023. The independent auditor's report of RSM US LLP on the basic financial statements and supplementary schedules is included in the financial section of this report.

***Awards*:** The Government Finance Officers Association (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to City Colleges for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

Respectfully submitted,

Maribel Rodriguez	Jolenna Nanalig
Chief Financial Officer	Associate Vice Chancellor, Treasurer

CITY COLLEGES OF CHICAGO
COMMUNITY COLLEGE DISTRICT NO. 508
PRINCIPAL OFFICIALS
Year Ended June 30, 2023

ADMINISTRATIVE OFFICERS

Juan Salgado, Chancellor
Mark Potter, PhD, Provost & Chief Academic Officer
Verónica Herrero, Executive Vice Chancellor, Institutional Advancement and Chief of Staff,
City Colleges of Chicago Foundation, President
Maribel Rodriguez, Chief Financial Officer
Karla Mitchell Gowen, General Counsel
Zarko Njakara, Interim Chief Information Officer
Aarti Dhupelia, Executive Vice Chancellor, Chief Student Experience Officer
Carol Dunning, Chief Talent Officer
Lamesha Smith, Inspector General
Gina Gentile, Director of Internal Auditing
Janine Janosky, PhD, President, Richard J. Daley College
Daniel López, PhD, President, Harold Washington College
Katonja Webb Walker, EdD, President, Kennedy-King College
David A. Sanders, President, Malcolm X College
Kimberly Hollingsworth, EdD, President, Olive-Harvey College
Shawn L. Jackson, PhD, President, Harry S. Truman College
David Potash, PhD, President, Wilbur Wright College

REPORT ISSUED BY

Office of Finance

Executive Leadership

CITY COLLEGES® OF CHICAGO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City Colleges of Chicago
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Financial Section

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RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of City Colleges, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City Colleges and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit (City Colleges of Chicago Foundation) were not audited in accordance with *Government Auditing Standards.*

Emphasis of Matter

As described in Note 18 to the accompanying financial statements, beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of July 1, 2022, of City Colleges were restated for the implementation of Governmental Accounting Standard Board Statement Number 96, *Subscription-Based Information Technology Arrangements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 City Colleges' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City Colleges' ability to continue as a going concern for a reasonable period of time.

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

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section and the Certification of Chargeback Reimbursement 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 30, 2023 on our consideration of City Colleges' 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 City Colleges' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Colleges' internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
November 30, 2023

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Management's Discussion and Analysis (MD&A)

The discussion and analysis of City Colleges of Chicago financial performance provides an overall review of City Colleges' financial activities for the fiscal year ended June 30, 2023. This discussion and analysis focuses on current activities, currently known facts and related changes. The management of City Colleges encourages readers to consider the information being presented herein in conjunction with the transmittal letter that precedes this section and the basic financial statements and accompanying notes (which immediately follow this section) to enhance their understanding of City Colleges' financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current and prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A"). Responsibility for the completeness and fairness of the information presented here rests with City Colleges.

Using This Annual Report

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

Financial Highlights

Statement of Net Position

The total net position as of June 30, 2023 decreased by $1.5 million to $513.0 million mainly due to decreases in federal grants and contracts, SURS on-behalf payments, financial aid as well as increases in salaries, fringe benefits, other state grants and local property taxes.

Overview of Financial Statements

Total current assets decreased by $1.9 million as compared to the prior year, mainly due to a decrease in cash, short-term investments and other accounts receivable, which was offset by an increase in property tax receivables.

Total current liabilities were approximately the same as last year due to decreases in accrued payroll, unearned grant revenue and other liabilities that were offset by increases in accounts payable, other accruals and unearned tuition and fees revenue.

Total non-current liabilities decreased by $7.1 million mainly due to decreases in accrued property tax refunds and bonds payable. These decreases were offset by increases in other post-employment and lease obligations. The deferred inflows of resources are the deferred property tax revenue, other post-employment benefits and leases that have been presented separately in the financial statements to conform to GASB Statements 65, 75, 87 and 96, respectively.

HIGHER EDUCATION EMERGENCY RELIEF FUNDS (HEERF)

City Colleges received federal stimulus funds which have helped provide direct support to students and stabilize the organization through the challenging financial environment resulting from the COVID-19 pandemic. The Higher Education Emergency Relief Funds (HEERF) were received from the following federal legislation; Coronavirus Aid, Relief, and Economic Security Act (CARES Act – "HEERF I"), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA – "HEERF II"), and American Rescue Plan (ARP – "HEERF III").

The HEERF funds are issued as direct aid to students and to support institutions of higher education to ensure learning continues during the COVID-19 pandemic. The institutional funds were appropriated for costs of disruption due to the pandemic, to setup the infrastructure to transition to remote learning, and to cover for lost revenue. Below is a summary of CCC's HEERF allocations.

Bill	Date signed & Status	Provides	Student grants	Institutional funds	Total allocation
HEERF I – CARES ACT	March 27, 2020 Funds received and used	Support costs of remote learning and student grants for housing, food and technology	$12.7M	$12.7M	$25.4M
HEERF II - CRRSAA	December 27, 2020 Funds awarded and used	Support for learning continuity	$12.7M	$40.5M	$53.2M
HEERF III – American Rescue Plan	March 11, 2021 Funds awarded and used	Additional COVID relief	$46.9M	$46.3M	$93.2M
HEERF III – SSARP	July 19, 2022 Funds awarded and used	Assist students affected by COVID-19 pandemic and make institutional changes to assist students	$574.6K	$574.6K	$1.1M

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

	2023	2022 as restated	Change
Current assets	$ 231.6	$ 233.5	$ (1.9)
Non-current assets			
Capital assets	1,313.1	1,300.5	12.6
Less accumulated depreciation	(526.6)	(498.4)	(28.2)
Other assets	65.1	55.1	10.0
Total assets	1,083.2	1,090.7	(7.5)
Deferred outflows of resources	5.0	4.7	0.3
Current liabilities	75.8	75.7	0.1
Non-current liabilities	419.2	426.3	(7.1)
Total liabilities	495.0	502.0	(7.0)
Deferred inflows of resources	80.2	78.9	1.3
Net position			
Net investment in capital assets	474.1	488.9	(14.8)
Restricted for specific purposes	2.9	4.5	(1.6)
Unrestricted	36.0	21.1	14.9
Total net position	$ 513.0	$ 514.5	$ (1.5)

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

Operating	**2023**	**2022**	**Change**
Revenues	$ 20.0	$ 29.9	$ (9.9)
Expenses	(516.3)	(518.7)	2.4
Operating loss	(496.3)	(488.8)	(7.5)
Non-operating			
Revenues	506.5	520.4	(13.9)
Expenses	(14.6)	(16.2)	1.6
Net non-operating revenues	491.9	504.2	(12.3)
Income (Loss) before capital contributions	(4.4)	15.4	(19.8)
Capital contributions	2.9	5.1	(2.2)
Change in net position	(1.5)	20.5	(22.0)
Net position, beginning of year	514.5	494.0	20.5
Net position, end of year	$ 513.0	$ 514.5	$ (1.5)

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

	2023	**2022**
Total revenue	$ 529.4	$ 555.4
Total expenses	(530.9)	(534.9)
Increase (decrease) in net position	$ (1.5)	$ 20.5

Statement of Revenues, Expenses and Changes in Net Position

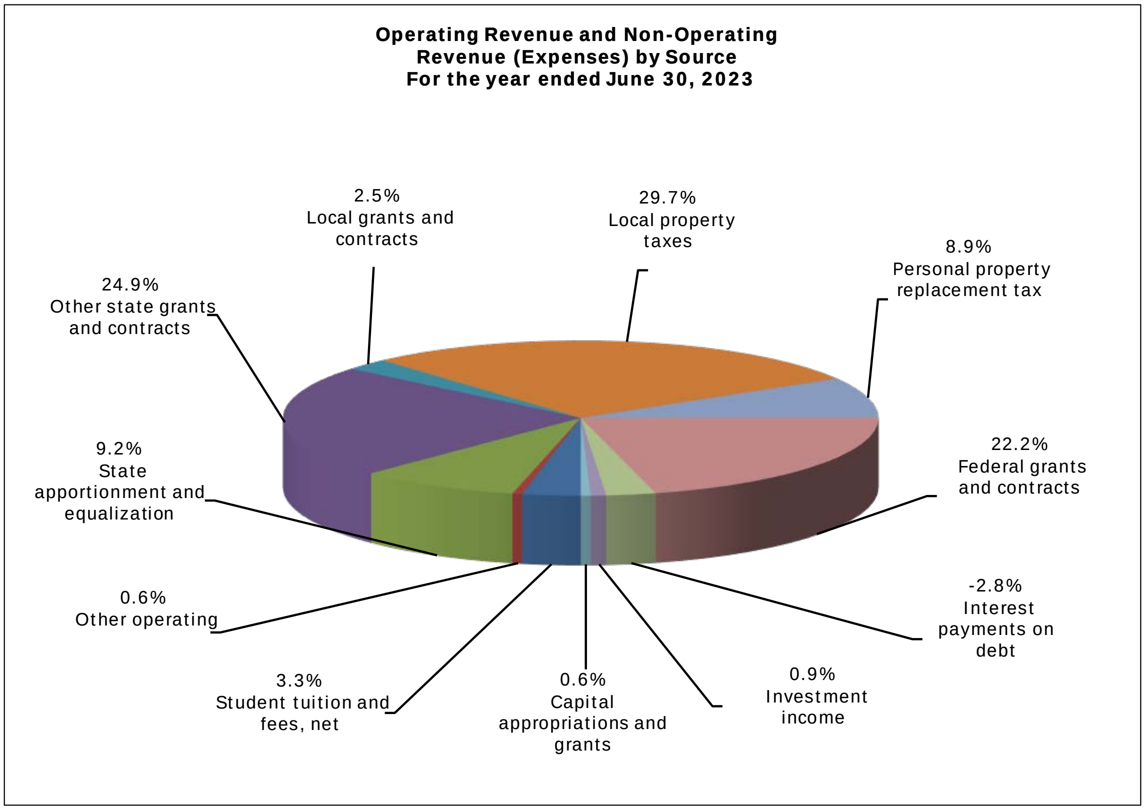
Operating revenues decreased by $9.9 million from the previous year mainly due to an increase in scholarships.

Total non-operating revenues and expenses decreased by $12.3 million in fiscal year 2023 due to decreases in other state grants and federal grants and contracts. This was offset by increases in local grants and contracts, local property taxes, and investment income. Capital appropriations and grants decreased by $2.2 million due to a decrease in grants from the State of Illinois Capital Development Board.

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

Operating revenues	**2023**	**2022**	**Change**
Student tuition and fees	$ 76.7	$ 73.4	$ 3.3
Less scholarships	(59.6)	(49.0)	(10.6)
Other operating	2.9	5.5	(2.6)
Total operating revenues	20.0	29.9	(9.9)
Non-operating revenues (expenses)			
State apportionment and equalization	47.4	47.2	0.2
Other state grants and contracts	128.3	137.1	(8.8)
Local grants and contracts	13.0	10.7	2.3
Local property taxes	153.2	141.3	11.9
Personal property replacement tax	45.9	43.9	2.0
Federal grants and contracts	114.2	139.6	(25.4)
Interest payments on debt	(14.6)	(14.7)	0.1
Investment income	4.5	(1.5)	6.0
Other non-operating revenues (expenses)	-	0.6	(0.6)
Total non-operating revenues (expenses)	491.9	504.2	(12.3)
Capital appropriations and grants	2.9	5.1	(2.2)
Total	$ 514.8	$ 539.2	$ (24.4)

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

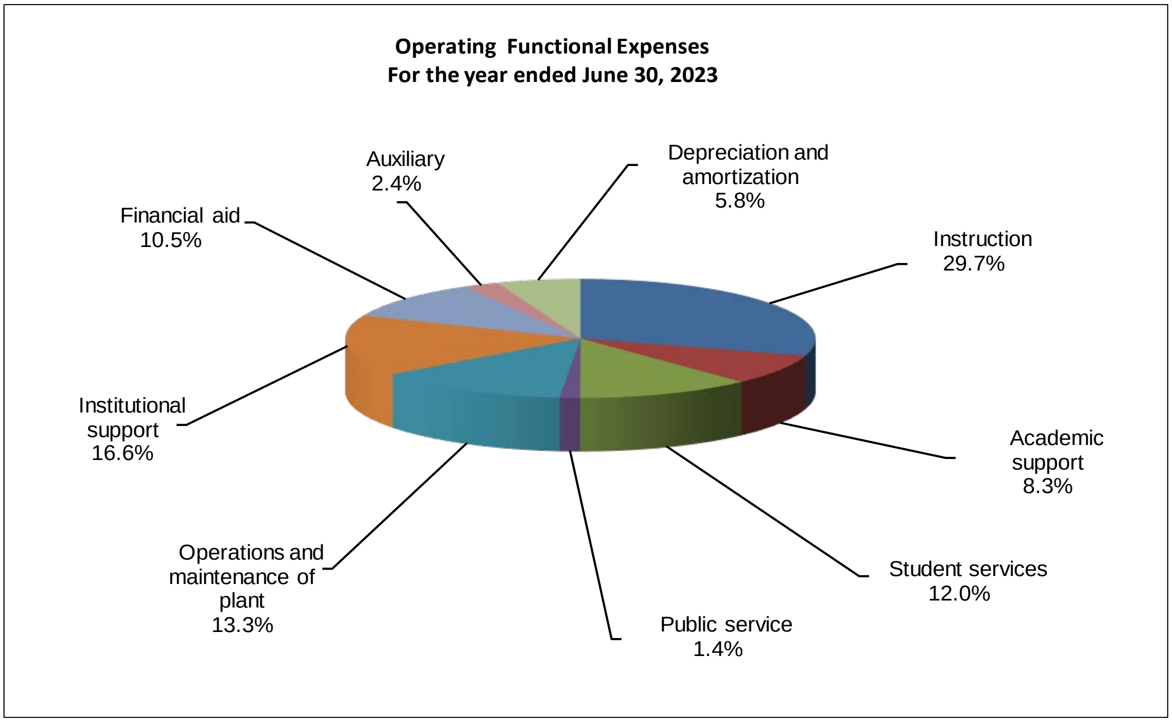


Operating Functional Expenses

Total operating functional expenses decreased by $2.4 million in fiscal year 2023. This was mainly due to a $22.4 million decrease for instruction, operations and maintenance of plant, financial aid and depreciation and amortization. This was offset by a $20.0 million increase in academic support, student services, public services and instructional support.

Table 4
Operating Functional Expenses
(in millions of dollars)

Operating expenses	**2023**	**2022**	**Change**
Instruction	$ 153.4	$ 155.8	$ (2.4)
Academic support	43.0	41.0	2.0
Student services	61.9	57.8	4.1
Public service	7.2	4.3	2.9
Operations and maintenance of plant	68.4	70.7	(2.3)
Institutional support	85.8	74.8	11.0
Financial aid	54.2	69.6	(15.4)
Auxiliary	12.6	12.6	-
Depreciation and amortization	29.8	32.1	(2.3)
Total operating expenses	$ 516.3	$ 518.7	$ (2.4)



Net Capital Assets and Non-Current Liabilities

As of June 30, 2023, City Colleges had $1,313.1 million in capital assets and $526.6 million in accumulated depreciation and amortization, resulting in $786.5 million in net capital assets. Some construction in progress projects were completed and put into service. The investment in net capital assets includes land, buildings and improvements, construction in progress, equipment, vehicles, software, lease assets and subscription-based arrangements. The total decrease in City Colleges' net capital assets for the current fiscal year is $15.6 million. For more detailed information on capital assets, please refer to Notes 1K and Note 4 in the Notes to Basic Financial Statements.

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

Capital assets	2023	2022 as restated	Change
Land	$ 51.4	$ 51.4	$ -
Buildings and improvements	1,112.4	1,108.4	4.0
Construction in progress	19.4	11.8	7.6
Equipment	65.9	64.8	1.1
Software	48.3	48.3	-
Lease assets	11.8	12.2	(0.4)
Subscription-based assets	3.9	3.6	0.3
Total	1,313.1	1,300.5	12.6
Less Depreciation and amortization	(526.6)	(498.4)	(28.2)
Net capital assets	$ 786.5	$ 802.1	$ (15.6)

Total non-current liabilities decreased by $7.1 million to $419.2 million. This was mainly due to decreases of $9.0 million in bonds payable, accrued property tax refunds and subscription-based liabilities, which were offset by increases in accrued compensated absences, sick leave benefits, other post-employment benefits, workers' compensation, lease obligations and the current portion of non-current liabilities of $1.9 million. See Note 12 for more detailed information regarding long-term debt activity.

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

	2023	2022 as restated	Change
Accrued compensated absences	$ 4.1	$ 3.7	$ 0.4
Sick leave benefits	2.8	2.7	0.1
Other post-employment benefits	92.5	90.2	2.3
Bonds payable, net of premiums & discounts	296.9	303.0	(6.1)
Workers' compensation	1.3	1.2	0.1
Accrued property tax refunds	14.9	17.1	(2.2)
Subscription-based liabilities	2.8	3.5	(0.7)
Lease obligations	14.8	14.6	0.2
Sub-total	430.1	436.0	(5.9)
Less current portion	(10.9)	(9.7)	(1.2)
Total non-current liabilities	$ 419.2	$ 426.3	$ (7.1)

Requests for Information

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

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Basic Financial Statements

City Colleges of Chicago
Community College District No. 508
Statement of Net Position
June 30, 2023

Assets	
Current assets:	
Cash and cash equivalents	$ 9,726,134
Short-term investments	113,296,276
Property tax receivable, net	75,612,501
Personal property replacement tax receivable	7,231,217
Other accounts receivable, net	19,983,651
Prepaid items and other assets	5,714,956
Total current assets	231,564,735
Non-current assets:	
Restricted cash	26,467,877
Funds held by others - restricted	1,225,023
Long-term investments	37,480,509
Capital assets not being depreciated	70,728,429
Capital assets being depreciated, net	715,810,758
Total non-current assets	851,712,596
Total assets	1,083,277,331
Deferred outflows of resources	
Deferred outflows related to other post-employment benefits	3,053,553
Deferred outflows related to pensions	1,929,542
Total deferred outflows of resources	4,983,095
Liabilities	
Current liabilities:	
Accounts payable	24,523,680
Accrued payroll	13,945,898
Other accruals	4,439,769
Unearned tuition and fees revenue	6,921,861
Unearned grant revenue	7,734,514
Other liabilities	7,379,634
Current portion of non-current liabilities	10,860,262
Total current liabilities	75,805,618
Non-current liabilities:	
Accrued compensated absences	4,056,352
Accrued property tax refunds	14,922,020
Sick leave benefits	2,834,321
Other post-employment benefits	92,470,188
Workers' compensation	1,268,600
Bonds payable, net of premiums and discounts	296,939,507
Subscription-based liabilities	2,839,709
Lease obligations	9,260,975
Other non-current liabilities	5,497,192
Less current portion of non-current liabilities	(10,860,262)
Total non-current liabilities	419,228,602
Total liabilities	495,034,220
Deferred inflows of resources	
Deferred inflows related to other post-employment benefits	7,727,415
Deferred inflows related to property tax revenue	72,455,856
Total deferred inflows of resources	80,183,271
Net position	
Net investment in capital assets	474,138,462
Restricted for specific purposes:	
Audit	332,785
Trust and agency	1,022,200
Grants	1,593,425
Unrestricted	35,956,063
Total net position	$ 513,042,935

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

City Colleges of Chicago
Community College District No. 508
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended June 30, 2023

Revenues	
Operating revenues:	
Student tuition and fees:	
Resident tuition	$ 68,618,278
Nonresident tuition	5,650,384
Fees	2,386,548
Less: Scholarship allowances	(59,599,804)
Net student tuition and fees	17,055,406
Other operating revenues	2,937,804
Total operating revenues	19,993,210
Expenses	
Operating expenses:	
Instructional salaries	97,386,526
Non-instructional salaries	131,025,489
Fringe benefits	134,974,988
Supplies	29,656,103
Professional development	1,272,013
Utilities	8,572,212
Contractual services	28,074,434
Depreciation and amortization	29,771,317
Financial aid, exclusive of scholarship allowances	54,212,003
Other expenses	1,369,329
Total operating expenses	516,314,414
Operating loss	(496,321,204)
Non-operating revenues (expenses):	
State apportionment and equalization	47,405,311
Other state grants and contracts	128,242,262
Local grants and contracts	13,046,116
Local property taxes	153,197,663
Personal property replacement tax	45,857,431
Federal grants and contracts	114,230,563
Investment income	4,548,586
Interest payments on debt	(14,544,449)
Other non-operating expenses	(39,178)
Total non-operating revenues (expenses)	491,944,305
Decrease in net position before capital appropriations	(4,376,899)
Capital appropriations	2,925,765
Change in net position	(1,451,134)
Net position, beginning of year	514,494,069
Net position, end of year	$ 513,042,935

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

City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows
Fiscal Year Ended June 30, 2023

Cash flows from operating activities	
Tuition and fees	$ 16,053,415
Payments to suppliers	(107,295,315)
Payments to employees	(236,206,254)
Payments to students	(54,212,003)
Other operating receipts	2,937,804
Net cash used in operating activities	(378,722,353)
Cash flows from noncapital financing activities	
Local property taxes	145,525,773
State apportionment, grants and contracts	84,188,094
Personal property replacement tax	45,825,773
Federal grants and contracts	130,899,642
Net cash provided by noncapital financing activities	406,439,282
Cash flows from capital and related financing activities	
Purchases of capital assets	(11,504,872)
Principal paid on debt	(5,530,000)
Interest paid on debt	(15,146,095)
Net cash used in capital and related financing activities	(32,180,967)
Cash flows from investing activities	
Proceeds from sales and maturities of investments	119,540,145
Purchases of investments	(124,919,396)
Gain on investments	4,369,045
Payment received on note receivable	1,547,005
Net cash used in investing activities	536,799
Net decrease in cash and cash equivalents	(3,927,239)
Cash and cash equivalents at beginning of year	40,121,250
Cash and cash equivalents at end of year	$ 36,194,011
Cash and cash equivalents	9,726,134
Restricted cash	26,467,877
	$ 36,194,011

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

City Colleges of Chicago
Community College District No. 508
Statement of Cash Flows *(Continued)*
Fiscal Year Ended June 30, 2023

Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$	(496,321,204)
Reconciling adjustments:		
Depreciation and amortization		29,771,317
State pension that is associated with the College		91,459,479
Decrease in allowance for uncollectible receivables		1,059,382
Changes in assets and liabilities:		
Receivables		(4,232,543)
Prepaid items and other assets		(1,204,227)
Accounts payable		3,942,878
Accrued payroll		(6,805,737)
Other accruals		1,822,714
Unearned tuition and fees revenue		1,294,199
Other liabilities		(1,540,669)
Accrued compensated absences		364,120
Sick leave benefits		164,866
OPEB and related deferred outflows and inflows		(1,506,259)
Lease obligations and subscription-based liabilities		3,009,331
Net cash used in operating activities	$	(378,722,353)
Non-cash investing, capital and financing activities		
Decrease in fair value of investments	$	20,848,876
State of Illinois contributed capital assets		2,925,765
Capital assets in accounts payable		3,365,078
Amortization of premiums and discounts on bonds payable		601,646

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

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Component Unit

City Colleges of Chicago Foundation

Financial Statements

Component Unit - City Colleges of Chicago Foundation
Statement of Financial Position
as of June 30, 2023

Assets	
Cash and cash equivalents	$ 6,122,882
Investments	14,582,411
Pledge receivable, net	3,035,695
Other receivables	9,780
Prepaid expenses	1,234
Total assets	$ 23,752,002
Liabilities and Net Assets	
Accounts payable	$ 323,079
Net Assets	
Without donor restrictions	2,545,538
With donor restrictions	20,883,385
Total net assets	23,428,923
Total liabilities and net assets	$ 23,752,002

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

Component Unit - City Colleges of Chicago Foundation
Statement of Activities
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions of cash and other financial assets	$ 106,912	$ 5,717,814	$ 5,824,726
Contributions of nonfinancial assets	615,274	-	615,274
Net assets released from restrictions	7,265,426	(7,265,426)	-
Total revenues and other support	7,987,612	(1,547,612)	6,440,000
Other income			
Investment income, net	838,727	485,556	1,324,283
Total revenues, other support and other income	8,826,339	(1,062,056)	7,764,283
Expenses			
Program services:			
Scholarships awarded	699,648	-	699,648
Grants and other program services	1,493,318	-	1,493,318
Distributions to City Colleges of Chicago	5,332,631	-	5,332,631
Supporting services:			
Management and general	510,100	-	510,100
Fundraising	168,714	-	168,714
Total expenses	8,204,411	-	8,204,411
Change in net assets	621,928	(1,062,056)	(440,128)
Net assets, beginning of year	1,923,610	21,945,441	23,869,051
Net assets, end of year	$ 2,545,538	$ 20,883,385	$ 23,428,923

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

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Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

B. Basis of Accounting *(continued)*

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

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

C. Cash and Cash Equivalents

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

D. Investments

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

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

D. Investments *(continued)*

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

E. Receivables

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

F. Allowance for Uncollectible Receivables

City Colleges provides allowances for uncollectible student accounts for any outstanding receivable balances less than 365 days. Balances in excess of 365 days past due are written off. During fiscal year 2023, $1.0 million of student receivables were written off.

G. Property Taxes

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

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

G. Property Taxes *(continued)*

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

In accordance with City Colleges' Board resolution, 50% of property taxes extended for the 2022 tax year and collected in 2023 are recorded as revenue in fiscal year 2023. The remaining revenue related to the 2022 tax year extension is deferred and will be recorded as revenue in fiscal year 2024. Based upon collection histories, City Colleges recorded property taxes at 96.5% of the 2022 extended levy and has an allowance of $2.7 million at June 30, 2023.

H. Personal Property Replacement Tax Revenue

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

I. Prepaid Items and Other Assets

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

J. Restricted Cash

Cash held for the purchase or construction of capital or other non-current assets is classified as non-current assets in the statement of net position.

K. Capital Assets

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

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

K. Capital Assets *(continued)*

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

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

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

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

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

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

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

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

K. Capital Assets *(continued)*

City Colleges also capitalizes subscription-based information technology arrangement (SBITA) assets overs $10,000 and amortizes them over the life of the assets contract. Amortization expenses for 2023 was $1,072,702.

L. Deferred Outflows of Resources

Deferred outflows are defined under GASB Statement No. 63 as a consumption of net assets by City Colleges that is applicable to future reporting periods and should be reported as having a similar impact on net position as assets. For City Colleges, pension payments related to federal grants and made subsequent to the pension liability measurement date are considered to be deferred outflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Deferred outflows related to OPEB are differences between expected and actual experience and changes in assumptions, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* (**See Note 7 and Note 11 for further discussion of City Colleges deferred outflows of resource**s.)

M. Pensions and Other Postemployment Benefits

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

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

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

M. Pensions and Other Postemployment Benefits *(continued)*

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

N. Other Liabilities

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

O. Non-Current Liabilities

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

P. Premiums, Discounts, and Issuance Costs

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

Q. Accrued Property Tax Refunds

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

1. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> *(Continued)*

R. <u>Unearned Revenue and Deferred Inflows of Resources</u>

Deferred inflows of resources are defined under GASB Statement No. 63 as acquisitions of net assets that are applicable to a future reporting period and should be reported as having a similar impact on net position as liabilities. Deferred inflows include property tax revenues intended to finance the subsequent fiscal year. Deferred inflows related to OPEB represent differences between expected and actual experience and changes in assumptions, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* (**See Note 11**)

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

S. <u>Net Position</u>

City Colleges' net position is classified as follows:

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

***Restricted for Specific Purposes* -** Restricted net position includes assets that City Colleges is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or through enabling legislation. At June 30, 2023, City Colleges had a portion of its net position restricted for audit, agency and grants.

***Unrestricted* -** Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of City Colleges and may be used at the discretion of the governing board to meet current expenses for any purpose.

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

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

T. Classification of Revenues and Expenses

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

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

Non-Operating Revenue and Expenses **-** Non-operating revenue and expenses includes activities that have the characteristics of non-exchange transactions, such as: (1) local property taxes, (2) state appropriations, (3) most federal, state, and local grants and contracts and federal appropriations, (4) gifts and contributions, (5) income from investments and (6) interest on debt.

U. Tuition and Fees

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

V. Use of Estimates

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

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

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

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

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

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

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

The lease term includes the noncancelable period of the lease plus any additional periods covered by either City Colleges or the lessor's option to extend for which it is reasonably certain to be exercised or terminated for which it is reasonably certain to not be exercised. Periods in which both City Colleges and the lessor have a unilateral option to terminate are excluded from the lease term.

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

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

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

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

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

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

The subscription term includes noncancelable period to use certain third-party vendor information technology software plus any additional periods covered by either City Colleges or the vendor’s option to extend or terminate. Extension of additional periods is reasonably certain to be exercised, while termination of periods is reasonably certain to not be exercised. Periods for which both the government and the SBITA vendor have an option to terminate without permission from the other party are cancelable periods and are excluded from the subscription term.

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

X. Pending Accounting Standards

GASB Statement No. 99, *Omnibus 2022.* The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistence of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statements 53 are effective for City Colleges beginning with its year end June 30, 2024.

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

X. Pending Accounting Standards *(continued)*

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, will be effective for City Colleges beginning with its year ended June 30, 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for City Colleges beginning with its year end June 30, 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

Y. Recently Adopted Accounting Pronouncements

In fiscal year 2023, City Colleges adopted the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Adoption of this accounting pronouncement had no effect on City Colleges financial statements.

Effective July 1, 2022, City Colleges adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Under this Statement, the College recognized SBITA assets and corresponding SBITA liabilities during fiscal year 2023. A SBITA liability is initially measured at the present value of subscription payments expected to be made during the subscription term, with amortization of the discount on the liability recognized as interest expense in subsequent reporting periods. A SBITA asset is initially measured at the amount of the SBITA liability adjusted for certain other payments, costs or incentives as specified in the pronouncement. Amortization of the subscription-based asset is recognized over the shorter of the subscription term or the useful life of the underlying information technology asset.

2. DEPOSITS AND INVESTMENTS

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

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

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

Prohibitions

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

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

2. DEPOSITS AND INVESTMENTS *(Continued)*

Deposits

Custodial credit risk – with regard to deposits with financial institutions, custodial credit risk is the risk that in the event of bank failure, City Colleges' deposits may not be returned. City Colleges' investment policy requires that investments made in excess of any applicable deposit insurance be secured by a corporate surety bond written by a surety company authorized to do business in the State of Illinois that is rated at least AA by Standard and Poor's or Aa3 by Moody's, or by an undertaking from the depository supported by a pledge of securities having a fair value that is at all times equal to or greater than the uninsured amount on deposit. At June 30, 2023, City Colleges had deposits of over $9.7 million in cash and $26.5 million in restricted cash that was not exposed to custodial credit risk.

Investments

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

Custodial credit risk – as it relates to investments, custodial credit risk is the risk that in the event of the failure of the counterparty to the investment, City Colleges will not be able to recover the value of its investments held by an outside party. All City Colleges' investment counterparties are limited to banks or trust companies authorized to do business in the State of Illinois that are member banks of the Federal Reserve System, and only to registered primary reporting dealers who are registered as broker-dealers with the Securities and Exchange Commission as required by City Colleges' investment policy. All of City Colleges investments were insured or collateralized and there was no investment exposed to custodial credit risk as of June 30, 2023.

2. DEPOSITS AND INVESTMENTS ***(****Continued)*

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

City Colleges' investment policy requires the investment portfolio to be diversified to avoid incurring undue concentration in securities of one type or securities of one financial institution or maturities.

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

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

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

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

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

2. DEPOSITS AND INVESTMENTS *(Continued)*

At June 30, 2023, the Federal Agency Bond/Note, Federal Agency Mortgage-Backed Security, Federal Agency Commercial Mortgage-Backed Security and Federal Agency Collateralized Mortgage Obligation investments held by City Colleges were all rated AA+/Aaa by Standard and Poor's (S&P) and Moody's, respectively. The Commercial Paper was rated at least A1 by S&P and P-1 by Moody's or A by Fitch Ratings. U.S. instrumentalities (including supranational securities where the U.S. is a shareholder and voting member) were rated at least AA+/Aaa, equivalent by Standard & Poor's, Moody's, or Fitch Ratings. U.S. dollar denominated corporate obligations of domestic issuers were rated at least Three Highest LT Rating Categories (AA+/A or equivalent) by Standard & Poor's, Moody's, or Fitch Ratings. Municipals were rated at least Three Highest LT Rating Categories (AAA/AA- or equivalent) by Standard & Poor's, Moody's, or Fitch Ratings.

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

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

2. DEPOSITS AND INVESTMENTS *(Continued)*

The carrying amount of investments at June 30, 2023 is shown below:

Investment Type	June 30, 2023 Carrying Value	Investment Maturities (in years) Less Than 1	1 - 5
U.S. Treasury Bond / Note	$ 37,501,670	$ 17,427,793	$ 20,073,877
Federal Agency Bond / Note	2,340,324	1,213,846	1,126,478
Federal Agency Commercial Mortgage-Backed Security	2,740,116	102,146	2,637,970
Federal Agency Collateralized Mortgage Obligation	234,965	-	234,965
Federal Agency Mortgage-Backed Security	532,680	-	532,680
Certificate of Deposit	799,543	799,543	-
Corporate Note	11,740,428	712,039	11,028,389
Commercial Paper	21,676,241	21,676,241	-
Supra-National Agency Bond/Note	906,337	562,360	343,977
Municipal Bond/Note	1,803,443	301,270	1,502,173
Illinois Portfolio, IIIT Class	18,117,512	18,117,512	-
Illinois Funds LGIP/5000	52,383,526	52,383,526	-
Total investments	$150,776,785	$113,296,276	$ 37,480,509

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

City Colleges categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs
- Level 3 inputs are significant unobservable inputs

2. <u>DEPOSITS AND INVESTMENTS</u> *(Continued)*

The carrying amount of investments and fair value hierarchy at June 30, 2023 is as follows:

		Fair Value Measurements Using		
Investments Measured at Fair Value	**June 30, 2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Debt Securities				
U.S. Treasury Bond/Note	$ 37,501,670	$ 37,501,670	$ -	$ -
Federal Agency Bond / Note	2,340,324	-	2,340,324	-
Federal Agency Commercial Mortgage-Backed Security	2,740,116	-	2,740,116	-
Federal Agency Collateralized Mortgage Obligation	234,965	-	234,965	-
Federal Agency Mortgage-Backed Security	532,680	-	532,680	-
Corporate Note	11,740,428	-	11,740,428	-
Commercial Paper	21,676,241	-	21,676,241	-
Supra-National Agency Bond/Note	906,337	-	906,337	-
Municipal Bonds/Note	1,803,443	-	1,803,443	-
Total investments at fair value	$ 79,476,204	$ 37,501,670	$ 41,974,534	$ -
Investments not Measured at Fair Value				
Illinois Portfolio, IIIT Class	$ 18,117,512			
Illinois Funds LGIP/5000	52,383,526			
Certificate of Deposits	799,543			
Total investments at Net Asset Value	71,300,581			
Total investments	$ 150,776,785			

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

3. OTHER ACCOUNTS RECEIVABLE

City Colleges' other accounts receivable consist of the following:

	2023
Student	$ 7,431,208
Grants	11,828,768
State of Illinois	5,393
Leases and other	3,115,086
Gross other accounts receivable	22,380,455
Less: Allowance for uncollectible	(2,396,804)
Current portion of other receivable, net	$ 19,983,651

4. CAPITAL ASSETS

	July 1, 2022 As restated**	Additions and Transfers In	Retirements and Transfers Out	June 30, 2023
Capital assets not being depreciated:				
Land	$ 51,376,464	$ -	$ -	$ 51,376,464
Construction in progress	11,761,874	12,851,522	(5,261,431)	19,351,965
Subtotal	63,138,338	12,851,522	(5,261,431)	70,728,429
Capital assets being depreciated:				
Leases*	12,198,706	-	(415,765)	11,782,941
Subscription-based assets*	3,565,179	379,135	-	3,944,314
Equipment	64,876,508	1,092,096	-	65,968,604
Software	48,303,665	18,750	-	48,322,415
Buildings and improvements	1,108,439,948	5,150,464	(1,163,899)	1,112,426,513
Subtotal	1,237,384,006	6,640,445	(1,579,664)	1,242,444,787
Total capital assets	1,300,522,344	19,491,967	(6,841,095)	1,313,173,216
Accumulated depreciation and amortization				
Leases*	3,772,415	930,847	(1,721,699)	2,981,563
Subscription-based assets*	-	1,072,702	-	1,072,702
Equipment	60,441,742	1,253,937	-	61,695,679
Software	45,429,786	1,442,193	-	46,871,979
Buildings and improvements	388,759,255	26,377,572	(1,124,721)	414,012,106
Total accumulated depreciation	498,403,198	31,077,251	(2,846,420)	526,634,029
Capital assets, net	$ 802,119,146	$ (11,585,284)	$ (3,994,675)	$ 786,539,187

4. CAPITAL ASSETS *(continued)*

*See Note 14 for leases and subscription-based information technology arrangement information.
** Restated for implementation of GASB 96.

5. NET POSITION

City Colleges' net position includes restricted and unrestricted resources (including $67 million of working cash fund). Unrestricted resources may be used at the discretion of the governing board to meet current expenses for any purpose. This qualifies as a stabilization arrangement, which is a formal arrangement set aside by the District to maintain amounts for budget stabilization or working capital needs. These funds may be spent through a transfer, an abolishment, or an abatement of amounts needed by the District. Amounts can be added to the working cash balance through replenishment, the issuance of bonds, or the levy of property taxes.

6. OTHER ACCRUALS AND OTHER LIABILITIES

City Colleges' other accruals and other liabilities consist of the following as of June 30, 2023:

Other accruals		
Accrued interest	$	1,252,574
Other accruals		3,187,195
Total other accruals	$	4,439,769
Other liabilities		
Self insurance	$	3,255,631
Unclaimed property		7,984
ICCB		3,789,455
Other		326,564
Total other liabilities	$	7,379,634

7. EMPLOYEE RETIREMENT PENSION PLAN

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

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 reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022 can be found in SURS Annual Comprehensive Financial Report - Notes to the Financial Statements.

Contributions - The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. Contributions for fiscal years 2022 and 2023 were $1,540,231 and $1,929,542 respectively. The normal cost is equal to the value of the current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of the annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Participating employers make contributions toward separately financed specific liabilities under Section 15- 139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor). City Colleges accrued $14,936 for the liability due to earnings that exceed the Governor's salary.

For purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The state of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

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

***Net Pension Liability* -** The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, the collective NPL was $29,078,053,857.

***Employer Proportionate Share of Net Pension Liability* –** The amount of the proportionate share of the NPL to be recognized for City Colleges is $0. The proportionate share of the State's NPL associated with City Colleges is $1,376,309,651 or 4.7332%. City Colleges' proportionate share changed by 0.2113% from 4.9445% since the last measurement date on June 30, 2021. This amount is not recognized in City Colleges' financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, actuarial valuation rolled forward to the measurement date. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021.

***Pension Expense* -** For the year ending June 30, 2022, collective net pension expense was $1,903,314,699.

7. <u>EMPLOYEE RETIREMENT PENSION PLAN</u> *(Continued)*

Employer Proportionate Share of Pension Expense **-** The employer proportionate share of the State's pension expense that is associated with City Colleges of Chicago is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2022. As a result, City Colleges recognized revenue and pension expense of $91,459,479 from this special funding situation during the year ended June 30, 2023. On the statement of revenues, expenses and changes in net position, the revenue is reflected in other state grants and contracts and the pension expense is reflected in fringe benefits.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,973,496	$ 28,674,599
Changes in assumptions	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	31,628,935	-
Total	$ 342,964,872	$ 1,011,628,867

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

Year Ending June 30	Net Deferred Outflows of Resources
2023	$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	442,534,804
Total	$ (668,663,995)

7. <u>EMPLOYEE RETIREMENT PENSION PLAN</u> *(Continued)*

City Colleges of Chicago's Deferral of Fiscal Year 2023 Contributions – The City Colleges of Chicago paid $1,929,542 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022 and are recognized as deferred outflows of resources as of June 30, 2023 on the statement of net position.

Assumptions and Other Inputs

Actuarial assumptions. The actuarial assumptions used in the June 30, 2022 valuation was 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

There are no assumption changes as of June 30, 2022.

The long-term expected rate of return on pension plan investments (6.50%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Defined Benefit Plan	Strategic Policy Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Traditional Growth		
Global Public Equity	38.0 %	7.62 %
Stabilized Growth		
Public Credit Fixed Income	9.0	4.20
Credit Real Assets	4.5	4.98
Options Strategies	2.5	4.91
Private Credit	1.0	7.45
Non-Traditional Growth		
Private Equity	10.5	11.91
Non-Core Real Assets	2.5	9.43
Inflation Sensitive		
U.S. TIPS	5.0	1.23
Principal Protection		
Core Fixed Income	8.0	1.79
Crisis Risk Offset		
Systematic Trend Following	10.0	4.33
Alternative Risk Premia	5.0	3.59
Long Duration	4.0	2.16
Total	**100.0 %**	**6.08 %**
Inflation		**2.25**
Expected arithmetic return		**8.33 %**

Discount Rate - A single discount rate of 6.39% (an increase of 0.27% from fiscal year 2022) was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

7. EMPLOYEE RETIREMENT PENSION PLAN *(Continued)*

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

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

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

8. CHANGES IN NON-CURRENT LIABILITIES

Changes in non-current liabilities for the year ended June 30, 2023 are as follows:

	July 1, 2022 As restated*	Additions	Reductions/ Adjustments	June 30, 2023	Amounts due within one year
Accrued compensated absences	$ 3,692,232	$ 7,090,767	$ (6,726,647)	$ 4,056,352	$ 1,465,718
Sick leave benefits	2,669,455	411,580	(246,714)	2,834,321	410,925
Other post-retirement benefits	90,248,733	2,221,455	-	92,470,188	-
Bonds payable	295,955,000	-	(5,530,000)	290,425,000	5,915,000
Bonds premiums and discounts	7,116,153	-	(601,646)	6,514,507	-
Workers' compensation	1,206,644	436,156	(374,200)	1,268,600	406,507
Accrued property tax refund	17,099,921	4,673,156	(6,851,057)	14,922,020	-
Subscription-based liabilities	3,487,600	379,135	(1,027,026)	2,839,709	986,679
Lease obligations	8,302,808	1,608,162	(649,995)	9,260,975	863,233
Other	6,285,737	-	(788,545)	5,497,192	812,200
	$ 436,064,283	$ 16,820,411	$ (22,795,830)	$ 430,088,864	$ 10,860,262

*Restated for implementation of GASB 96.

9. ACCRUED COMPENSATED ABSENCES

Administrators and full time, non-bargained for employees accrue and accumulate paid vacation days based upon their years of service and cannot accrue in excess of the maximum number of vacation days as set forth in the Board policy and procedures, Article IV. Bargained for employees receive paid leave days in accordance with their applicable collective bargaining agreements. Accumulated unused vacation leave banks will be paid out upon termination of employment.

At June 30, 2023, City Colleges recorded a liability of $4,056,352 for compensated absences and estimated that $1,465,718 of these liabilities is current and due within one year. **(See Note 8)**

10. SICK LEAVE BENEFITS

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

At June 30, 2023, City Colleges accrued $2,611,125 for the estimated present value of these future benefits for current eligible employees and $223,196 in benefits payable to inactive (retired) employees for a total of $2,834,321. **(See Note 8)**

11. OTHER POST-EMPLOYMENT BENEFITS

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

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

Benefits Provided: City Colleges pays approximately 85% of the medical and life insurance premiums for most retirees and spouses. For other retirees, City Colleges pays a portion of the medical premium. To be eligible for benefits, an employee must qualify for retirement under SURS. It is expected that all full-time active employees who retire directly from City Colleges and meet the eligibility criteria will participate. Effective October 5, 2017, City Colleges eliminated the other post-employment benefits for new administrators and non-bargained for employees not covered by a collective bargaining agreement.

Membership: As of June 30, 2023 consists of:

Retirees currently receiving benefits	430
Spouses of retirees	162
Active employees	1,481
TOTAL	2,073
Participating Employers	1

Funding Policy: Currently, City Colleges provides subsidized coverage for the medical, dental and vision insurance for a period of 10 years from the employee's retirement date. Retired employees are covered for life insurance for a period of six to ten years, with City Colleges paying the cost of the coverage. During the ten-year subsidy period, City Colleges pays approximately 85% of the cost of the premiums and retirees pay approximately 15% of the cost of the medical, dental and vision coverage. City Colleges' contribution is estimated and is based on premiums, retiree contributions and retirees participating in the plan in 2023. The actuarial valuation is used to determine the total actuarial accrued liability and the annual OPEB expense for the post-retirement medical and life insurance benefits provided for purposes of GASB Statement No. 75. For the fiscal year ended June 30, 2023, City Colleges contributed $5,428,330.

The City Colleges' total OPEB liability was determined by an actuarial valuation as of July 1, 2021 and rolled forward to the measurement date of June 30, 2023.

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

Annual OPEB costs and the total OPEB liability are based on the calculations and parameters prescribed in GASB Statement No. 75. The Entry Age Normal actuarial cost method was used. The Actuarially Determined Contribution (ADC) expense includes interest charge on the Unfunded Actuarial Liability and the gains and losses are amortized over the "Average Service to Retirement" of 4.40 years. The amortization of gains, losses, and actuarial assumption changes are referred to as "deferred inflows and outflows". The assumptions also include data regarding demographic and mortality rates, an inflation rate of 2.60% per year, salary rate increase of 2.60%, an interest rate assumption of 3.65% per year, and a healthcare cost trend rate assumption that starts at 2.90% to 4.0% over 52 years. Mortality rates were based on the PUB-2010 headcount-weighted for Teachers, projected fully generationally with MP-2021 ultimate scale.

OPEB Assumption changes:

	2023	2022
Valuation date	July 1, 2021	July 1, 2021
Measurement date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.60%	2.60%
Medical trend rate	2.90% - 4.00%	2.90% - 4.00%
Salary increases including inflation	2.60%	2.60%
Discount rate		
20-Year Tax Exempt Municipal Bond Yield	3.65%	3.54%
Mortality table	Pub-2010 Teachers	Pub-2010 Teachers
Projected fully generationally with	MP-2021 ultimate scale	MP-2021 ultimate scale

This valuation also considers projections and estimates of future retiree healthcare benefits based on actuarial standards issued by the Actuarial Standards Board. In performing the actuarial valuation of the OPEB program, the actuarial assumptions for fiscal year 2023 included premium rates, payroll data, variation of healthcare costs, census data regarding participants and age factors in each plan.

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

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

The actuarial value of assets was not determined as City Colleges has not advance-funded its obligation. Based upon the above valuations, City Colleges' total OPEB liability is $92,470,188 as of June 30, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	$ 90,248,733
Changes for the Year:	
Service Cost	1,517,705
Interest	3,153,286
Change in Benefit Terms	-
Difference between Expected and Actual Experience	-
Change of Assumptions	2,978,794
Benefit Payments	(5,428,330)
Net Changes:	2,221,455
Balance as of June 30, 2023	$ 92,470,188

Changes in the actuarial assumptions reflect the changes in the discount rate from 3.54% as of June 30, 2022 to 3.65%, an increase of 0.11% as of June 30, 2023. There were no changes of benefit terms and no significant changes between the valuation date and the fiscal year end.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2023, City Colleges recognized OPEB expense of ($4,325,740). At June 30, 2023, City Colleges reported deferred outflows and inflows of resources related to OPEB from the following sources.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (5,993,285)	$ -
Changes of assumptions	(1,734,130)	3,053,553
Total	$ (7,727,415)	$ 3,053,553

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

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

Year ended June 30		
2024	$	(1,490,112)
2025		(2,392,314)
2026		(791,436)
Total	$	(4,673,862)

Sensitivity of the total OPEB liability to changes in the discount rate.
The following chart presents the total OPEB liability of the plan as of June 30, 2023, calculated using the discount rate of 3.65% for a 20-year Tax Exempt Municipal Bond Yield, as well as what the total OPEB liability would be if calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 99,841,505	$ 92,470,188	$ 83,870,581

Sensitivity of the total OPEB liability to changes in the health care trend rate.
The following chart presents the total OPEB liability of the plan as of June 30, 2023, calculated using the current healthcare cost trend rate as well as what the total OPEB liability would be if calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 84,254,167	$ 92,470,188	$101,687,043

12. LONG-TERM DEBT

General Obligation Bonds – Series 2013: On October 8, 2013, City Colleges issued $250,000,000 in Unlimited Tax General Obligation Bonds (Series 2013) at a net premium of $8,233,226. The bonds were issued with interest rates ranging from 4.00% to 5.50% with payment dates of June 1 and December 1 of each year. The proceeds derived from the issuance of the bonds were used to (i) construct, acquire and equip City Colleges' campus and administrative buildings and make site improvements and other capital expenditures related to the initial five-year $555 million capital improvement plan and (ii) pay the cost of issuance of the bonds including the underwriters' discount. The bonds are secured by the pledged revenues of tuition and fees, and state grants. Furthermore, City Colleges has levied the pledged property taxes to satisfy the debt service on the bonds if the pledged revenues are insufficient; however, based on projected receipts of pledged revenues, City Colleges anticipates that all pledged taxes will be abated on a year-by-year basis prior to such pledged taxes being extended.

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

Fiscal Year	Principal Payment	Interest	Total
2024	$ 5,805,000	$ 10,992,063	$ 16,797,063
2025	6,095,000	10,694,563	16,789,563
2026	6,400,000	10,374,188	16,774,188
2027	6,735,000	10,029,394	16,764,394
2028	7,090,000	9,666,488	16,756,488
2029 - 2033	41,450,000	42,183,901	83,633,901
2034 - 2038	53,475,000	29,835,641	83,310,641
2039 - 2043	69,210,000	13,686,991	82,896,991
2044	16,100,000	422,625	16,522,625
Total	$ 212,360,000	$ 137,885,854	$ 350,245,854

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

12. LONG-TERM DEBT *(Continued)*

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

Fiscal Year	Principal Payment	Interest	Total
2024	$ 110,000	$ 3,890,950	$ 4,000,950
2025	115,000	3,885,325	4,000,325
2026	120,000	3,879,450	3,999,450
2027	130,000	3,873,200	4,003,200
2028	135,000	3,866,575	4,001,575
2029 - 2033	765,000	19,224,875	19,989,875
2034 - 2038	955,000	19,032,450	19,987,450
2039 - 2043	1,185,000	18,791,375	19,976,375
2044 - 2048	74,550,000	11,374,750	85,924,750
Total	$ 78,065,000	$ 87,818,950	$165,883,950

City Colleges has pledged revenues to repay its bond issue. The pledges will remain until the bonds are retired. The amount of pledges remaining as of June 30, 2023 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date
Series 2013	Tuition, fees, and state grants	$ 350,245,854	2044
Series 2017	Tuition, fees, and state grants	165,883,950	2048
Total		$ 516,129,804	

Debt Issue	Pledged Revenue Source	Pledge Revenue	Principal and Interest Retired	Percentage of Revenue Pledged
Series 2013	Tuition, fees, and state grants	$ 64,460,717	$ 16,805,438	26.07%
Series 2017	Tuition, fees, and state grants	$ 64,460,717	$ 3,893,700	6.00%

12. LONG-TERM DEBT *(Continued)*

Investors who purchase municipal bonds use debt ratings as an indicator of financial stability of an organization and consequently the safety and security of the debt sold by that organization. In general, higher credit ratings often result in lower borrowing costs via reduced interest rates paid on municipal bonds. A strong rating also promotes a wider market and more buyers of City Colleges' municipal bonds. There are several rating agencies that assign ratings to municipal debt, including debt issued by City Colleges. As of June 30, 2023, City Colleges' ratings are A+ and BBB by Fitch Ratings and S&P Global Ratings, respectively. On November 9, 2023, S&P Global Ratings upgraded the rating to BBB+.

13. RISK MANAGEMENT

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

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

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

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

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

13. RISK MANAGEMENT *(Continued)*

City Colleges follows the practice of recognizing the expenses for general liability claims in the year such settlements become probable and estimable. City Colleges has accrued funds for estimated future claims of $1,409,559 as of June 30, 2023.

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

B. Health Insurance

City Colleges self-insures for a portion of its health costs for eligible employees. Future claims are estimated based on historical charges and lag periods. City Colleges has accrued estimated medical expenses of $1,846,072 as of June 30, 2023 that have been incurred, but not paid.

C. Workers' Compensation

City Colleges retains a portion of workers' compensation risk and maintains an excess commercial policy for individual claims exceeding $600,000 up to the statutory limit. City Colleges estimates future claims based on a loss development factor and a specific claim reserve. City Colleges' management believes that there are no material lawsuits or claims covered by the workers' compensation self-insurance program that have not been adequately covered. City Colleges' has accrued estimated workers' compensation liability of $1,268,600 and estimated that $406,507 is current and due within one year. (**See Note 8**).

13. RISK MANAGEMENT *(Continued)*

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

Summary of Changes in Self-Insurance*

	June 30, 2022	Incurred Claims	Payment on Claims	June 30, 2023
General liability	$ 1,610,775	$ (187,216)	$ (14,000)	$ 1,409,559
Health insurance	1,630,280	36,854,876	(36,639,084)	1,846,072
Workers' compensation	1,206,644	436,156	(374,200)	1,268,600
	$ 4,447,699	$37,103,816	$ (37,027,284)	$ 4,524,231

	June 30, 2021	Incurred Claims	Payment on Claims	June 30, 2022
General liability	$ 1,853,775	$ 17,000	$ (260,000)	$ 1,610,775
Health insurance	921,637	32,897,972	(32,189,329)	1,630,280
Workers' compensation	1,145,668	431,878	(370,902)	1,206,644
	$ 3,921,080	$33,346,850	$ (32,820,231)	$ 4,447,699

*Workers' compensation is also presented in Note 8.

14. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Lessor

City Colleges entered into a five-year lease for office space in Truman College commencing September 1, 2017. The lease also requires the lessee to pay a one-time fee of $75,000 to cover the construction cost. The total amount of the inflows (revenue) during the fiscal year is $8,250. The interest rate for this lease is 2.26%.

City Colleges entered into one-year lease for office space in Arturo Velasquez Institute with options to renew. The lease terminated in October 2022. The total amount of the inflows (revenue) during the fiscal year is $7,962. The interest rate for this lease is 3.46%.

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

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

B. Lessee

City Colleges entered into a twelve-year, ten-month lease for its District Office commencing on May 1, 2018 and terminating on May 28, 2031. City Colleges has the option to renew the term of this lease for one additional period of five years, which it is reasonably certain it will exercise. Total outflows (expense) recognized during the fiscal year for payments is $854,692. The annual interest rate charged on this lease is 4.5%.

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

City Colleges entered into two five-year leases with two separate vendors. Both leases started July 1, 2017 and both have an option to renew for two additional years. The total outflows (expense) recognized during the fiscal year is $234,492 The annual interest rate charged on both leases is 2.5%.

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

A summary of the lease asset activity for the year ended June 30, 2023 is as follows:

	July 1, 2022	Additions	Deduction	June 30, 2023
Lease assets:				
Buildings	$ 10,494,519	$ -	$ (415,765)	$ 10,078,754
Equipment	1,704,187	-	-	1,704,187
Total lease assets	12,198,706	-	(415,765)	11,782,941
Accumulated amortization:				
Buildings	2,534,851	687,392	(1,721,699)	1,500,544
Equipment	1,237,564	243,455	-	1,481,019
Total accumulated amortization	3,772,415	930,847	(1,721,699)	2,981,563
Total lease assets, net	$ 8,426,291	$ (930,847)	$ 1,305,934	$ 8,801,378

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

B. Lessee *(continued)*

Future annual lease payments are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 863,233	$ 430,369	$ 1,293,602
2025	514,183	377,110	891,293
2026	550,810	354,403	905,213
2027	589,159	329,974	919,133
2028	629,310	303,743	933,053
2029 - 2033	3,563,834	1,012,774	4,576,608
2034 - 2036	2,550,446	151,854	2,702,300
	$ 9,260,975	$ 2,960,227	$ 12,221,202

C. Subscription-Based Arrangements

City Colleges has the noncancelable right to use certain third-party vendor information technology software. These subscription-based technology arrangements primarily consist of software used for student assessment and engagement, the Learning Management System, the Library and other software needs. These arrangements have terms ranging from 1 to 5 years. The principal and interest payments to maturity for subscription-based liabilities at June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 986,679	$ 70,458	$1,057,137
2025	777,053	43,631	820,684
2026	575,169	23,922	599,091
2027	500,808	7,419	508,227
	$2,839,709	$ 145,430	$2,985,139

15. TAX ABATEMENT

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

In fiscal year 2023, City Colleges did not directly enter any tax abatement with any taxpayer.

Tax Abatement Agreements Entered into by Other Governments – Cook County

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

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

Without the incentive, the property tax would be assessed at 25% of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For fiscal year 2023, City Colleges estimated its portion of annual abatement of property taxes to various taxpayers under the development incentive programs approximates $2.4 million.

16. DISCRETELY PRESENTED COMPONENT UNIT

A. Operations

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

B. Significant Accounting Policies

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

***Cash and Cash Equivalents* –** As of June 30, 2023, cash and cash equivalents include highly liquid investments with maturities of three months or less at the date of purchase, and are stated at cost, which approximates fair value. The Foundation maintains its cash in commercial bank deposit accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

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

16. <u>DISCRETELY PRESENTED COMPONENT UNIT</u> (*Continued)*

B. <u>Significant Accounting Policies</u> *(continued)*

***Contributions* -** Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable at June 30, 2023 are considered fully collectible and management has determined no allowance is necessary.

***Contributions of Nonfinancial Assets* -** The Foundation receives contributed services consisting of donated accounting services and other operating support from City Colleges. Donated accounting services are determined based on estimated hours of services provided at market rates. Other operating support is determined based on allocation of expenses based on square footage. These amounts are included as contributions of nonfinancial assets revenue in the statement of activities.

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

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

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

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

B. Significant Accounting Policies *(continued)*

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

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

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

The accounting standard on *Accounting for Uncertainty in Income Taxes* addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and the various positions related to the potential sources of unrelated business income tax. There were no unrecognized tax benefits identified or recorded as liabilities during the year ended June 30, 2023.

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

Adopted Accounting Pronouncement -- In February 2016, The Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases (Topic 842).* The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. There was no impact on the financial statements from the adoption of this pronouncement.

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

B. Significant Accounting Policies *(continued)*

Subsequent Events **—** The Foundation has evaluated all subsequent events through November 30, 2023, which is the date the financial statements were available to be issued.

C. Investments

The components of net investment return for the year ended June 30, 2023 are as follows:

Interest and dividends	$	354,042
Net realized gains		72,188
Net unrealized gains		898,053
Total	$	1,324,283

D. Fair Value of Investments

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

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

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

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

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

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

D. Fair Value of Investments *(continued)*

For the year ended June 30, 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The Foundation's investments are the only assets or liabilities that are measured at fair value on a recurring basis.

The Foundation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. For the year ended June 30, 2023, there were no such transfers.

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

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

Assets measured at fair value based on NAV using the practical expedient as of June 30, 2023 are as follows:

Mutual Funds:	
Fixed income funds	$ 3,839,782
Equity funds	10,242,629
Alternative investment - real estate fund	500,000
Total	$ 14,582,411

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

E. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 are restricted to the following purposes:

Net Assets with Donor Restrictions	
Subject to expenditure for specified purpose:	
Scholarships and instructional services	$ 12,123,864
Goldman Sachs 10,000 Small Businesses Initiative	492,492
Project Grants	483,333
Miscellaneous	864,014
Time Restriction	3,035,695
Purpose and/or time restrictions	16,999,398
Endowments:	
Subject to Foundation's spending policy and appropriation:	
Scholarships	$ 3,883,582
Miscellaneous	405
	3,883,987
	$ 20,883,385

The above amounts of $16,999,398 and $3,883,987, totaling $20,883,385 are reflected as net assets with donor restrictions on the Statement of Activities.

Net assets released from donor restrictions are as follows for the year ended June 30, 2023:

Scholarships	$ 1,421,376
Instructional services and supplies	4,870,020
Goldman Sachs 10,000 Small Businesses Initiative	936,511
Project Grants	37,519
Total released from donor restrictions	$ 7,265,426

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

F. Endowment Net Assets

The Foundation has perpetual donor-restricted endowment net assets that consist of 16 individual funds established for a variety of donor-restricted purposes. Net assets associated with perpetual restrictions are classified and reported based on the existence of perpetual donor-imposed restrictions.

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

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

Funds with Deficiencies - From time to time, the fair value of assets associated with individual donor restricted funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2023.

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

Donor-restrictred endowment funds:	
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	$ 2,160,382
Accumulated investments gains	1,723,605
	$ 3,883,987

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

F. Endowment Net Assets *(continued)*

Changes in endowment net assets for the year ended June 30, 2023, are as follows:

	With Donor Restriction
Endowment net assets - beginning of year	$ 3,477,501
Investment return:	
Investment income	120,488
Net loss (realized and unrealized)	365,068
Total investment return	485,556
Contributions	200,000
Appropriation of endowment assets for expenditures	(279,070)
Endowment net assets - end of year	$ 3,883,987

G. Related Party Transactions

The Foundation receives donated accounting services and other operating support from City Colleges. The Foundation estimates the fair value of these services to be $615,274. These amounts have been included as contributed services and related expenses in the statement of activities.

H. Contributions Receivable

Contributions receivable consisted of the following at June 30, 2023:

2024	$ 2,596,945
2025	450,000
	3,046,945
Less discount	(11,250)
Total	$ 3,035,695

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

I. Functional Expenses

The Foundation expenses by function are as follows:

	Program Services	Management and General	Fundraising	Total
Distributions to City Colleges of Chicago for scholarships, grants and programs	$ 5,332,631	$ -	$ -	$ 5,332,631
Supplies	69,852	-	37,255	107,107
Travel	12,925	816	-	13,741
Scholarships	699,648	-	-	699,648
Grants and other program services	1,294,224	108,036	20,229	1,422,489
Bank fees	296	13,225	-	13,521
Contributed services	116,021	388,023	111,230	615,274
	$ 7,525,597	$ 510,100	$ 168,714	$ 8,204,411

J. Availability and Liquidity

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

Financial assets at year-end:	2023
Cash and cash equivalents	$ 6,122,882
Investments	14,582,411
Contribution receivable	3,035,695
Other receivables	9,780
Total financial assets	$ 23,750,768
Less amounts not available to be used within one year:	
Net assets with donor restrictions	20,883,385
Financial assets available to meet general expenditures over the next twelve months	$ 2,867,383

16. DISCRETELY PRESENTED COMPONENT UNIT (*Continued)*

J. Availability and Liquidity *(continued)*

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

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

17. COMMITMENTS AND CONTINGENCIES

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

As of June 30, 2023, City Colleges had $28.6 million in commitments for its capital plan, all of which are being funded by City Colleges.

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

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

18. RESTATEMENT

The adoption of GASB 96, *Subscription-Based Information Technology Arrangements*, on July 1, 2022, resulted in a restatement of beginning capital assets, net of depreciation and amortization, in the amount of $3,565,179, as well as the addition of the beginning balance for corresponding subscription-based liabilities in the amount of $3,487,600, with the immaterial difference reducing fiscal year 2023 expenses. The adoption of this statement had no effect on the College's beginning net position.

19. SUBSEQUENT EVENTS

City Colleges intends to issue Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2023, to refund all or a portion of its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2013. The amount and issue date have not yet been determined.

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Required Supplementary Information

Other Post-Employment Benefit Plan

Schedule of Changes in Total OPEB Liability and Related Ratios

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability						
Service Cost	$ 5,227,410	$ 2,815,597	$ 2,885,987	$ 2,367,953	$ 1,697,411	$ 1,517,705
Interest	5,458,342	4,310,846	3,422,135	2,349,164	2,264,072	3,153,286
Difference between Expected and Actual Experience	(12,995,395)	(15,938,464)	-	-	(10,987,691)	-
Change of Assumptions	(20,818,383)	4,816,393	8,985,260	512,169	(3,179,240)	2,978,794
Benefit Payments	(4,968,061)	(5,436,298)	(6,288,983)	(6,761,637)	(5,304,869)	(5,428,330)
Net Change in Total OPEB Liability	$ (28,096,087)	$ (9,431,926)	$ 9,004,399	$ (1,532,351)	$ (15,510,317)	$ 2,221,455
Total OPEB Liability - Beginning	$ 135,815,015	$ 107,718,928	$ 98,287,002	$ 107,291,401	$ 105,759,050	$ 90,248,733
Total OPEB Liability - Ending	$ 107,718,928	$ 98,287,002	$ 107,291,401	$ 105,759,050	$ 90,248,733	$ 92,470,188
Covered - Employee Payroll	$ 115,957,481	$ 110,108,221	$ 110,108,221	$ 110,108,221	$ 127,006,364	$ 127,006,364
Total OPEB Liability as a Percentage of Covered - Employee Payroll	92.90%	89.26%	97.44%	96.05%	71.06%	72.81%

Other Post-Employment Benefit Plan *(Continued)*

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

Changes of Assumptions: Changes of assumptions and other inputs reflect that the discount rate was changed to 3.65% in 2023 from 3.54% in 2022 to comply with GASB Statement No. 75. Changes in assumptions also reflect the changes in mortality rate, turnover rate and retirement rate. The plan is a single employer defined benefit plan. An irrevocable trust has not been established to account for the plan, so the plan is not accounted for as a trust fund and does not issue a separate report. There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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

	2023	2022
Valuation date	July 1, 2021	July 1, 2021
Measurement date	June 30, 2023	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.60%	2.60%
Medical trend rate	2.90% - 4.00%	2.90% - 4.00%
Salary increases including inflation	2.60%	2.60%
Discount rate		
20-Year Tax Exempt Municipal Bond Yield	3.65%	3.54%
Mortality table	Pub-2010 Teachers	Pub-2010 Teachers
Projected fully generationally with	MP-2021 ultimate scale	MP-2021 ultimate scale

Employer Retirement Pension Plan

Schedule of Proportionate Share of Net Pension Liability:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	0%
Proportion Amount of the Collective Net Pension Liability	$ -	$ -	$ -	$ -	$ -
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	$ 1,087,536,479	$ 1,218,726,483	$ 1,355,491,236	$ 1,308,352,868	$ 1,313,662,424
Total (b) + (c)	$ 1,087,536,479	$ 1,218,726,483	$ 1,355,491,236	$ 1,308,352,868	$ 1,313,662,424
Employer Defined Benefit Covered Payroll	$ 181,750,151	$ 187,348,463	$ 189,147,615	$ 181,881,925	$ 171,283,952
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of Covered Payroll	598.37%	650.51%	716.63%	719.34%	766.95%
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	42.04%	41.27%

Schedule of Contributions:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Federal, Trust, Grant and Other Contribution	$ 689,776	$ 787,225	$ 812,143	$ 1,100,852	$ 920,479
Contribution in Relation to Required Contribution	689,776	787,225	812,143	1,100,852	920,479
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Employer Covered Payroll	$ 209,114,348	$ 210,959,550	$ 212,512,956	$ 204,273,077	$ 191,786,539
Contributions as a Percentage of Covered Payroll	0.33%	0.37%	0.38%	0.54%	0.48%

City Colleges of Chicago
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Required Supplementary Information
June 30, 2023

Employer Retirement Pension Plan *(continued)*

Schedule of Proportionate Share of Net Pension Liability:	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	0%	
Proportion Amount of the Collective Net Pension Liability	$ -	$ -	$ -	$ -	
Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	$ 1,414,808,146	$ 1,517,786,988	$ 1,410,599,964	$ 1,376,309,651	
Total (b) + (c)	$ 1,414,808,146	$ 1,517,786,988	$ 1,410,599,964	$ 1,376,309,651	
Employer Defined Benefit Covered Payroll	$ 178,671,966	$ 184,360,074	$ 176,945,580	$ 188,745,059	
Proportion of Collective Net Pension Liability associated with Employer as a Percentage of Covered Payroll	791.85%	823.27%	797.19%	729.19%	
SURS Plan Net Position as a Percentage of Total Pension Liability	40.71%	39.05%	45.45%	43.65%	

Schedule of Contributions:	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Federal, Trust, Grant and Other Contribution	$ 681,719	$ 653,884	$ 1,913,328	$ 1,327,707	$ 1,929,542
Contribution in Relation to Required Contribution	681,719	653,884	1,913,328	1,327,707	1,929,542
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Employer Covered Payroll	$ 196,471,620	$ 201,460,474	$ 200,258,542	$ 208,823,070	$ 226,796,593
Contributions as a Percentage of Covered Payroll	0.35%	0.32%	0.96%	0.64%	0.85%

*City Colleges implemented GASB Statement No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

City Colleges of Chicago
Community College District No. 508
Required Supplementary Information
June 30, 2023

Notes to Required Supplementary Information

These pension schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board's Statement No. 68 to show information for 10 years. However, until a full 10-year trend is compiled, the City Colleges of Chicago will only present available information measured in accordance with the requirements of Statement No. 68.

Changes of benefit terms. There were no benefit changes recognized in the Collective Pension Liability as of June 30, 2022.

Changes of assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest, and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2017, to June 30, 2020, was performed in Spring 2021, resulting in the adoption of new assumptions as of June 30, 2021. These assumptions are listed below and remained the same for the June 20, 2022 actuarial valuation.

- Salary increase. Change in the overall assumed salary increase rates, ranging from 3.00 percent to 12.75 percent based on years of service, while maintaining the underlying wage inflation rate of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.50 percent. This reflects decreasing the assumed real rate of return to 4.25 percent and maintaining the underlying assumed price inflation of 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.50 percent.
- 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.

Notes to Required Supplementary Information (*Continued)*

- Plan election. Change plan election assumptions to 75 percent Tier 2 and 25 percent Retirement Savings Plan (RSP) for non-academic members. Change plan election assumptions to 55 percent Tier 2 and 45 percent Retirement Savings Plan (RSP) for academic members.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

City Colleges of Chicago
Community College District No. 508

Table A

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Position:										
Net investment in capital assets	$ 658,505,276	$ 717,255,258	$ 719,559,997	$ 704,854,741	$ 653,939,196	$ 622,386,371	$ 535,255,971	$ 509,655,082	$ 488,858,156	$ 474,138,462
Restricted for specific purposes										
Audit	194,892	165,898	36,209	29,488	156,235	238,546	293,763	334,907	424,501	332,785
Agency	-	-	-	-	-	-	1,309,037	1,020,227	1,012,595	1,022,200
Liability, protection, and settlement	7,187,039	6,580,766	2,632,672	705,482	-	194,117	-	-	-	-
PBC operations and maintenance	607,045	-	-	-	-	-	-	-	-	-
Bonds and interest	-	-	-	-	1,851,574	-	-	-	-	-
Grants	-	-	-	-	-	-	-	2,461,883	3,080,149	1,593,425
Unrestricted	221,854,399	135,002,378	24,896,253	(37,672,764)	(78,655,342)	(82,590,665)	(52,921,570)	(19,455,184)	21,118,668	35,956,063
Total Net Position	$ 888,348,651	$ 859,004,300	$ 747,125,131	$ 667,916,947	$ 577,291,663	$ 540,228,369	$ 483,937,201	$ 494,016,915	$ 514,494,069	$ 513,042,935

Note: City Colleges implemented GASB 84 in fiscal year 2021. Fiscal year 2020 was updated to reflect the effect of the implementation.
Source: City Colleges of Chicago Annual Comprehensive Financial Reports

City Colleges of Chicago
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Table B

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues:										
Student tuition and fees (net of scholarship allowances)	$ 43,551,469	$ 41,738,106	$ 55,841,074	$ 52,507,277	$ 43,510,241	$ 36,145,477	$ 38,895,808	$ 30,045,582	$ 24,378,506	$ 17,055,406
Other operating revenues	9,806,723	7,240,451	7,680,657	6,702,496	6,177,539	5,143,109	2,298,628	2,683,054	5,567,071	2,937,804
Total operating revenues	53,358,192	48,978,557	63,521,731	59,209,773	49,687,780	41,288,586	41,194,436	32,728,636	29,945,577	19,993,210
Operating expenses:										
Instructional salaries	100,033,039	95,951,938	90,918,944	83,858,803	89,214,382	88,524,100	91,069,112	90,179,547	91,156,656	97,386,526
Non-instructional salaries	110,941,259	118,063,554	123,980,168	123,024,189	104,875,488	109,912,039	112,315,513	111,071,138	118,865,175	131,025,489
Fringe benefits	101,050,332	115,749,425	150,741,188	176,176,135	159,033,078	155,017,642	177,342,268	191,085,401	151,824,451	134,974,988
Supplies	20,216,270	22,552,882	20,032,747	14,732,670	12,561,866	16,590,301	19,369,703	20,876,911	23,021,322	29,656,103
Professional development	1,487,147	1,244,344	1,304,104	742,743	933,234	1,080,524	670,323	191,859	558,721	1,272,013
Utilities	8,422,751	8,503,632	7,889,555	8,090,810	7,994,976	8,140,159	7,447,037	8,647,525	9,072,584	8,572,212
Contractual services	39,678,006	37,471,238	29,714,332	26,683,165	21,276,138	22,418,335	28,022,825	17,667,481	22,286,105	28,074,434
Depreciation and Amortization	20,603,084	40,362,884	49,604,285	42,741,190	64,736,965	46,570,373	46,108,387	34,655,652	32,105,950	29,771,317
Financial aid (exclusive of scholarship allowances)	54,757,208	54,781,226	32,657,219	33,531,205	31,441,226	30,392,713	33,362,697	47,233,334	69,627,115	54,212,003
Other expenses	3,208,895	9,048,160	15,151,528	10,045,675	12,689,108	6,245,996	3,184,974	(266,064)	200,116	1,369,329
Total operating expenses	460,397,991	503,729,283	521,994,070	519,626,585	504,756,461	484,892,182	518,892,839	521,342,784	518,718,195	516,314,414
Operating loss	(407,039,799)	(454,750,726)	(458,472,339)	(460,416,812)	(455,068,681)	(443,603,596)	(477,698,403)	(488,614,148)	(488,772,618)	(496,321,204)
Non-operating revenues (expenses):										
State apportionment and equalization	44,091,624	40,944,584	10,653,563	16,737,354	77,554,415	47,565,890	45,538,109	45,952,397	47,185,162	47,405,311
Other state grants and contracts	103,024,737	113,886,048	113,032,192	144,823,351	146,689,797	139,865,030	169,183,060	185,805,080	137,039,661	128,242,262
Local grants and contracts	5,042,722	5,073,046	2,263,905	4,186,138	3,088,038	4,461,449	10,861,218	7,722,619	10,655,865	13,046,116
Local property taxes	118,738,148	119,389,151	125,659,171	123,263,682	125,366,633	125,547,962	130,359,887	135,789,947	141,347,110	153,197,663
Personal property replacement tax	13,548,322	14,564,695	11,637,706	16,422,533	12,122,670	13,490,094	14,586,627	20,323,479	43,942,972	45,857,431
Federal grants and contracts	121,249,812	109,992,620	84,341,753	80,082,538	74,028,272	72,002,237	71,494,722	116,062,253	139,623,169	114,230,563
Litigation settlement	-	-	-	-	730,338	-	-	-	16,600	-
Investment income	1,633,125	1,229,614	1,461,132	503,916	2,170,929	3,941,896	2,917,927	301,851	(1,468,428)	4,548,586
Building lease and interest payments on debt	-	-	(4,961,335)	(11,688,580)	(12,117,213)	(12,632,012)	(15,047,917)	(14,906,707)	(14,738,790)	(14,544,449)
Other non-operating revenue	573,157	2,175,119	1,846,475	6,075,845	8,438,747	586,271	(11,699,314)	80,806	579,532	(39,178)
Non-operating revenues, net	407,901,647	407,254,877	345,934,562	380,406,777	438,072,626	394,828,817	418,194,319	497,131,725	504,182,853	491,944,305
Income (loss) before capital appropriations and grants	861,848	(47,495,849)	(112,537,777)	(80,010,035)	(16,996,055)	(48,774,779)	(59,504,084)	8,517,577	15,410,235	(4,376,899)
Capital appropriations and grants	5,119,782	17,326,560	658,608	801,851	1,918,132	11,711,485	1,825,038	1,562,137	5,066,919	2,925,765
	$ 5,981,630	$ (30,169,289)	$ (111,879,169)	$ (79,208,184)	$ (15,077,923)	$ (37,063,294)	$ (57,679,046)	$ 10,079,714	$ 20,477,154	$ (1,451,134)

Source: City Colleges of Chicago Annual Comprehensive Financial Reports

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

City Colleges of Chicago
Community College District No. 508

Table C

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

Tax Year Levy	Class 2 Residential Property	Class 5 Commercial Property	Class 5 Industrial Property	Other Railroad Property	Total Equalized Assessed Valuation (1)	Total Equalized Assessed Valuation (2)	Total Direct Tax Rate	Total Estimated Fair Value (3)	Assessed Value as a Percentage of Estimated Fair Value
2013	$ 37,165,845,442	$ 18,664,711,059	$ 6,359,267,977	$ 140,913,053	$ 62,330,737,531	$ 62,337,066,955	0.199	$ 187,011,200,865	33.33%
2014	39,639,728,826	23,151,162,620	1,946,233,867	137,040,420	64,874,165,733	64,879,908,794	0.193	194,639,726,382	33.33%
2015	43,871,767,527	24,955,908,048	1,943,080,901	148,390,582	70,919,147,058	70,924,421,349	0.177	212,773,264,047	33.33%
2016	45,774,355,574	26,093,545,448	1,964,171,087	148,006,500	73,980,078,609	73,984,605,433	0.169	221,953,816,299	33.33%
2017	47,154,589,038	27,405,102,153	2,002,796,882	156,007,870	76,718,495,943	76,722,182,440	0.164	230,166,547,320	33.33%
2018	53,179,494,934	30,824,287,901	2,091,437,327	181,450,474	86,276,670,636	86,286,411,094	0.147	258,859,233,282	33.33%
2019	53,727,795,420	31,715,562,586	2,138,147,273	185,020,498	87,766,525,777	87,776,056,332	0.149	263,328,168,996	33.33%
2020	54,854,403,410	32,130,756,913	2,286,713,081	197,280,051	89,469,153,455	89,478,355,786	0.151	268,435,067,358	33.33%
2021	60,824,820,535	33,323,094,513	2,518,278,663	197,672,375	96,863,866,086	96,868,463,441	0.145	290,605,390,323	33.33%
2022			Not Available			96,847,230,931	0.155	290,541,692,793	33.33%

Note: Assessed value is computed by the Cook County Clerk's office at one-third estimated actual value. 2022 data is not available

Sources: *Cook County Clerk's Offices*

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

City Colleges of Chicago
Community College District No. 508

Table D

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

Taxing Bodies *(per $100 of assessed valuation)*	Legal Limit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		Tax Levy Year									
City Colleges of Chicago											
Audit Fund	$ 0.005	$ 0.001	$ 0.001	$ 0.001	$ 0.001	$ 0.001	$ 0.001	$ 0.001	$ 0.000	$ 0.000	$ 0.000
Tort Liability	N/A	0.009	-	0.001	0.009	0.009	0.005	0.005	0.005	0.006	0.011
Education Fund	0.175	0.149	0.149	0.126	0.124	0.120	0.109	0.110	0.112	0.107	0.107
Operations and Maintenance Fund	0.050	0.040	0.038	0.049	0.035	0.034	0.032	0.033	0.033	0.031	0.034
Total City Colleges of Chicago Rate		$ 0.199	$ 0.189	$ 0.177	$ 0.169	$ 0.164	$ 0.147	$ 0.149	$ 0.151	$ 0.144	$ 0.152
Overlapping Rates											
Chicago Board of Education		3.671	3.660	3.455	3.726	3.890	3.552	3.620	3.656	3.517	3.757
City of Chicago		1.496	1.473	1.806	1.880	1.894	1.812	1.893	1.886	1.838	1.914
Chicago Park District		0.420	0.415	0.382	0.368	0.358	0.330	0.362	0.329	0.311	0.323
Metropolitan Water Reclamation District		0.417	0.430	0.426	0.406	0.402	0.396	0.389	0.378	0.382	0.374
Cook County		0.560	0.568	0.552	0.533	0.496	0.489	0.454	0.453	0.446	0.431
Cook County Forest Preserve		0.069	0.069	0.069	0.063	0.062	0.060	0.059	0.058	0.058	0.081
South Cook County Mosquito Abatement		0.016	0.017	0.017	0.017	0.016	0.017	0.018	0.017	0.019	0.021
Total Overlapping Rate		$ 6.649	$ 6.632	$ 6.707	$ 6.993	$ 7.118	$ 6.656	$ 6.795	$ 6.777	$ 6.571	$ 6.901
Total Rate		$ 6.848	$ 6.821	$ 6.884	$ 7.162	$ 7.282	$ 6.803	$ 6.944	$ 6.928	$ 6.715	$ 7.053
Tax Extensions *($ thousands)*											
Audit Fund		$ 584	$ 384	$ 384	$ 684	$ 684	$ 558	$ 538	$ 426	$ 432	$ 185
Tort Liability		5,584	2,985	985	6,984	6,984	4,543	4,680	4,783	5,652	10,329
Education Fund		92,760	96,559	88,610	91,677	92,338	93,644	96,501	100,474	103,168	103,256
Operations and Maintenance Fund		24,913	24,912	34,911	25,612	25,613	27,934	28,775	29,411	29,820	33,377
		$ 123,841	$ 124,840	$ 124,890	$ 124,957	$ 125,619	$ 126,679	$ 130,494	$ 135,094	$ 139,072	$ 147,147

Source: Cook County Clerk’s Office - 2023 Data is not available.

City Colleges of Chicago
Community College District No. 508

Table E

Revenue Capacity

Principal Property Taxpayers *(Unaudited)*

	2022			2013		
Taxpayer	**Taxable Assessed Value** *(in thousands)*	**Rank**	**Percentage of Total Assessed Valuation**	**Taxable Assessed Value** *(in thousands)*	**Rank**	**Percentage of Total Assessed Valuation**
Willis Tower	$ 730,003	1	0.75%	$ 370,197	1	0.59%
Merchandise Mart Owner	515,974	2	0.53%	-	-	-
One Prudential Plaza	395,210	3	0.41%	193,495	4	0.31%
Aon Building	338,566	4	0.35%	248,906	2	0.40%
Cbre Suite 2530	338,524	5	0.35%	-	-	-
Bank Of America Tower	319,867	6	0.33%	-	-	-
Hcsc Blue Cross J Kaye	303,047	7	0.31%	201,987	3	0.32%
River Point LLC	279,075	8	0.29%	-	-	-
227 Monroe Street LLC	269,885	9	0.28%	-	-	-
300 Lasalle LLC	266,149	10	0.27%	159,537	10	-
Chase Tower	-	-	-	190,442	6	0.31%
Water Tower LLC	-	-	-	190,953	5	0.31%
Three First National Plaza	-	-	-	177,862	8	0.29%
Franklin Center	-	-	-	183,114	7	0.29%
Citadel Center	-	-	-	177,008	9	0.28%
	$ 3,756,300		3.88%	$ 2,093,501		3.10%

Note:

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

Source: Cook County Assessor's Office – 2022 is the latest data available.
Cook County Clerk's Office Taxable Assessed Value in thousands of dollars.

City Colleges of Chicago
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Table F

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

			Collected within the Fiscal Year of Extension (A)			Total Collections to Date (B)	
Levy Year	**Fiscal Year of Extension**	**Tax Levied (C)**	**Amount**	**Percentage of Tax Levy**	**Collections in Subsequent Years**	**Amount**	**Percentage of Levy**
2013	2014	$ 123,853,382	$ 63,503,739	51.27%	$ 56,897,912	$ 120,401,651	97.21%
2014	2015	124,853,382	63,827,769	51.12%	57,966,232	121,794,001	97.55%
2015	2016	124,903,382	64,993,572	52.04%	57,041,479	122,035,051	97.70%
2016	2017	124,970,382	64,816,536	51.87%	57,010,953	121,827,489	97.49%
2017	2018	125,631,380	65,921,912	52.47%	56,683,664	122,605,576	97.59%
2018	2019	126,691,690	66,440,187	52.44%	57,835,724	124,275,911	98.09%
2019	2020	130,507,003	66,458,041	50.92%	62,362,049	128,820,090	98.71%
2020	2021	135,013,605	68,259,809	50.56%	65,865,611	134,125,420	99.34%
2021	2022	140,360,333	72,595,503	51.72%	66,087,617	138,683,120	98.81%
2022	2023	150,261,215	71,973,562	47.90%	-	71,973,562	47.90%

Notes: (A) The amount does not represent a full year's tax collection.
(B) The total amount collected to date is net of refunds.
(C) Beginning levy year 2021, the tax levied amounts include levy adjustments made by Cook County per PA 102-0519 recapturing property tax refunds

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

City Colleges of Chicago
Community College District No. 508

Table G

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

Fiscal Year	FTE Credit Courses	Headcount Credit Courses	Headcount Noncredit Courses	In-District Tuition & Fees per Semester Hr	Out-of-District Tuition & Fees per Semester Hr	Out of State Tuition & Fees per Semester Hr	VI - F-1 Visa Students Fees per Semester Hr	Total Semester Credit Hrs Generated	Tuition & Fees Revenue	Less: Scholarships and Allowances	Tuition & Fees Revenue (Net)
2014	30,692	62,100	47,258	$ 89.00	$ 202.01	$ 249.71	$ -	$ 1,184,165.0	$ 110,456,613	$ (66,905,144)	$ 43,551,469
2015	28,917	60,250	40,050	89.00	200.17	246.42	-	1,098,557.5	99,573,913	(57,835,807)	41,738,106
2016	26,410	57,372	39,017	133.36	353.16	359.73	624.68	983,907.0	105,005,157	(49,164,083)	55,841,074
2017	24,200	51,772	34,559	133.36	353.16	359.73	624.68	904,038.0	99,177,882	(46,670,605)	52,507,277
2018	23,825	50,436	32,958	133.36	353.16	359.73	624.68	821,349.0	94,772,150	(51,261,909)	43,510,241
2019	23,147	50,558	28,927	146.00	384.00	481.00	481.00	791,761.5	92,474,466	(56,328,989)	36,145,477
2020	21,481	46,522	25,329	146.00	384.00	481.00	481.00	750,937.0	85,769,182	(46,873,374)	38,895,808
2021	18,632	40,988	29,222	146.00	384.00	481.00	481.00	653,576.0	76,746,431	(46,700,849)	30,045,582
2022	16,937	38,359	18,616	146.00	384.00	481.00	481.00	596,893.5	73,363,188	(48,984,682)	24,378,506
2023	17,720	40,134	24,037	146.00	384.00	481.00	481.00	619,501.0	76,655,210	(59,599,804)	17,055,406

Source: City Colleges of Chicago Annual Comprehensive Financial Report

City Colleges of Chicago
Community College District No. 508

Table H

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

Fiscal Year	General Obligation Bonds	Premiums (Discounts)	Total Outstanding Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	$ 250,000,000	$ 7,406,782	$ 257,406,782	0.14%	$ 94.68
2015	250,000,000	6,211,924	256,211,924	0.13%	94.11
2016	245,995,000	5,094,656	251,089,656	0.12%	92.29
2017	241,830,000	4,103,132	245,933,132	0.11%	90.92
2018	315,560,000	10,427,163	325,987,163	0.14%	120.00
2019	311,010,000	9,435,797	320,445,797	0.12%	118.42
2020	306,235,000	8,562,847	314,797,847	0.12%	116.85
2021	301,220,000	7,794,437	309,014,437	0.12%	114.48
2022	295,955,000	7,116,153	303,071,153	0.10%	112.39
2023	290,425,000	6,514,507	296,939,507	0.10%	111.42

Note: Details of City Colleges' outstanding bonded debt can be found in the notes to the financial statements.
Sources: Per capita is based on the population obtained from the US Census Bureau (USCB) and the total outstanding debt. The census is conducted decennially at the start of each decade.

City Colleges of Chicago
Community College District No. 508

Table I

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

	As of June 30, 2023		
	Net Direct Long-Term Debt (1)	**Estimated Percentage Applicable (2)**	**Estimated Share of Overlapping Debt**
Direct Debt			
City Colleges of Chicago	$ 296,939	100.00%	$ 296,939
Estimated General Obligation Overlapping Debt			
City of Chicago General Obligation Bonds (2)	$ 5,665,804	100.00%	$ 5,665,804
Chicago Board of Education (3)	8,951,431	100.00%	8,951,431
Chicago Park District (4)	857,350	100.00%	857,350
Metropolitan Water Reclamation District of Greater Chicago (5)	2,598,015	56.11%	1,457,746
Cook County (6)	2,951,286	55.24%	1,630,290
Cook County Forest Preserve District (7)	98,005	55.24%	54,138
Total Estimated Overlapping Long-Term Debt			18,616,759
Direct and Estimated Overlapping Long-Term Debt			$ 18,913,698

(1) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2022 City of Chicago *tax extension, within the City of Chicago, by the total Cook County extension for the district.*

(2) **Source:** *City of Chicago*
(3) **Source:** *Board of Education*
(4) **Source:** *Chicago Park District*
(5) **Source:** *Metropolitan Water Reclamation District of Greater Chicago*
(6) **Source:** *Cook County*
(7) **Source:** *Cook County Forest Preserve District*

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Table J

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

Fiscal Year	(A) Population*	Personal Income *(in thousands)**	(B) Per Capita Personal Income	(C) Unemployment Rate
2014	2,722,407	$ 145,959,129	$ 53,614	7.90%
2015	2,720,556	153,828,398	56,543	6.60%
2016	2,704,965	154,656,374	57,175	6.50%
2017	2,716,462	161,474,651	59,443	5.40%
2018	2,705,988	171,657,055	63,436	4.40%
2019	2,693,959	175,931,686	65,306	4.10%
2020	2,699,347	188,778,832	69,935	12.00%
2021	2,696,561	198,350,937	73,557	7.60%
2022	2,665,039	----------Data Not Available----------		5.30%
2023	----------------------Data Not Available -------------------------------			

Sources: **(A)** US Census Bureau (USCB). The census is conducted decennially at the start of each decade.
(B) 2014 - 2021 Data from the Bureau of Economic Analysis (BEA). These rates are for Cook County. Data is not available for 2022 and 2023.
(C) Illinois Workforce Info Center Website
* Estimated

City Colleges of Chicago
Community College District No. 508

Table K

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

Employer	Fiscal Year 2023			Fiscal Year 2022			Fiscal Year 2021			Fiscal Year 2020			Fiscal Year 2019		
	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment
U.S. Government	1	52,315	1.96%	1	52,316	1.94%	1	52,357	1.91%	1	45,736	1.70%	1	41,500	1.53%
Chicago Public Schools	2	41,469	1.56%	2	40,119	1.49%	2	38,637	1.41%	2	37,731	1.40%	2	36,415	1.35%
City of Chicago	3	30,216	1.13%	3	31,020	1.15%	3	30,928	1.13%	3	31,621	1.17%	3	31,854	1.18%
Amazon.Com Inc.	4	28,994	1.09%	4	27,050	1.00%	9	16,610	0.60%	9	14,610	0.54%	10	14,018	0.52%
Advocate Aurora Health	5	26,841	1.01%	5	25,906	0.96%	4	26,335	0.96%	4	25,917	0.96%	6	19,513	0.72%
Northwestern Memorial Hospital	6	24,120	0.91%	6	24,053	0.89%	6	21,999	0.80%	6	21,264	0.79%	5	19,886	0.73%
University of Chicago	7	21,618	0.81%	8	20,781	0.77%	7	18,732	0.68%	8	18,276	0.68%	7	17,345	0.64%
Cook County	8	19,263	0.72%	7	22,074	0.82%	5	22,074	0.80%	5	22,438	0.83%	4	22,438	0.83%
Walgreens Boots Alliance, Inc.	9	17,344	0.65%	10	16,817	0.62%	-	-	-	-	-	-	-	-	-
Walmart Inc.	10	17,300	0.65%	9	18,500	0.69%	8	16,711	0.61%	-	-	-	-	-	-
Amita Health	-	-	-	-	-	-	10	14,282	0.52%	7	20,046	0.74%	8	16,231	0.60%
United Continental Holdings Inc	-	-	-	-	-	-	-	-	-	10	14,520	0.54%	9	14,582	0.54%
		279,480	10.49%		278,636	10.33%		258,665	9.42%		252,159	9.36%		233,782	8.64%

Employer	Fiscal Year 2018			Fiscal Year 2017			Fiscal Year 2016			Fiscal Year 2015			Fiscal Year 2014		
	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment	Rank	City of Chicago Number of Employees	% of City of Chicago Area Employment
U.S. Government	1	41,500	1.53%	1	42,663	1.58%	1	42,887	1.58%	1	45,673	1.68%	1	49,860	1.83%
Chicago Public Schools	2	35,447	1.30%	2	35,862	1.33%	2	37,406	1.37%	2	38,933	1.43%	2	39,094	1.44%
City of Chicago	3	31,160	1.15%	3	30,754	1.14%	3	30,276	1.11%	3	30,345	1.11%	3	30,340	1.12%
Cook County	4	21,316	0.78%	4	20,716	0.77%	4	21,795	0.80%	4	21,622	0.79%	4	21,482	0.79%
Advocate Health Care	5	19,049	0.70%	5	18,930	0.70%	5	18,308	0.67%	5	18,556	0.68%	5	18,512	0.68%
University of Chicago	7	16,583	0.61%	6	16,374	0.61%	6	16,197	0.60%	6	16,025	0.59%	7	15,452	0.57%
JP Morgan Chase	8	15,701	0.58%	8	15,229	0.56%	9	14,158	0.52%	7	15,015	0.55%	6	16,045	0.59%
State of Illinois	9	14,690	0.54%	10	13,524	0.50%	8	15,136	0.56%	8	14,925	0.55%	8	14,731	0.54%
Northwestern Memorial Hospital	6	16,667	0.61%	7	15,747	0.58%	7	15,317	0.56%	9	14,550	0.53%	-	-	-
United Continental Holdings Inc	-	-	-	9	15,157	0.56%	10	14,000	0.51%	10	14,000	0.51%	9	14,000	0.51%
AT&T Inc.	-	-	-	-	-	-	-	-	-	-	-	-	10	14,000	0.51%
Amazon.Com Inc.	10	13,240	0.49%	-	-	-	-	-	-	-	-	-	-	-	-
		225,353	8.30%		224,956	8.32%		225,480	8.29%		229,644	8.44%		233,516	8.59%

Source: Crain's Chicago's Business, Largest Employers, published February 27, 2023

City Colleges of Chicago
Community College District No. 508

Table L

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

	Full-time FTE			Part-time FTE			Total FTE		
Functional Job Type	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**	**2021**	**2022**	**2023**
Faculty	550	550	558	1,017	1,039	1,044	1,567	1,589	1,602
Professional/Technical Staff	311	320	327	34	38	30	345	358	357
Administrators	316	323	310	-	-	-	316	323	310
Clerical	208	214	216	10	11	12	218	225	228
Front-Line Direct Support (Custodial/Maintenance/Security)	227	234	233	152	175	178	379	409	411
Academic Support/Direct Student-Facing Personnel	362	372	375	222	236	237	584	608	612
Student Workers	-	-	-	13	18	23	13	18	23
Totals	**1,974**	**2,013**	**2,019**	**1,448**	**1,517**	**1,524**	**3,422**	**3,530**	**3,543**

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

City Colleges of Chicago
Community College District No. 508

Table M

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

Fiscal Year	Total	Baccalaureate	Occupational Business	Occupational Technical	Occupational Health	Remedial Development	Adult Basic Secondary Education
2023	619,501.0	321,748.0	38,747.0	32,381.0	28,652.0	34,764.0	163,209.0
2022	596,893.5	314,615.0	35,686.5	25,767.0	28,062.5	33,624.0	159,138.5
2021	653,576.0	357,564.5	36,886.0	25,821.0	25,340.5	34,407.0	173,557.0
2020	750,937.0	396,941.0	40,124.0	30,744.5	29,389.0	49,979.0	203,759.5
2019	791,761.5	427,442.0	34,142.0	37,525.5	28,703.0	51,409.0	212,540.0
2018	821,349.0	447,130.0	33,480.0	38,827.5	28,755.0	51,423.0	221,733.5
2017	904,038.0	455,404.0	33,621.0	56,363.5	25,955.0	59,925.0	272,769.5
2016	983,907.0	489,438.0	36,204.0	59,245.5	32,958.5	72,423.0	293,638.0
2015	1,098,557.5	536,289.0	44,735.0	68,863.0	36,548.5	107,093.0	305,029.0
2014	1,184,165.0	536,233.0	51,231.0	79,220.0	45,666.0	123,339.0	348,476.0

Data Source: College records

City Colleges of Chicago
Community College District No. 508

Table N

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

Capital Asset Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Land	$ 53,616,391	$ 55,421,960	$ 51,376,464	$ 51,376,464	$ 51,376,464	$ 51,376,464	$ 51,376,464	$ 51,376,464	$ 51,376,464	$ 51,376,464
Construction in progress	103,111,151	269,626,926	88,290,037	41,526,514	58,259,377	5,906,563	6,320,470	5,657,131	11,761,874	19,351,965
Lease assets	-	-	-	-	-	-	-	-	12,198,706	11,782,941
Subscription-based assets	-	-	-	-	-	-	-	-	3,565,179	3,944,314
Equipment	17,525,902	20,378,093	52,985,078	63,800,500	64,058,673	64,301,331	64,817,510	64,817,510	64,876,508	65,968,604
Buildings and improvements	786,947,003	824,248,668	1,097,180,326	1,083,419,269	1,091,365,536	1,192,565,831	1,103,821,256	1,105,655,491	1,108,439,948	1,112,426,513
Software	30,035,011	30,852,286	62,395,481	69,966,816	72,588,654	42,553,643	42,883,798	47,878,119	48,303,665	48,322,415
Total Capital Assets	991,235,458	1,200,527,933	1,352,227,386	1,310,089,563	1,337,648,704	1,356,703,832	1,269,219,498	1,275,384,715	1,300,522,344	1,313,173,216
Less Accumulated depreciation and amortization	(299,962,533)	(336,310,200)	(380,512,960)	(358,250,800)	(419,672,387)	(435,368,507)	(431,067,638)	(464,903,109)	(498,403,198)	(526,634,029)
Net Capital Assets	$ 691,272,925	$ 864,217,733	$ 971,714,426	$ 951,838,763	$ 917,976,317	$ 921,335,325	$ 838,151,860	$ 810,481,606	$ 802,119,146	$ 786,539,187
Bond Obligations	$ 250,000,000	$ 250,000,000	$ 245,995,000	$ 241,830,000	$ 315,560,000	$ 311,010,000	$ 306,235,000	$ 301,220,000	$ 295,955,000	$ 290,425,000

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

City Colleges of Chicago
Community College District No. 508

Table O

Operating Information
Miscellaneous Statistics *(Unaudited)*

City Colleges of Chicago - Founded 1911

Accreditation by the Higher Learning Commission	Most Recent Accreditation	Next Review
Daley	2021-22	2031-32
Harold Washington	2018-19	2028-29
Kennedy-King	2015-16	2025-26
Malcolm X	2017-18	2027-28
Olive-Harvey	2020-21	2030-31
Truman	2019-20	2029-30
Wright	2020-21	2029-30

Current gross square footage	4,265,154
Size of district	228.5 square miles
Counties served	Cook and DuPage
Population of district	2,665,039
Number of faculty	1,602
Number of professional / technical staff	357
Number of administrators	310
Number of clerical staff	228
Number of custodial / maintenance staff	411
Number of academic support staff	612
Number of student/work study staff	23
Degrees and certificates awarded (fiscal year 2023)	7,721

City Colleges of Chicago
Community College District No. 508

Table P

Operating Information
Community College State Funding
Last Ten Fiscal Years

Fiscal Year	State Funding to All State Community Colleges		ICCB Funding to the District	
2014	$ 284,916,500		$ 58,700,515	
2015	278,773,899		55,231,784	
2016	74,142,300		14,370,863	
2017	114,525,000		22,463,354	
2018	409,595,700	*	80,276,413	*
2019	257,111,600		47,594,594	
2020	269,222,284		45,566,809	
2021	269,222,286		44,107,140	
2022	278,178,388		45,311,205	
2023	301,876,696		46,793,997	

Source: *Illinois Community College Board*

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

City Colleges of Chicago
Community College District No. 508

Table Q

Operating Information
Revenues and Expenditures by Campus *(Unaudited)*
Fiscal Year Ended June 30, 2023

	Daley	Harold Washington	Kennedy-King	Malcolm X	Olive-Harvey	Truman	Wright	District Office	Total
Revenues:									
Local Tax Revenue	$ 17,484,728	$ 20,275,949	$ 29,165,565	$ 36,404,283	$ 20,959,152	$ 23,671,199	$ 18,805,562	$ 32,288,658	$ 199,055,096
All Other Local Revenue	153,711	95,336	5,740	76,181	1,034,846	5,002,866	42,448	223,465	6,634,593
ICCB Grants	645,777	-	274,531	248,508	322,053	909,396	722,668	53,871,419	56,994,352
All Other State Revenue	5,958,883	11,626,444	57,476,265	22,379,366	2,530,072	4,112,638	14,498,322	71,231	118,653,221
Federal Revenue	9,269,112	21,089,769	11,180,792	31,749,457	9,992,712	9,500,270	19,759,286	1,689,164	114,230,562
Student Tuition and Fees	11,689,808	13,506,886	5,303,369	12,347,346	4,999,099	12,477,765	16,330,936	-	76,655,209
All Other Revenue	205,333	1,152,633	797,955	793,103	916,012	438,198	856,178	9,285,243	14,444,655
Total Revenue before Capital Appropriations	45,407,352	67,747,017	104,204,217	103,998,244	40,753,946	56,112,332	71,015,400	97,429,180	586,667,688
Capital Appropriations	9,759	1,161,053	124,839	816,169	790,238	23,707	-	-	2,925,765
Total Revenue	$ 45,417,111	$ 68,908,070	$ 104,329,056	$ 104,814,413	$ 41,544,184	$ 56,136,039	$ 71,015,400	$ 97,429,180	$ 589,593,453
Expenditures by program									
Instruction	$ 12,086,388	$ 20,747,310	$ 51,240,690	$ 23,478,168	$ 10,379,703	$ 16,810,444	$ 18,607,727	$ 41,063	$ 153,391,493
Academic Support	2,035,922	11,979,168	4,205,724	8,562,235	3,885,247	3,824,218	5,169,798	3,317,737	42,980,049
Student Services	5,506,370	6,679,567	4,539,537	20,570,407	4,082,938	10,907,867	6,892,830	2,677,970	61,857,486
Public Service/Continuing Education	613,583	154,770	704,723	228,143	267,562	1,659,401	583,733	2,955,481	7,167,396
Auxiliary Services	3,566,104	699,941	1,294,285	938,362	972,747	1,072,054	237,127	3,861,098	12,641,718
Operations and Maintenance	9,747,709	4,819,341	13,959,862	14,245,677	7,923,204	7,841,559	19,436,372	20,260,014	98,233,738
Institutional Support	2,844,955	3,485,735	18,545,431	7,367,280	3,904,757	4,007,476	3,198,392	60,030,860	103,384,886
Scholarships, Grants, Waivers	9,006,321	19,181,185	9,713,965	28,607,972	9,337,788	9,989,313	16,889,421	8,661,857	111,387,822
Total Expenditures	$ 45,407,352	$ 67,747,017	$ 104,204,217	$ 103,998,244	$ 40,753,946	$ 56,112,332	$ 71,015,400	$ 101,806,080	$ 591,044,588

Statement of Purpose: The City Colleges of Chicago Revenues and Expenditures by College for the year ended June 30, 2023, is required by the terms of a Memorandum of Understanding (MOU) between City Colleges and the Higher Learning Commission (HLC) on Institutes of Higher Education. The MOU outlines an appropriate pattern of evidence to be made available by City Colleges for purposes of meeting certain HLC Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenditures for each college.

SPECIAL REPORTS SECTION

State Required Reports Section

Schedule 1

City Colleges of Chicago
Community College District No. 508
All Funds Summary
Uniform Financial Statement #1
Fiscal Year Ended June 30, 2023

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Trust & Agency Fund	Audit Fund	Liability, Protection Settlement Fund	Building Bonds Proceeds Fund	GASB 34/35 Adjustment *	Total
Fund Balance: June 30, 2022	$ 52,617,598	$ 4,838,643	$ 32,284,943	$ -	$ (12,941,223)	$ 3,080,149	$ 67,013,532	$ 1,012,595	$ 424,501	$ (2,174,419)	$ 1,677,937	$ 366,659,813	$ 514,494,069
Revenues:													
Local Tax Revenue	$ 138,580,944	31,979,868	-	20,158,831	-	-	-	-	323,034	8,012,419	-	-	199,055,096
All Other Local Revenue	291,325	-	2,925,765	-	-	6,343,269	-	-	-	-	-	-	9,560,359
ICCB Grants	53,871,419	-	-	-	-	3,122,933	-	-	-	-	-	-	56,994,352
All Other State Revenue	156,054	-	-	-	-	118,497,167	-	-	-	-	-	-	118,653,221
Federal Revenue	4,949,903	-	-	-	-	109,280,659	-	-	-	-	-	-	114,230,562
Student Tuition and Fees	75,056,684	-	-	-	1,598,525	-	-	-	-	-	-	-	76,655,209
All Other Revenue	3,881,282	1,579,292	-	517,264	1,809,653	6,316,338	-	316,338	-	-	24,488	-	14,444,655
Total Revenues	276,787,611	33,559,160	2,925,765	20,676,095	3,408,178	243,560,366	-	316,338	323,034	8,012,419	24,488	-	589,593,454
Expenses													
Instruction	104,653,227	-	-	-	-	48,846,121	-	-	-	-	-	(107,855)	153,391,493
Academic Support	20,010,278	-	-	-	-	23,682,227	-	-	-	-	-	(712,456)	42,980,049
Student Services	32,471,816	-	-	-	4,849	29,239,894	-	306,733	-	-	-	(165,806)	61,857,486
Public Service/Continuing Education	162,597	-	-	-	861,775	6,453,094	-	-	-	-	-	(310,070)	7,167,396
Auxiliary Services	5,647,197	-	-	-	3,462,408	3,557,302	-	-	-	-	-	(25,189)	12,641,718
Operations and Maintenance	9,588,307	30,693,807	10,774,581	20,676,095	-	10,753,032	-	-	-	98,743	1,698,095	13,951,078	98,233,738
Institutional Support	66,898,131	(23,766)	11,681,985	-	102,846	21,851,657	-	-	414,750	5,763,121	-	(3,303,838)	103,384,886
Scholarships, Grants, Waivers	10,724,059	-	-	-	-	100,663,763	-	-	-	-	-	-	111,387,822
Total Expenses	250,155,612	30,670,041	22,456,566	20,676,095	4,431,878	245,047,090	-	306,733	414,750	5,861,864	1,698,095	9,325,864	591,044,588
Net Transfers	(20,295,670)	-	20,300,000	-	-	-	-	-	-	-	(4,330)	-	-
Fund Balance: June 30, 2023	$ 58,953,927	$ 7,727,762	$ 33,054,142	$ -	$ (13,964,923)	$ 1,593,425	$ 67,013,532	$ 1,022,200	$ 332,785	$ (23,864)	$ -	$ 357,333,949	$ 513,042,935

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

Schedule 2

City Colleges of Chicago
Community College District No. 508
Summary of Fixed Assets and Debt
Uniform Financial Statement #2
Fiscal Year Ended June 30, 2023

	Capital Assets July 1, 2022, as restated	Additions	Deletions and Transfers	Capital Assets June 30, 2023
Fixed Assets				
Land	$ 51,376,464	$ -	$ -	$ 51,376,464
Construction in progress	11,761,874	12,851,522	(5,261,431)	19,351,965
Buildings and improvements	1,108,439,948	5,150,464	(1,163,899)	1,112,426,513
Lease assets	12,198,706	-	(415,765)	11,782,941
Subscription-based assets	3,565,179	379,135	-	3,944,314
Equipment	64,876,508	1,092,096	-	65,968,604
Software	48,303,665	18,750	-	48,322,415
Accumulated depreciation and amortization	(498,403,198)	(31,077,251)	2,846,420	(526,634,029)
Net Fixed Assets	$ 802,119,146	$ (11,585,284)	$ (3,994,675)	$ 786,539,187

	Long-Term Debt July 1, 2022	Additions	Deletions and Transfers	Long-Term Debt June 30, 2023
Fixed Debt				
Bonds payable	$ 295,955,000	$ -	$ (5,530,000)	$ 290,425,000
Total Fixed Debt	$ 295,955,000	$ -	$ (5,530,000)	$ 290,425,000

Schedule 3

City Colleges of Chicago
Community College District No. 508
Operating Funds Revenues and Expenditures
Uniform Financial Statement #3
Fiscal Year Ended June 30, 2023

OPERATING REVENUES BY SOURCE	**Education Fund**	**Operations and Maintenance Fund**	**Total Operating Funds**
Local Government Revenue			
Local Taxes	$ 108,173,293	$ 31,979,868	$ 140,153,161
Personal Property Replacement Tax	30,407,651	-	30,407,651
Other	291,325	-	291,325
TOTAL LOCAL GOVERNMENT	138,872,269	31,979,868	170,852,137
State Government			
ICCB Base Operating Grant	33,476,611	-	33,476,611
ICCB Equalization Grants	13,928,700	-	13,928,700
ICCB Career and Technical Education	6,460,008	-	6,460,008
Other (Include other ICCB grants not listed above)	162,154	-	162,154
TOTAL STATE GOVERNMENT	54,027,473	-	54,027,473
Federal Government			
Department of Education	127,576	-	127,576
HEERF	4,822,327	-	4,822,327
TOTAL FEDERAL GOVERNMENT	4,949,903	-	4,949,903
Student Tuition and Fees			
Tuition	74,921,326	-	74,921,326
Fees	135,358	-	135,358
TOTAL TUITION AND FEES	75,056,684	-	75,056,684
Other Sources			
Sales and Service Fees	350,177	550	350,727
Facilities Revenue	7,200	1,574,433	1,581,633
Investment Revenue	4,002,215	4,309	4,006,524
Other	(478,310)	-	(478,310)
TOTAL OTHER REVENUE	3,881,282	1,579,292	5,460,574
TOTAL REVENUE	$ 276,787,611	$ 33,559,160	$ 310,346,771
OPERATING EXPENDITURES BY PROGRAM			
Instruction	$ 104,653,227	$ -	$ 104,653,227
Academic Support	20,010,278	-	20,010,278
Student Services	32,471,816	-	32,471,816
Public Service/Continuing Education	162,597	-	162,597
Auxiliary Services	5,647,197	-	5,647,197
Operations and Maintenance	9,588,307	30,693,807	40,282,114
Institutional Support	66,898,131	(23,766)	66,874,365
Scholarships, Grants, Waivers	10,724,059	-	10,724,059
TOTAL EXPENDITURES	250,155,612	30,670,041	280,825,653
Less Non-Operating Items			
Transfers to Non-Operating Funds	(20,295,670)	-	(20,295,670)
ADJUSTED EXPENDITURES	$ 229,859,942	$ 30,670,041	$ 260,529,983
OPERATING EXPENDITURES BY OBJECT			
Salaries	$ 181,070,633	$ 16,704,696	$ 197,775,329
Employee Benefits	32,238,710	2,728,155	34,966,865
Contractual Services	9,786,263	2,163,092	11,949,355
General Materials and Supplies	13,302,022	933,975	14,235,997
Professional Development	631,899	625	632,524
Fixed Charges	465,143	1,014,939	1,480,082
Utilities	589,949	7,124,559	7,714,508
Other	1,331,434	-	1,331,434
Student Grants & Scholarships	10,739,559	-	10,739,559
TOTAL EXPENDITURES	250,155,612	30,670,041	280,825,653
Less Non-Operating Items			
Transfers to Non-Operating Funds	(20,295,670)	-	(20,295,670)
ADJUSTED EXPENDITURES	$ 229,859,942	$ 30,670,041	$ 260,529,983

Schedule 4

City Colleges of Chicago
Community College District No. 508
Restricted Purposes Fund Revenues and Expenditures
Uniform Financial Statement #4
Fiscal Year Ended June 30, 2023

REVENUE BY SOURCE	
TOTAL LOCAL GOVERNMENT	$ 6,343,269
State Government	
ICCB - Adult Education	3,122,933
SURS - On Behalf	91,459,479
Other	27,037,688
TOTAL STATE GOVERNMENT	121,620,100
Federal Government	
Department of Education	52,602,714
Other	56,677,945
TOTAL FEDERAL GOVERNMENT	109,280,659
Other Sources	
Other	6,316,338
TOTAL OTHER SOURCES	6,316,338
TOTAL RESTRICTED PURPOSES FUND REVENUES	$ 243,560,366
EXPENDITURES BY PROGRAM	
Instruction	$ 48,846,121
Academic Support	23,682,227
Student Services	29,239,894
Public Service/Continuing Education	6,453,094
Auxiliary Services	3,557,302
Operations and Maintenance	10,753,032
Institutional Support	21,851,657
Scholarships, Grants and Waivers	100,663,763
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 245,047,090
EXPENDITURES BY OBJECT	
Salaries	$ 27,062,519
Employee Benefits	96,018,839
Contractual Services	6,391,370
General Materials and Supplies	9,629,058
Professional Development	809,507
Fixed Charges	7,200
Utilities	857,704
Capital Outlay	716,073
Other	550,711
Scholarships, Grants, Waivers	103,004,109
TOTAL RESTRICTED PURPOSES FUND EXPENDITURES	$ 245,047,090

Schedule 5

City Colleges of Chicago
Community College District No. 508
Current Funds * Expenditures by Activity
Uniform Financial Statement #5
Fiscal Year Ended June 30, 2023

INSTRUCTION	
Instructional Programs	$ 153,499,348
Total Instruction	153,499,348
ACADEMIC SUPPORT	
Library Center	4,927,408
Instructional Materials Center	353,758
Educational Media Services	7,971
Academic Computing Support	2,581,266
Academic Administration and Planning	23,795,527
Other	12,026,575
Total Academic Support	43,692,505
STUDENT SERVICES SUPPORT	
Admissions and Records	10,493,902
Counseling and Career Services	17,537,075
Financial Aid Administration	5,553,634
Other	28,131,948
Total Student Services Support	61,716,559
PUBLIC SERVICE/CONTINUING EDUCATION	
Community Education	1,652,462
Customized Training (Instructional)	449,543
Community Services	1,582,342
Other	3,793,119
Total Public Service/Continuing Education	7,477,466
AUXILIARY SERVICES	12,666,907
OPERATIONS AND MAINTENANCE OF PLANT	
Maintenance	15,858,332
Custodial Services	10,400,450
Grounds	163,927
Campus Security	13,436,194
Utilities	7,124,559
Administration	2,545,401
Other	1,605,026
Total Operations and Maintenance of Plant	51,133,889
INSTITUTIONAL SUPPORT	
Executive Management	11,721,482
Fiscal Operations	14,588,379
Community Relations	7,925,984
Administrative Support Services	48,823,726
Board of Trustees	251,884
General Institutional	18,741,069
Institutional Research	1,293,694
Administrative Data Processing	11,298,863
Other Institutional Support	(19,638,342)
Total Institutional Support	95,006,739
SCHOLARSHIPS, STUDENTS GRANTS, & WAIVERS	111,387,822
TOTAL CURRENT FUNDS EXPENDITURES	$ 536,581,235

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

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180 N. Wabash Ave., Ste. 200
Chicago, IL 60601

Schedule 6

City Colleges of Chicago
ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 508

CERTIFICATE OF CHARGEBACK REIMBURSEMENT FOR FISCAL YEAR 2024

All fiscal year 2023 non-capital operating expenditures are from the following funds:

Education Fund	$ 249,063,516
Operations and Maintenance Fund	30,670,041
Bond and Interest Fund	20,676,095
Restricted Purposes Fund, excluding SURS	153,587,611
Audit Fund	414,750
Liability, Protection and Settlement Fund	5,861,864
Total noncapital expenditures	$ 460,273,877
Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	$ 5,702,019
Total costs included	$ 465,975,896
Total certified semester credit hours for fiscal year 2023	619,501.0
Per capita cost	$ 752.18
All fiscal year 2023 state and federal operating grants for noncapital expenditures, except ICCB grants	$ 141,424,304
Fiscal year 2023 state and federal grants per semester credit hour	$ 228.29
District's average ICCB grant rate (excluding equalization grants) for fiscal year 2024	$ 73.21
District's student tuition and fee rate per semester credit hour for fiscal year 2024	$ 115.24
Chargeback reimbursement per semester credit hour	$ 335.44

Approved: ______________________ 11/30/2023
Maribel Rodriguez, Chief Financial Officer — Date

Approved: ______________________ 11/30/2023
Juan Salgado, Chancellor — Date

RSM

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

RSM US LLP

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed (the Schedule) of City Colleges of Chicago, Community College District No. 508 (City Colleges) for the year ended June 30, 2023. City Colleges' management is responsible for preparing the Schedule in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual.* Our responsibility is to express an opinion on the Schedule based on our examination.

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

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

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

Other Information

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

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

RSM US LLP

Chicago, Illinois
November 30, 2023

Schedule 7

City Colleges of Chicago
Schedule of Enrollment Data and Other Bases on Which Claims are Filed
Year ended June 30, 2023

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

	Summer		Fall		Spring		Total	
Categories	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**	**Unrestricted**	**Restricted**
Baccalaureate Transfer	36,256.0	-	145,657.0	-	139,835.0	-	321,748.0	-
Business Occupational	3,906.0	-	17,742.0	-	17,099.0	-	38,747.0	-
Technical Occupational	3,537.5	-	14,613.0	-	14,230.5	-	32,381.0	-
Health Occupational	3,490.0	-	12,983.0	-	12,179.0	-	28,652.0	-
Remedial/Developmental	2,170.0	-	19,707.0	-	12,887.0	-	34,764.0	-
Adult Basic/Secondary Education	33,467.0	2,943.0	56,645.0	8,252.0	50,200.0	11,702.0	140,312.0	22,897.0
Total	82,826.5	2,943.0	267,347.0	8,252.0	246,430.5	11,702.0	596,604.0	22,897.0

Reconciliation of Total Semester Credit Hours for the Year Ended June 30, 2023

	Unrestricted			Restricted		
Categories	**Total Credit Hours**	**Total Credit Hours Certified by ICCB**	**Difference**	**Total Credit Hours**	**Total Credit Hours Certified by ICCB**	**Difference**
Baccalaureate Transfer	321,748.0	321,748.0	-	-	-	-
Business Occupational	38,747.0	38,747.0	-	-	-	-
Technical Occupational	32,381.0	32,381.0	-	-	-	-
Health Occupational	28,652.0	28,652.0	-	-	-	-
Remedial/Developmental	34,764.0	34,764.0	-	-	-	-
Adult Basic/Secondary Education	140,312.0	140,312.0	-	22,897.0	22,897.0	-
Total	596,604.0	596,604.0	-	22,897.0	22,897.0	-

Summary of Certified Dual Credit and Dual Enrollment Hours

	Dual Credit	**Dual Enrollment**
Reimbursable Semester Credit Hours (All Terms)	35,894.0	12,015.0

Schedule 8

City Colleges of Chicago
Schedule of Enrollment Data and
Other Bases on Which Claims are Filed *(Continued)*
Year ended June 30, 2023

Reconciliation of In-District and
Chargeback/Cooperative Contractual Agreement Credit Hours

	Attending In-District	Attending Out-of-District on Chargeback or Cooperative/ Contractual Agreement	Total
Unrestricted in-district resident hours	572,962.5		
Restricted in-district resident hours	21,248.0		
Semester credit hours (all terms)	594,210.5	1,224.0	595,434.5
District prior-year equalized assessed valuation*		$ 96,847,230,931	

	Total Credit Hours	Total Credit Hours Certified by ICCB	Difference
In-district resident	594,210.5	594,210.5	-
Out-of-district (chargeback/contractual agreement)	1,224.0	1,224.0	-
Total	595,434.5	595,434.5	-

*The assessed valuation has not yet been received from Cook County. The figure will be added once it is available.

Schedule 9

Student Residency Verification Process (Unexamined)

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

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

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

Non-resident tuition and fees will be charged to:

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

Summary of Assessed Valuations (Unexamined)

Tax Levy Year	Equalized Assessed Valuation
2022	$96,847,230,931
2021	96,868,463,441
2020	89,478,355,786
2019	87,776,056,332
2018	86,286,411,094
2017	76,722,182,440
2016	73,984,605,433
2015	70,924,421,349
2014	64,879,908,794
2013	62,337,066,955

State Grant Compliance Section

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RSM US LLP

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

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

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying statement of net position and statement of revenue, expenses and changes in net position (financial statements) of the State Adult Education Grants (State Basic and State Performance) (the Grant Program) of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Grant Program, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Emphasis of Matter
As discussed in Note 2, the financial statements of the grant program of City Colleges' are intended to present the financial position and changes in financial position of City Colleges that are attributable to the transactions of the grant program. They do not purport to, and do not, present fairly the financial position of City Colleges, as of June 20, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the grant program financial statements of City Colleges. The ICCB Compliance Statement (page 109) is presented for purposes of additional analysis and is not a required part of the grant program financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the grant program financial statements. The information has been subjected to the auditing procedures applied in the audit of the grant program financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the grant program financial statements or to the grant program financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement (page 109) is fairly stated, in all material respects, in relation to the grant program financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of City Colleges' internal control over financial reporting of the Grant Program and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Colleges' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Colleges' internal control over financial reporting and compliance.

RSM US LLP

Chicago, Illinois
November 30, 2023

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of the State Adult Education Grants (State Basic and State Performance) (the Grant Program) of City Colleges of Chicago, Community College District No. 508 (City Colleges) as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2023.

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

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

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

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

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

RSM US LLP

Chicago, Illinois
November 30, 2023

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Grant Program Financial Statements

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

Statement of Net Position
June 30, 2023

	State Basic	State Performance	Total
Assets			
Grants Receivable	$ -	$ 14,499	$ 14,499
Total Assets	-	14,499	14,499
Liabilities and Net Position			
Due to City Colleges of Chicago	-	14,499	14,499
Total Liabilities	-	14,499	14,499
Net Position	-	-	-
Total Liabilities and Net Position	$ -	$ 14,499	$ 14,499

Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2023

	State Basic	State Performance	Total
Revenue			
State Sources	$ 1,828,944	$ 1,293,989	$ 3,122,933
Expenses by Program			
Instruction	1,063,506	339,305	1,402,811
Social Work Services	36,748	98,117	134,865
Guidance Services	316,575	111,630	428,205
Assessment and Testing	130,684	175,990	306,674
Subtotal Instructional and Student Services	1,547,513	725,042	2,272,555
Program Support			
Improvement of Instructional Services	-	61,098	61,098
General Administration	157,519	284,567	442,086
Data and Information Services	123,912	223,282	347,194
Subtotal Program Support	281,431	568,947	850,378
Total Expenses	1,828,944	1,293,989	3,122,933
Excess of Revenue Over Expenses			
Net Position - July 1, 2022	-	-	-
Net Position - June 30, 2023	$ -	$ -	$ -

See accompanying notes to grant program financial statements.

City Colleges of Chicago
Community College District No. 508
ICCB Compliance Statement for the
Adult Education and Family Literacy Grant Program
Expense Amounts and Percentages for ICCB Grant Funds Only
Year ended June 30, 2023

	Expense Amount	Allowed Expense Percentage	Actual Expense Percentage
State Basic			
Instruction	$ 1,063,506	Minimum 45%	58%
General Administration	$ 157,519	Maximum 15%	9%

See accompanying notes to grant program financial statements.

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Notes to Grant Program Financial Statements

City Colleges of Chicago
Community College District No. 508
Notes to Grant Program Financial Statements
June 30, 2023

1. PROGRAM DESCRIPTIONS

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

A. State Adult Education and Family Literacy Grants

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

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

The ICCB provides funding for Adult Education and Family Literacy from State and Federal sources in fiscal year 2023. State funds include two categories: (1) State Basic and (2) State Performance. Federal funds include one category in fiscal year 2023, (1) Federal Basic. Funding is allocated through a competitive process. The funding source determines the applicable statutory regulations, policies, and guidelines including allowable costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Reporting

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

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

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

A. Basis of Reporting *(continued)*

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

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

B. Cash held by City Colleges of Chicago

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

C. Grants Receivable

A receivable is recorded for the funds to be received from the ICCB at June 30, 2023 for reimbursement of the allowable expenditures incurred during the fiscal year.

D. Due to City Colleges of Chicago

Due to City Colleges of Chicago represents the amount to be reimbursed to City Colleges for the use of resources to pay for the expenses incurred by the grant program prior to the receipt of the grant monies.

E. Unearned Revenue

Unearned revenue represents grant funds received that have not yet been earned.

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

F. Uses of Estimates

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

Single Audit Act Supplementary Financial and Compliance Report Section

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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*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit of City Colleges of Chicago, Community College District No. 508 (City Colleges), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements, and have issued our report thereon dated November 30, 2023. That report includes an emphasis of matter related to restatements of beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of July 1, 2022, for the implementation of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements.* Our opinions were not modified with respect to this matter. The financial statements of the discretely presented component unit (City Colleges of Chicago Foundation) were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 were not identified.

Report on Compliance and Other Matters

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

RSM US LLP

Chicago, Illinois
November 30, 2023

RSM

RSM US LLP

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited City Colleges of Chicago, Community College District No. 508’s (City Colleges) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City Colleges’ major federal programs for the year ended June 30, 2023. City Colleges’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, City Colleges complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City Colleges and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City Colleges’ compliance with the compliance requirements referred to above.

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

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City Colleges' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City Colleges' compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City Colleges' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City Colleges' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City Colleges' internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters
The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-006, 2023-007 and 2023-008. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City Colleges' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City Colleges' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, 2023-006, 2023-007 and 2023-008, to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on City Colleges' response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City Colleges' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of City Colleges as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City Colleges' basic financial statements. We issued our report thereon dated November 30, 2023, which contained unmodified opinions on those financial statements. Our report included an emphasis of matter paragraph relating to restatements of beginning capital assets (subscription-based assets) and obligations (subscription-based liabilities), as of July 1, 2022, for the implementation of Governmental Accounting Standards Board Statement Number 96, *Subscription-Based Information Technology Arrangements.* Our opinions were not modified with regard to this matter. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Chicago, Illinois
November 30, 2023

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title		Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Education -						
Student Financial Assistance Cluster:						
Federal Pell Grant Program		84.063			$ 48,884,200	$ -
Federal Work-Study Program		84.033			653,800	-
Federal Supplemental Educational Opportunity Grants		84.007			2,586,486	-
Federal Direct Student Loans		84.268			3,696,899	-
Total Student Financial Assistance Cluster:					55,821,385	-
TRIO Cluster:						
TRIO - Student Support Services						
Student Support Services		84.042A		P042A200869-21	36,361	-
Student Support Services		84.042A		P042A200869-22	230,770	-
Student Support Services		84.042A		P042A201422-21	28,422	-
Student Support Services		84.042A		P042A201422-22	233,052	-
Student Support Services		84.042A		P042A201393-21	23,279	-
Student Support Services		84.042A		P042A201393-22	250,034	-
	Subtotal	84.042A			801,918	-
TRIO - Talent Search						
Talent Search		84.044A		P066A210039-22	30,194	-
Talent Search		84.044A		P066A210039-23	314,869	-
	Subtotal	84.044A			345,063	-
TRIO - Educational Opportunity Centers						
Educational Opportunity Centers		84.066A		P066A210039-22	32,423	-
Educational Opportunity Centers		84.066A		P066A210039-23	210,034	-
	Subtotal	84.066A			242,457	-
Total TRIO Cluster					1,389,438	-
Adult Education - Basic Grants to States						
Passed through the Illinois Community College Board						
Adult Education - Basic Grants to States		84.002A	AEFLA 1625-37550		1,781,974	-
	Subtotal	84.002A			1,781,974	-

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Education - *(Continued)*					
Higher Education Institutional Aid					
Title V Northeastern Illinois University Cooperative	84.031S		P031S180151-21	$ 67,735	$ -
Title V Northeastern Illinois University Cooperative	84.031S		P031S180151-22	229,388	-
Mathematics, Engineering, Technology, Apoyo, and Science (METAS)	84.031C		P031C210013-22	88,629	-
Mathematics, Engineering, Technology, Apoyo, and Science (METAS)	84.031C		P031C210013-23	579,530	-
Predominantly Black Institutions Program - Formula Grants	84.031P		P031P210009-23	50,344	-
Predominantly Black Institutions Program - Formula Grants	84.031P		P031P210009-22	23,962	-
Predominantly Black Institutions Program - Formula Grants	84.031P		P031P210009-23	101,095	-
Passed through Northeastern Illinois University					
H.S.I. STEM and Articulation	84.031C	21061-210822-1-HWC		130,988	-
Subtotal	84.031			1,271,671	-
Career and Technical Education - Basic Grants to States					
Passed through the Illinois Community College Board					
Perkins III Grant	84.048	CTE50822		29,062	-
Perkins III Grant	84.048	CTE50823		864,497	-
Subtotal	84.048			893,559	-
COVID-19 Education Stabilization Fund					
Higher Education Emergency Relief Fund (HEERF)					
COVID 19 - HEERF Student Aid Portion	84.425E		P425E2026	12,005,160	-
COVID 19 - HEERF Institutional Portion	84.425F		P425F2032	29,996,979	-
COVID 19 - Minority Serving Institutions	84.425L		P425L2002	1,906,552	-
COVID 19 - HEERF SSARP	84.425T		P425T220514/19	1,149,230	-
Total Higher Education Relief Fund	84.425			45,057,921	-
Passed through the Illinois Community College Board					
COVID-19 Governor's Emergency Education Relief Fund (GEER)	84.425C	684-00-2727		1,508,921	-
COVID-19 Governor's Emergency Education Relief Fund (GEER II)	84.425C	684-00-2455		246,918	-
	84.425			1,755,839	-
Passed through the Illinois Community College Board					
COVID-19 Maximizing On-Site and Virtual Experiences	84.425P	PL116-136		1,000,065	-
Subtotal	84.425				
Total COVID-19 Education Stabilization Fund				47,813,825	-
Strengthening Minority-Serving Institutions					
Olive Harvey College	84.382A		P382A150033-21	129,491	-
Olive Harvey College	84.382A		P382A150033-22	59,486	-
Pipeline to Careers in Healthcare	84.382A		P382A150024-20	51,895	-
Pipeline to Careers in Healthcare	84.382A		P382A150024-21	209,565	-
Subtotal	84.382A			450,437	-

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures		Provided To Subrecipients
Research and Development Cluster:						
Fund for the Improvement of Postsecondary Education						
Veteran Student Success	84.116G		P116G220043	18,742		-
Illinois SCOERs: Support for the Creation of Open						
Educational Resources	84.116T		P116T210005	36,849		-
Subtotal	84.116			55,591	*	-
Total Expenditures - U.S. Department of Education				**109,477,880**		**-**
U.S. Department of Health and Human Services -						
Head Start Cluster:						
Passed through the City of Chicago Department of Family and Support Services:						
Head Start Program	93.600	181584		$ 194,634		$ -
Head Start Program	93.600	228913		306,393		-
Early Head Start	93.600	181589		319,735		-
Early Head Start	93.600	228947		549,934		-
ARP Head Start	93.600	212953		27,220		-
ARP Early Head Start	93.600	212961		27,084		-
CRRSA Head Start	93.600	228146		3,797		-
CRRSA Early Head Start	93.600	226850		3,797		-
CELWS Head Start IGA	93.600	189414		247,328		-
Total Headstart Cluster	93.600			1,679,922		-
Public Health Service Act						
Passed through Health Resources and Services Administration:						
Mental and Behavioral Health Education and Training Grants						
Opioid Family Support	93.732	T26HP39443		293,205		-
HRSA Community Health Worker Training Program						
Passed through Health Resources and Services Administration:						
Mental and Behavioral Health Education and Training Grants	93.732	T26HP39443		20,885		-
Total	93.732			314,090		-
Child Care and Development Block Grant						
Passed through the Illinois State Board of Education:						
Early Childhood Access Consortium for Equity Act (ECACE)	93.575	684-05-2866		1,218,809		-
Biomedical Research and Research Training						
Passed through the National Institute of Health and the University of Illinois at Chicago:						
Bridges to the Baccalaureate Research Training Program	93.859	1T34GM142627-01		12,375	*	-
Total Expenditures - U.S. Department of Health and Human Services				**3,225,196**		**-**

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Agriculture -					
Passed through the Illinois State Board of Education:					
Child and Adult Care Food Program	10.558	15016508051		3,999	-
Child and Adult Care Food Program	10.558	15016508051		140,597	-
Total Expenditures - U.S. Department of Agriculture				**144,596**	**-**
U.S. Department of Labor -					
Registered Apprenticeship					
Passed through Illinois Department of Commerce and Economic Opportunity and Bradley University:					
Illinois Manufacturing Excellence Center (IMEC)	17.285	37-1368934		$ 32,554	$ -
Passed through the American Association of Community Colleges:					
Apprenticeships Initiative (ECCA)	17.285	AP330251975A11		2,640	-
Subtotal	17.285			35,194	-
H-1B Job Training Grants					
Passed through the Illinois Community College Board					
H-1B Job Training Grants - CAP-IT Apprenticeship Grant	17.268	684-00-2334		225,991	-
Total Expenditures - U.S. Department of Labor				**261,185**	**-**
National Science Foundation -					
Research and Development Cluster:					
STEM Education					
Organizational Change for Gender Equity in STEM Academic Professions					
ADVANCE Catalyst Participatory Action Research	47.076		2140262	124,476	-
Passed through Chicago State University:					
Exploring the Impact of Cultural Wealth and Scholarships S-STEM Scholars Program	47.076	DUE-1833435		176,061	-
Building Capacity: Building Bridges into Engineering and Computer Science	47.076	DUE-1832553		264,635	-
Developing a Biotechnology Degree Program to Train Skilled Biotechnicians in Chicago	47.076	DUE-2100370		122,508	-
Research and Development Cluster				687,680 *	-
Total Expenditures - National Science Foundation				**687,680**	**-**

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Transportation -					
Passed through the Illinois Department of Transportation:					
Highway Planning and Construction Cluster:					
Federal Highway Administration					
Highway Planning and Construction	20.205	S-HCCTP-510		253,409	-
Total Highway Planning and Construction Cluster				253,409	-
Total Expenditures - U.S. Department of Transportation				**253,409**	-
* Total Research and Development Cluster $758,117					
U.S. Department of Justice -					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus					
Office on Violence Against Women					
Project SAFE	16.525		2020-WA-AX-0008	$ 333,367	$ -
Crime Victim Assistance					
Passed through the Illinois Criminal Justice Information Authority					
Victim of Crime Act	16.575	546-00-1745		664,261	-
Total Expenditures - U.S. Department of Justice				**997,628**	-
U.S. Department of Defense					
Passed through the Office of Naval Research					
National Defense Education Program					
Advancing Opportunities for Women in STEM	12.006	N62880		1,001,801	-
Total Expenditures - U.S. Department of Defense				**1,001,801**	-
U.S. Department of Treasury					
Coronavirus State and Local Fiscal Recovery Funds					
Passed through the City of Chicago Department of Family and Support Services:					
COVID-19 Apprenticeships & Work-Based Learning	21.027	212797		556,335	-
Coronavirus State and Local Fiscal Recovery Funds					
Passed through the Illinois Community College Board:					
COVID-19 College Bridge	21.027	684-05-2840		603,005	-
State and Local Fiscal Recovery Fund Program					
Passed through the Illinois Department of Commerce and Economic Opportunity:					
COVID-19 Job Training Economic Development Program (JTED)	21.027	420-27-2731		105,397	-
Total Expenditures - U.S. Department of Treasury, total	21.027			**1,264,737**	-

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity's Identifying Number	Federal Project Grantor's Number	Total Expenditures	Provided To Subrecipients
U.S. Department of Energy					
Energy Efficiency and Renewable					
Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance					
Passed through the University of Illinois at Chicago:					
University of Illinois Chicago's Industrial Assessment Center	81.117	DE-EE0009714		41,771	-
Office of Science Financial Assistance Program					
Community Research on Climate and Urban Science Grant (CROCUS)	81.049		DE-SC0023299	2,471 *	-
Total Expenditures - U.S. Department of Energy				**44,242**	**-**
Total Expenditures of Federal Awards				**$ 117,358,354**	**$ -**

See Notes to the Schedule of Expenditures of Federal Awards.

City Colleges of Chicago
Community College District No. 508
Schedule of Expenditures of Federal Awards
Fiscal year ended June 30, 2023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Scope of Entity

City Colleges of Chicago, Community College District No. 508 (City Colleges) is a separate taxing body created under the Illinois Public Community College Act of 1965, with boundaries coterminous with the City of Chicago. City Colleges delivers educational and student services through seven colleges, each of which is separately accredited by the North Central Association. The seven colleges are Richard J. Daley College, Harold Washington College, Kennedy-King College, Malcolm X College, Olive-Harvey College, Harry S. Truman College, and Wilbur Wright College. The Board of Trustees, appointed by the Mayor of the City of Chicago and ratified by the City Council of Chicago, is responsible for establishing the policies and procedures by which City Colleges is governed. The U.S. Department of Education has been designated as the City Colleges' cognizant agency for the audit performed in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Fiscal period audited: Single Audit testing procedures were performed for program transactions that occurred during the fiscal year ended June 30, 2023.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City Colleges under programs of the federal government for the year ended June 30, 2023 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of City Colleges, it is not intended to and does not present the financial position changes in net position, or cash flows of City Colleges.

Note 3. Indirect Costs

Cost allocation: City Colleges has a plan for allocation of common and indirect costs related to grant programs in accordance with the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The indirect cost rate used to allocate amounts to grant programs during the fiscal year ended June 30, 2023 is primarily based on a federally negotiated higher education rate agreement of 53%. Because City Colleges negotiated an indirect cost rate, it cannot elect to use the 10% de minimis rate.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

Note 4. Federal Student Loan Programs

Loans made under the Federal Direct Student Loan program (Assistance Listing Number 84.268) issued to eligible students of City Colleges during the fiscal year ended June 30, 2023, are summarized as follows:

Guaranteed Loan Programs:	
Subsidized	$ 1,912,557
Unsubsidized	1,784,380
Total Federal Student Loan Programs	$ 3,696,937

The loan programs include subsidized and unsubsidized loans. The value of loans issued for the Federal Student Loan Program is based on disbursement amounts. The loan amounts issued during the year are disclosed on the schedule. City Colleges is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in City Colleges' basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of City Colleges at June 30, 2023.

Note 5. Amount of Federal Insurance in Effect During the Year

No federal insurance was received by City Colleges during the year ended June 30, 2023.

City Colleges of Chicago
Community College District No. 508
Schedule of Findings and Questioned Costs
Fiscal year ended June 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	____Yes	__X__No
Significant deficiency(ies) identified?	____Yes	__X__None Reported
Noncompliance material to financial statements noted?	_____Yes	__X__No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	____Yes	__X__No
Significant deficiency(ies) identified?	__X__Yes	______None Reported

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Identification of major program:

Assistance Listing Numbers	Names of Federal Programs or Cluster
84.063, 84.033, 84.007, 84.268	Student Financial Assistance Clusters
84.425E, 84.425F, 84.425L, 84.425T, 84.425C, 84.425P	COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund (HEERF) COVID-19: HEERF Student Aid Portion COVID-19: HEERF Institutional Portion COVID-19: HEERF Minority Serving Institution COVID-19: HEERF SSARP COVID-19: Governor's Emergency Education Relief Fund COVID-19: Maximizing On-Site and Virtual Experiences

Dollar threshold used to distinguish between type A and type B programs $3,000,000

Auditee qualified as low-risk auditee? ___Yes __X__No

Section II. FINANCIAL STATEMENT FINDINGS

No matters to report.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Section III. FEDERAL AWARD FINDINGS

Finding 2023-001 – Enrollment Reporting

Repeat Finding: Yes

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Pell Grant Program: 84.063
Federal Direct Student Loans: 84.268
Federal Award Year 2022-2023

Condition
For four out of sixty students tested (7%) who withdrew from City Colleges, the students' withdrawal date reported to the National Student Loan Data System (NSLDS) for campus level and program level did not match the institution's records.

Criteria
CFR section 685.309 and 690.83(b)(2) requires City Colleges to notify the NSLDS within 30 days of a change in student status or include the change in status in a response to an enrollment reporting roster within 60 days of the student's date of determination of withdrawal.

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure accurate reporting of enrollment status changes.

Questioned Costs
There were no questioned costs related to testing of enrollment reporting.

Cause
The financial aid office does not have an effective system in place to ensure all official student status changes are reported to the lender accurately.

Prevalence
Infrequent. Four out of sixty students selected for testing.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Effect
Failure to report status changes timely is noncompliance with Federal regulation and could result in loss of future funding.

Recommendation
We recommend City Colleges implement monitoring procedures which will promptly notify the financial aid office of any student status changes. A system of monitoring procedures and/or controls will ensure the College is reporting any status changes to the lender accurately. City Colleges should implement a review process to ensure all status changes are addressed by the financial aid office.

Views of responsible officials
We agree with this finding. See corrective action plan.

Finding 2023-002 – Short-Term Program Completion and Placement Rates

Repeat Finding: Yes

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Award Year 2022-2023

Condition
The College did not achieve the required 70% completion rate for a short-term program. The College cannot demonstrate compliance with the gainful employment placement rate calculation for a short-term program.

Criteria
For the Direct Loan Program, short-term eligible programs at a postsecondary vocational institution must be between 300 - 599 clock hours. They must have been provided for at least one year and must have a substantiated completion and placement rate of at least 70 percent for the most recently completed award year. 34 CFR Section 668.8(f) and (g) requires the college to have documentation supporting its placement rates for each student showing that the student obtained gainful employment in the recognized occupation for which he or she was trained or in a related comparable recognized occupation.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria *(continued)*
2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure compliance with completion and placement rate calculations for short-term programs.

Questioned Costs
There were no questioned costs with respect to this finding.

Cause
The financial aid office did not follow-up on the gainful employment of students.

Prevalence
Frequent. Two out of two students who completed the program did not have sufficient support for the placement rate calculation. Five out of seven students tested did not successfully complete the programs resulting in a completion rate below 70%.

Effect
Failure to calculate the placement data for each student or achievement of the required completion rate is noncompliance with Federal regulation and could result in loss of future funding

Recommendation
We recommend City Colleges enhance their policies and procedures to ensure that calculation of placement rates is being maintained and that completion rates are being monitored for compliance.

Views of responsible officials
We agree with this finding. See corrective action plan.

Finding 2023-003 – Common Origination and Disbursement (COD) Reporting

Repeat Finding: No

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Pell Grant Programs: 84:063
Federal Award Year 2022-2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Condition
For ten out of forty students tested (25%), the College did not report certain disbursements of financial aid to COD within the require fifteen days from the date of disbursement. In all instances, the disbursements were reported one day late.

Criteria
For the Direct Loan and Pell Grant Programs, Institutions must report student disbursement data to COD within 15 calendar days after the institution makes a disbursement or becomes aware of the need to make an adjustment to previously reported student disbursement data or expected student disbursement data. Institutions may do this by reporting once every 15 calendar days, bi-weekly or weekly, or may set up their own system to ensure that changes are reported in a timely manner.

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure timeliness of transmission of disbursement records to COD.

Questioned Costs
There were no questioned costs with respect to this finding.

Cause
The financial aid office inadvertently miscalculated the reporting date.

Prevalence
Frequent. Ten out of forty students selected for testing.

Effect
Failure to report disbursement records to COD could result in loss of future funding.

Recommendation
We recommend City Colleges enhance their policies and procedures to ensure COD disbursement records are transmitted to COD within the required timeframe.

Views of responsible officials
We agree with this finding. See corrective action plan.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Finding 2023-004– Cash Management – Excess Cash

Repeat Finding: No

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Pell Grant Program: 84.063
Federal Award Year 2022-2023

Condition
During our cash management testing, we identified the following instances of excess cash:

- Kennedy King College had excess cash for the Pell Grant Program ranging from $34,408 to $175,609 during the period of November 14, 2022 through January 31, 2023. In these situations, the excess cash exceeded one percent of total prior year drawdowns and amounts were not returned within a seven-day period, as outlined below.

- Kennedy King College had excess cash for the Direct Loan Program ranging from $1,349 to $4,318 during the period of November 29, 2022 through December 13, 2022, from $1,508 to $3,948 during the period of January 6, 2023 through January 16, 2023 and from $3,207 to $5,137 during the period of June 15, 2023 through June 29, 2023. In these situations, the excess cash did not exceed one percent of total prior year drawdowns, however, amounts were not returned within a seven-day period, as outlined below.

- Truman College had excess cash for the Pell Grant Program ranging from $164,625 to $262,034 during the period of November 14, 2022 through January 31, 2023. In these situations, the excess cash exceeded one percent of total prior year drawdowns and amounts were not returned within a seven-day period, as outlined below.

- Truman College had excess cash for the Direct Loan Program ranging from $2,731 to $8,669 during the period of January 20, 2023 through February 16, 2023 and from $752 to $10,028 during the period of April 28, 2023 through June 29, 2023. In these situations, the excess cash did not exceed one percent of total prior year drawdowns, however, amounts were not returned within a seven-day period, as outlined below.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria

Uniform Grant Guidance (34 CFR 668.166) states the Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan program funds, that an institution does not disburse to students by the end of the third business day following the date the institution (1) received those funds from the Secretary; or (2) deposited or transferred to its depository account previously disbursed title IV, HEA program funds, such as those resulting from awards adjustments, recoveries, or cancellations. An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount of excess cash remaining in its account after the seven-day tolerance period.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure excess cash is properly handled.

Questioned Costs

Questioned costs would be those in excess of the one percent threshold. Questioned costs for the Kennedy King College Pell Grant Program excess cash ranged from $486 to $133,996. Questioned costs for Truman College Grant Program excess cash ranged from $108,399 to $205,809.

Cause

The College drew down funds available in the G5 system as opposed to drawing down expected student disbursement amounts.

Effect

Excess cash is noncompliance with Federal regulation and could result in the loss of future funding and the return of additional funds.

Recommendation

We recommend City Colleges review current processes for monitoring cash management and implement procedures that eliminate excess cash.

Views of responsible officials

We agree with this finding. See corrective action plan.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Finding 2023-005– Student Financial Assistance Cluster Internal Control over Compliance

Repeat Finding: No

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Pell Grant Program: 84.063
Federal Work-Study Program: 84.033
Federal Supplemental Educational Opportunity Grants: 84.007
Federal Award Year 2022-2023

Condition

City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- Allowable Activities: For each of the seven campuses, City Colleges did not have sufficient supporting evidence that review controls were performed over the transfer, carryforward, carryback, and administrative cost calculations in the Fiscal Operations Report and Application to Participate (FISAP) for award year July 1, 2021 through June 30, 2022 submitted during fiscal year 2023.

- Reporting: For each of the seven campuses, City Colleges did not have sufficient supporting evidence that secondary review controls were performed over FISAP data for award year July 1, 2021 through June 30, 2022 submitted during fiscal year 2023.

Criteria

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure the review and approval controls over allowable activities, eligibility and reporting compliance requirements are sufficiently documented.

Questioned Costs

There were no questioned costs with respect to this finding.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Cause
City Colleges did not formally document the additional reviews and approvals over the department's review of the FISAP.

Effect
For allowable activities, the lack of properly documented reviews in carryforward, carryback, and administrative cost calculations could result in errors that would impact future funding determinations. For eligibility, the lack of properly documented reviews could result in over or under awards to students which could result in loss of future funding. For reporting, the lack of properly documented reviews over the FISAP, could result in loss of future funding.

Recommendation
We recommend City Colleges implement controls to ensure that sufficient documentation is maintained over review controls associated with eligibility, allowable costs and reporting.

Views of responsible officials
We agree with this finding. See corrective action plan.

Finding 2023-006– Gramm-Leach Bliley Act—Student Information Security

Repeat Finding: No

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Direct Student Loans: 84.268
Federal Pell Grant Program: 84.063
Federal Work-Study Program: 84.033
Federal Supplemental Educational Opportunity Grants: 84.007
Federal Award Year 2022-2023

Condition
City Colleges did not have a documented policy to address a required safeguard for one of the eight required elements under the Gramm-Leach Bliley Act (GLBA). Specifically, the City Colleges did not conduct a periodic inventory of data, noting where it's collected, stored or transmitted.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Criteria
In accordance with 16 CFR 314.4(c), an institution's written information security program must address the implementation of the minimum safeguards identified in 16 CFR 314.4(c)(1) through (8). This includes the following: (1) implement and periodically review access controls, (2) conduct a periodic inventory of data, noting where it's collected, stored or transmitted, (3) encrypt customer information on the institution's system and when it's in transit, (4) assess apps developed by the institution, (5) implement multi-factor authentication for anyone accessing customer information on the institution's system, (6) dispose of customer information securely, (7) anticipate and evaluate changes to the information system or network, and (8) maintain a log of authorized users' activity and keep an eye out for unauthorized users.

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure that reviews are being completed over information security policies and in compliance with GLBA requirements.

Questioned Costs
There were no questioned costs with respect to this finding.

Cause
City Colleges does not have a periodic data inventory in place. The policy is under development with an expected completion date of Spring 2024.

Effect
Failure to meet the minimum requirements of the GLBA act is noncompliance and increases the risk of unauthorized disclosure, misuse, alteration, destruction, or other compromise of student information.

Recommendation
We recommend City Colleges implement controls to ensure that GLBA requirements are reviewed and addressed in a formally documented policy.

Views of responsible officials
We agree with this finding. See corrective action plan.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Finding 2023-007 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund Annual Reporting

Repeat Finding: Partial

Federal Program Title – U.S. Department of Education
COVID-19 Education Stabilization Fund
Higher Education Emergency Relief Fund (HEERF)
COVID-19: HEERF Institutional Portion 84.425F
Federal Award Year 2022-2023

Condition
City Colleges did not accurately report certain information required in the calendar year 2022 annual report. The following instances of noncompliance were identified:

- HEERF Institutional Portion: City Colleges submitted the annual report for Olive Harvey for the period of January 1, 2022 – December 31, 2022 which did not reconcile to the underlying expense detail as of the date of the report. The difference was $234,118 which was a result of a figure being double counted in the total.

- HEERF Institutional Portion: City Colleges submitted the annual report for Malcolm X for the period of January 1, 2022 – December 31, 2022 which did not reconcile to the underlying expense detail as of the date of the report. The difference was $5,580,216 which was a result of a figure being double counted in the total.

Criteria
The Department of Education requires the submission of a "Higher Education Emergency Relief Fund (HEERF) I, II, & III Annual Performance Report" to be submitted on a calendar year basis. The third annual report covered the period of January 1, 2022 – December 31, 2022 and was due in March 2023.

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure the timely and accurate posting of reports.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Questioned Costs
There were no questioned costs with respect to this finding.

Cause
City Colleges did not have effective internal controls in place to ensure reports were submitted accurately. Reports were reviewed before submission, but those reviews were not precise enough.

Prevalence
Infrequent. 35 reports were required to be submitted in fiscal year 2023 relative to HEERF Student, Institutional, MSI and Annual reporting. 2 reports contained 1 field that was inaccurate.

Effect
The submission of inaccurate reports is noncompliance with the requirements of the grant award and could result in other penalties.

Recommendation
We recommend City Colleges implement internal controls to ensure reports are submitted accurately for the final annual report that is anticipated to be due in early 2024.

Views of responsible officials
We agree with this finding. See corrective action plan.

Finding 2023-008 – Student Financial Assistance Cluster – Fraudulent Enrollment

Repeat Finding: No

Federal Program Title – U.S. Department of Education
Student Financial Assistance Cluster
Federal Pell Grant Program: 84.063
Federal Work-Study Program: 84.033
Federal Supplemental Educational Opportunity Grants: 84.007
Federal Direct Student Loans: 84.268
Federal Award Year 2022-2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Condition

City Colleges did not timely report information regarding potential fraudulent student enrollments to the Department of Education's Office of Inspector General (OIG). City Colleges identified a total of 23 students where the Enrollment and Admissions Departments discovered submission of fraudulent documents to verify residency. City Colleges performed a thorough investigation of student enrollment and verified that no aid was disbursed for these identified fraudulent enrollments.

Criteria

In accordance with Chapter 3 "FSA Administrative and Related Requirements" of the Federal Student Aid Handbook, the Department of Education requires that "a school must refer any credible information indicating that an applicant for federal student aid may have engaged in fraud or other criminal misconduct in connection with his or her application."

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls deigned to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure all Department of Education requirements are followed.

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

City Colleges experienced turnover in the Admissions Department and was training a new employee. The new employee did not have enough training or experience to identify fraudulent documents when the students enrolled with the college and registered for classes. City Colleges was not aware that this issue was required to be reported to the Department of Education.

Prevalence

Infrequent. 23 fraudulent applications were identified.

Effect

The inability to identify fraudulent documents could result in the incorrect distribution of student financial aid.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

Recommendation

We recommend City Colleges increase training around reporting requirements to the U.S. Department of Education when fraudulent student enrollments occur.

Views of responsible officials

We agree with this finding. See corrective action plan.

RSM US LLP
30 S. Wacker Drive, Suite 3300
Chicago Illinois 60606

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

Identifying Number: Finding 2022-001 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund Reporting

Audit Finding: City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- HEERF Student Reporting: City Colleges did not have sufficient supporting evidence that review controls were performed over the July 1, 2021 – September 30, 2021 quarterly student report prior to submission.
- HEERF MSI Reporting: City Colleges did not have sufficient supporting evidence that review controls were performed over the July 1, 2021 – September 30, 2021 quarterly report prior to submission

City Colleges did not publicly post certain required reports accurately. The following instance of noncompliance was identified:

- HEERF Student Portion: City Colleges posted a report on July 8, 2021 for Wilbur Wright for the period of April 1, 2022 – June 30, 2022 which did not reconcile to the underlying expense detail as of the date of the report. The difference was $307,750.

Status: Partially Corrected. Repeat finding in fiscal year 2023. See finding 2023-007.

Corrective Action Taken:
The Department of Ed has given the institution the authorization to amend prior quarterly and annual reports that was posted in error. Student Financial and the Financial Aid Office will continue to fine-tune the Review & Approval Process for all quarterly and annual reports. Part-Time Project Manager for Finance will continue to monitor Dept of ED for any HEERF Updates while validating all review and approval documents.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

Identifying Number: Finding 2022-002 – Return of Title IV Funds – Enrollment Reporting

Audit Finding

- For two out of sixty students tested (3%) who withdrew from City Colleges, the students' withdrawal date reported to the National Student Loan Data System (NSLDS) for campus level and program level did not match the institution's records.
- For one out of sixty students tested (2%) who withdrew from City Colleges, the student's withdrawal date reported to the National Student Loan Data System (NSLDS) for campus level and program level did not match the institution's records. The student's status change at the campus level and program were not reported to the National Student Loan Data System (NSLDS) within the 60-day requirement.
- For two out of sixty students tested (3%) who withdrew from City Colleges, the students' status change at the campus level and program level were not reported to the National Student Loan Data System (NSLDS) within the 60-day requirement.
- For nine out of sixty students tested (15%) who withdrew from City Colleges, the students' status change at the campus level and program level was never reported the National Student Loan Data System (NSLDS).
- For six out of sixty students tested (10%) who withdrew from City Colleges, the students' status change at the program level was never reported the National Student Loan Data System (NSLDS).
- For one out of sixty students tested (2%) who withdrew from City Colleges, the student's status change at the program level was not reported to the National Student Loan Data System (NSLDS) within the 60-day requirement.
- For one out of sixty students tested (2%) who withdrew from City Colleges, the student's status change at the campus level was not reported to the National Student Loan Data System (NSLDS) within the 60-day requirement.
- For four out of sixty students tested (7%) who withdrew from City Colleges, the students' withdrawal status reported to the National Student Loan Data System (NSLDS) for campus level and program level did not match the institution's records.

Status: Partially Corrected. Repeat finding in fiscal year 2023. See finding 2023-001.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

Corrective Action Taken:
The enrollment reporting functions are housed in the college's registrar office and separate from financial aid. An enrollment file is generated at the district level and uploaded quarterly. The Registrar's Office & Financial Aid Office created a weekly meeting to update its enrollment reporting procedures and create a reconciliation process to ensure all students are reported to NSLDS.

Identifying Number: Finding 2022-003 – Short-Term Program Placement Rate

Audit Finding
The College cannot demonstrate compliance with the gainful employment placement rate of 70% calculation for the short-term program at a post-secondary vocational institution.

Status: Uncorrected. Repeat finding in fiscal year 2023. See finding 2023-002.

Corrective Action Taken:
The Financial Aid Office will work with campus leadership to develop a gainful employment reporting process at Daley College and Wright College for short term programs. The reporting structure will include an outreach protocol to be completed and reported on currently enrolled during End of Term Processing for each semester.

RSM US LLP
30 S. Wacker Drive, Suite 3300
Chicago Illinois 60606

CORRECTIVE ACTION PLANS

Finding 2023-001 – Enrollment Reporting

Condition
For four out of sixty students tested (7%) who withdrew from City Colleges, the students' withdrawal date reported to the National Student Loan Data System (NSLDS) for campus level and program level did not match the institution's records.

Cause
The financial aid office does not have an effective system in place to ensure all official student status changes are reported to the lender accurately.

Corrective Action Taken or Planned
City Colleges sends enrollment files of all students to the National Student Clearinghouse monthly, who then reports CCC enrollment data to NSLDS. City Colleges (Records, Financial Aid, Decision Support and the Office of Information Technology) continues to meet bi-weekly to review and update the enrollment reporting logic to ensure the dates for student enrollment actions align at the campus level and the program level.

Contact Person: Laura Clark, Associate Vice Chancellor, Academic Systems and Tiffany Morrison, Associate Vice Chancellor, Financial Aid.

Anticipated Completion Date: May 1, 2024

Finding 2023-002 – Short-Term Program Completion and Placement Rates

Condition
The College did not achieve the required 70% completion rate for a short-term program. The College cannot demonstrate compliance with the gainful employment placement rate calculation for a short-term program.

CORRECTIVE ACTION PLANS *(Continued)*

Cause
The financial aid office did not follow-up on the gainful employment of students.

Corrective Action Taken or Planned
The Financial Aid Office will work with campus leadership and staff to ensure an accurate reporting process is in place to track gainful employment and completion. Documentation will be required by campus leadership to show communication efforts for students.

Contact Person: Tiffany Morrison, Associate Vice Chancellor, Financial Aid

Anticipated Completion Date: December 31, 2023

Finding 2022-003 – Common Origination and Disbursement (COD) Reporting

Condition
For ten out of forty students tested (25%), the College did not report certain disbursements of financial aid to COD within the require fifteen days from the date of disbursement. In all instances, the disbursements were reported one day late.

Cause
The financial aid office inadvertently miscalculated the reporting date.

Corrective Action Taken or Planned
Financial Aid will add additional monitoring controls of COD files to ensure timely reporting.

Contact Person: Tiffany Morrison, Associate Vice Chancellor, Financial Aid

Anticipated Completion Date: December 31, 2023

Finding 2022-004 – Cash Management – Excess Cash

Condition
During our cash management testing, we identified the following instances of excess cash:

CORRECTIVE ACTION PLANS *(Continued)*

- Kennedy King College had excess cash for the Pell Grant Program ranging from $34,408 to $175,609 during the period of November 14, 2022 through January 31, 2023. In these situations, the excess cash exceeded one percent of total prior year drawdowns and amounts were not returned within a seven-day period.

- Kennedy King College had excess cash for the Direct Loan Program ranging from $1,349 to $4,318 during the period of November 29, 2022 through December 13, 2022, from $1,508 to $3,948 during the period of January 6, 2023 through January 16, 2023 and from $3,207 to $5,137 during the period of June 15, 2023 through June 29, 2023. In these situations, the excess cash did not exceed one percent of total prior year drawdowns, however, amounts were not returned within a seven-day period.

- Truman College had excess cash for the Pell Grant Program ranging from $164,625 to $262,034 during the period of November 14, 2022 through January 31, 2023. In these situations, the excess cash exceeded one percent of total prior year drawdowns and amounts were not returned within a seven-day period.

- Truman College had excess cash for the Direct Loan Program ranging from $2,731 to $8,669 during the period of January 20, 2023 through February 16, 2023 and from $752 to $10,028 during the period of April 28, 2023 through June 29, 2023. In these situations, the excess cash did not exceed one percent of total prior year drawdowns; however, amounts were not returned within a seven-day period.

Cause
The College drew down funds available in the G5 system as opposed to drawing down expected student disbursement amounts.

Corrective Action Taken or Planned

District Office Financial Aid will develop and implement better controls and procedures for monitoring the timing of the draw downs and student disbursements as well as controls to monitor the return of excess cash, if any, within the 7-day period. During the middle of a semester, timely reconciliations will be prepared, reviewed and approved prior to the next draw down to ensure the acceptable amount is drawn down and disbursed timely to the students.

Contact Person: Tiffany Morrison, Associate Vice Chancellor, Financial Aid

Anticipated Completion Date: December 31, 2023

<u>CORRECTIVE ACTION PLANS</u> *(Continued)*

Finding 2023-005– Student Financial Assistance Cluster Internal Control over Compliance

<u>Condition</u>
City Colleges did not have sufficient documentation that internal controls were in place and operating effectively relative to the following areas:

- Allowable Activities: For each of the seven campuses, City Colleges did not have sufficient supporting evidence that review controls were performed over the transfer, carryforward, carryback, and administrative cost calculations in the Fiscal Operations

  Report and Application to Participate (FISAP) for award year July 1, 2021 through June 30, 2022 submitted during fiscal year 2023.

- Reporting: For each of the seven campuses, City Colleges did not have sufficient supporting evidence that secondary review controls were performed over FISAP data for award year July 1, 2021 through June 30, 2022 submitted during fiscal year 2023.

<u>Cause</u>
City Colleges did not formally document the additional reviews and approvals over the department's review of the FISAP.

<u>Corrective Action Taken or Planned</u>
Financial Aid will develop and document a review/approval process that will detail accurate reporting, secondary reviews, and review/approval of FISAP submissions and completions.

Contact Person: Tiffany Morrison, Associate Vice Chancellor, Financial Aid

Anticipated Completion Date: December 31, 2023

Finding 2023-006– Gramm-Leach Bliley Act—Student Information Security

<u>Condition</u>
City Colleges did not have a documented policy to address a required safeguard for one of the eight required elements under the Gramm-Leach Bliley Act (GLBA). Specifically, the City Colleges did not conduct a periodic inventory of data, nothing where it's collected, stored or transmitted.

<u>CORRECTIVE ACTION PLANS</u> *(Continued)*

<u>Cause</u>
City Colleges does not have a periodic data inventory in place. The policy is under development with an expected completion date of December 2023.

<u>Corrective Action Taken or Planned</u>
CCC will refresh the current data inventory and instate periodic inventory refresh procedures by December 31, 2023.

Contact Person: Zarko Njakara, Interim CIO

Anticipated Completion Date: December 31, 2023

Finding 2023-007 – COVID-19 Education Stabilization Fund: Higher Education Emergency Relief Fund Annual Reporting

<u>Condition</u>
City Colleges did not accurately report certain information required in the calendar year 2022 annual report. The following instances of noncompliance were identified:

- HEERF Institutional Portion: City Colleges submitted the annual report for Olive Harvey for the period of January 1, 2022 – December 31, 2022 which did not reconcile to the underlying expense detail as of the date of the report. The difference was $234,118 which was a result of a figure being double counted in the total.

- HEERF Institutional Portion: City Colleges submitted the annual report for Malcolm X for the period of January 1, 2022 – December 31, 2022 which did not reconcile to the underlying expense detail as of the date of the report. The difference was $5,580,216 which was a result of a figure being double counted in the total.

<u>Cause</u>
City Colleges did not have effective internal controls in place to ensure reports were submitted accurately.

<u>CORRECTIVE ACTION PLANS</u> *(Continued)*

<u>Corrective Action Taken or Planned</u>
Finance will validate and review the OH and MX 2023 annual report for HEERF prior to submission in 2024. Financial Aid will submit the required HEERF Annual Reporting Correction for OH and MX. In addition, will submit the final required 2023 HEERF annual report.

Contact Person: Tiffany Morrison, Associate Vice Chancellor, Financial Aid.

Anticipated Completion Date: December 31, 2023

Finding 2023-008 – Student Financial Assistance Cluster – Fraudulent Enrollment

<u>Condition</u>
City Colleges did not timely report information regarding potential fraudulent student enrollments to the Department of Education's Office of Inspector General (OIG). City Colleges identified a total of 23 students where the Enrollment and Admissions Departments discovered submission of fraudulent documents to verify residency. City Colleges performed a thorough investigation of student enrollment and verified that no aid was disbursed for these identified fraudulent enrollments

<u>Cause</u>
City Colleges experienced turnover in the Admissions Department and was training a new employee. The new employee did not have enough training or experience to identify fraudulent documents when the students enrolled with the college and registered for classes. City Colleges was not aware that this issue was required to be reported to the Department of Education.

<u>Corrective Action Taken or Planned:</u>
The College will review and monitor the Department of Education regulations. The Student Financial Aid will continue to train employees on the regulations and will timely report issues to the Department of Education.

Contact Person: Tiffany Morrison, Associate Vice Chancellor – Financial Aid & Scholarship

Anticipated Completion Date: In progress

Please contact us if you would like additional copies of the Annual Comprehensive Financial Report for the year ended June 30, 2023: http://www.ccc.edu/departments/Pages/Annual-Finance-and-Budget-Reports

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

Office of Finance
180 N. Wabash, Suite 200
Chicago, IL 60601
(312) 553-2500 Phone

CITY COLLEGES of CHICAGO

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture for the Bonds not summarized elsewhere in this Official Statement. Reference is made to such Indenture for a complete description thereof. The discussion herein is qualified by such reference.

Definitions of Certain Terms

"*Act*" means the Public Community College Act of the State, as amended.

"*Additional Bonds*" means any Alternate Bonds issued in the future in accordance with the provisions of the Debt Reform Act on a parity with and sharing ratably and equally in all or any portion of the Pledged Revenues with the Bonds and the Series 2017 Bonds, as described in this APPENDIX B under the heading "Additional Bonds and Subordinate Obligations Payable from Pledged Revenues."

"*Alternate Bonds*" means general obligation bonds payable from any revenue source as provided by the Debt Reform Act, particularly Section 15 thereof.

"*Annual Debt Service Requirement*" means, for any Bond Year, the sum of the interest on and principal of the Bonds that will become due and payable, whether at maturity or upon mandatory sinking fund redemption, during such Bond Year.

"*Authorized Denominations*" means $5,000 or any integral multiple thereof.

"Authorized Officer" means (i) any Designated Official, (ii) the Controller and Chief Operating Officer of the Issuer acting together or (iii) any other officer or employee of the Issuer authorized to perform specific acts or duties hereunder by resolution duly adopted by the Board.

"*BAM*" means the Build America Mutual Assurance Company.

"*Board*" means the Board of Trustees of the District.

"*Bond Counsel*" means any nationally recognized firm(s) of municipal bond attorneys approved by the District.

"*Bondholder*" means the Owner of any Bond.

"*Bond Payment Account*" means the Bond Payment Account established in the Indenture.

"*Bond Resolution*" means Board Report No.34918, adopted by the Board on October 5, 2023, authorizing the issuance of the Bonds.

"*Bond Year*" means each annual period beginning on December 2nd of a calendar year to and including December 1st of the next succeeding calendar year.

"*Bonds*" means the $186,565,000 Community College District Number 508, County of Cook and State of Illinois Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024 of the Issuer, issued pursuant to the Indenture.

"*Business Day*" means any day which is not a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the designated corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

"*Chief Financial Officer*" means the Vice Chancellor, Finance and Chief Financial Officer (including any interim Chief Financial Officer) of the Issuer.

"*Code*" or "*Code and Regulations*" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"*Costs of Issuance Fund*" means the account of that name established in the Indenture.

"*Counsel's Opinion*" means any Opinion of Counsel or any Opinion of Bond Counsel.

"*County Clerks*" means, collectively, the County Clerks of The Counties of Cook and DuPage, Illinois.

"*County Collectors*" means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"*Debt Reform Act*" means the Local Government Debt Reform Act of the State, as amended.

"*Debt Service Fund*" means the Debt Service Fund established in the Indenture.

"*Defeasance Government Obligations*" means Government Obligations which are not subject to redemption other than at the option of the holder thereof.

"*Defeasance Obligations*" means (i) Defeasance Government Obligations and (ii) Pre-refunded Municipal Obligations.

"*Deposit Date*" means February 15 of each year or such earlier date as may be necessary to permit the Issuer to lawfully make the abatement of taxes described under the heading "SECURITY FOR THE BONDS – Pledged Taxes" in the Official Statement.

"*Designated Official*" means (i) the Chancellor of the District, (ii) the Chief Financial Officer or (iii) any other officer of the Issuer authorized to perform specific acts and duties hereunder by resolution duly adopted by the Board.

"*District*" or "*Issuer*" means Community College District Number 508, County of Cook and State of Illinois, a community college district established pursuant to the Act.

"*DTC*" means The Depository Trust Company, New York, New York, as securities depository for the Bonds.

"*Event of Default*" means any event so designated and specified as described in this APPENDIX B under the heading "Events of Defaults and Remedies – Events of Default."

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Registrar and any Paying Agent, or any or all of them, as may be appropriate.

"*Forward Supply Contract*" means any contract entered into between the Issuer and a supplier of Investment Securities selected by or pursuant to the direction of the Issuer (a *"Counterparty"*) pursuant to which the Counterparty agrees to sell to the Issuer (or to the Trustee on behalf of the Issuer) and the Issuer (or the Trustee on behalf of the Issuer) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Issuer to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Issuer subject to annual appropriation, and shall not constitute indebtedness of the Issuer.

"*Government Obligations*" means any direct obligations of or obligations guaranteed by the United States of America, including but not limited to: Treasury bills, bonds, notes, and STRIPS and U.S. Treasury Certificates, Bills, Notes and Bonds (including State and Local Government Series – (SLGs); Resolution Funding Corporation ("*REFCORP*") Interest STRIPS; and United States Agency for International Development ("*US AID*") guaranteed notes (including stripped securities) provided that any US AID security shall mature at least 5 business days prior to any cash flow or escrow requirement.

"*Indenture*" means the Trust Indenture, dated as of January 1, 2024, by and between the District and the Trustee, as from time to time amended and supplemented and relating to the Bonds.

"*Interest Payment Date*" means each June 1st and December 1st, commencing June 1, 2024.

"*Interest Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Indenture.

"*Investment Policy*" means the investment policy of the District as currently in effect and as may be amended from time to time.

"*Investment Securities*" means any of the following securities authorized by law and by the Investment Policy as permitted investments of District funds at the time of purchase thereof:

(i) Government Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration
- Tennessee Valley Authority
- United States Postal Service
- Private Export Funding Corporation

(iii) Senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation or senior debt obligations of other government agencies;

(iv) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) rated in the highest short term rating category, without respect to modifier, by a Rating Agency at the time of purchase and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(v) Commercial paper which is rated in the highest short term rating category, without respect to modifier, by a Rating Agency at the time of purchase and which matures not more than 270 days after the date of purchase;

(vi) Investments in a money market fund which at the time of purchase is rated in the second highest rating category or higher, without respect to modifier, by a Rating Agency at the time of purchase, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

(vii) Investments in the Public Treasurers' Investment Pool;

(viii) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Issuer, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(ix) Pre-refunded Municipal Obligations; and

(x) Any Forward Supply Contract.

"*Issuer*" or "*District*" means Community College District Number 508, County of Cook and State of Illinois, a community college district established pursuant to the Act.

"*Opinion of Bond Counsel*" means a written opinion of Bond Counsel, the scope, form, substance and other aspects of which are described in the applicable article or section requiring the delivery of such opinion, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

"*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, selected by the District, who may be counsel to the District (including the General Counsel of the District).

"*Outstanding*" means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(i) Any Bonds cancelled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption will have been given as provided in the Indenture or provision satisfactory to the Trustee will have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds will have been authenticated and delivered in connection with any substitution, transfer or exchange; and

(iv) Bonds deemed to have been paid as described in this APPENDIX B under the heading "Defeasance."

"*Owner*" means any Person who shall be the registered owner of any Bond or Bonds.

"*Paying Agent*" means the Trustee and any other bank, national banking association or trust company designated by a Designated Official as paying agent for the Bonds, and any successor or successors appointed by a Designated Official under the Indenture.

"*Person*" means and includes an association, unincorporated organization, a corporation, a limited liability company, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

"*Pledged Revenues*" means State Grant Revenues and Tuition and Fee Revenues in amounts each year the Bonds are Outstanding as shall provide for the payment of 1.25 times annual debt service on the Bonds and the Series 2017 Bonds in such years.

"*Pledged Revenues Account*" means the account of that name in the Debt Service Fund established in the Indenture.

"*Pledged Taxes*" means the *ad valorem* taxes levied against all of the taxable property in the District without limitation as to rate or amount and pledged under the Indenture as security for the Bonds.

"*Pledged Taxes Account*" means the account of that name in the Debt Service Fund established in the Indenture.

"*Policy*" means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

"*Pre-refunded Municipal Obligations*" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) are rated by at least one Rating Agency at the time of purchase, the rating afforded to the United States of America; and

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

"*Principal Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Indenture.

"Rating Agencies" means Kroll Bond Rating Agency, Fitch Ratings, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services and each of their successors or assigns.

"*Record Date*" means, with respect to any Interest Payment Date for the Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"*Redemption Price*" means, with respect to any Bond, the amount payable upon the date fixed for redemption.

"*Registrar*" means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under the Indenture and designated as registrar for the Bonds, and its successor or successors.

"Series 2017 Bonds" means the $78,065,000 Community College District Number 508, County of Cook and State of Illinois Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017 of the Issuer.

"*SLGS*" means United States Treasury Certificates of Indebtedness, Notes and Bonds—State and Local Government Series.

"*State*" means the State of Illinois.

"*State Grant Revenues*" means any grants and other revenues received by the District from the Illinois Community College Board pursuant to the Act.

"*Subordinate Obligations*" means bonds or other evidences of indebtedness payable from all or a portion of the Pledged Revenues subordinate to the Bonds and any Additional Bonds.

"*Supplemental Indenture*" means any Supplemental Indenture between the District and the Trustee authorized as described in this APPENDIX B under the caption "Supplemental Indenture."

"*Tax Agreement*" means the Tax Exemption Certificate and Agreement of the Issuer relating to the Bonds.

"*Trustee*" means U.S. Bank Trust Company, National Association, Chicago, Illinois, and any successor or successors appointed under the Indenture. The "designated corporate trust office" of the Trustee means 190 S. LaSalle Street, Chicago, Illinois 60603 or such other address as is provided by the Trustee; provided, however, that with respect to payments on the Bonds and any exchange, transfer, or other surrender of the Bonds, the Trustee's "designated corporate trust office" shall mean the corporate trust operations office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee by written notice.

"*Trust Estate*" means the Pledged Revenues, the Pledged Taxes and all other property pledged to the Trustee pursuant to the Granting Clauses of the Indenture.

"*Tuition and Fee Revenues*" means student tuition and fees, net of scholarship allowances, imposed and collected pursuant to the Act.

"*2023 Authorization*" *or* "*2023 Authorizing Resolution*" means the authorization adopted by the Board pursuant to Board Report No. 34885 on September 15, 2023, authorizing the issuance of alternate bonds pursuant to the Debt Reform Act in an amount not to exceed $235,000,000.

"*Year*" or "*year*" means a calendar year.

Pledge of Trust Estate

In order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued under the Indenture, according to the import thereof and the performance and observance of each and every covenant and condition contained in the Indenture and in the Bonds, the District pledges and grants in the Indenture a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners, to the extent provided in the Indenture:

(a) The Pledged Revenues and the Pledged Taxes; provided that the pledge of the Pledged Revenues to the payment of the Bonds is on a parity with the pledge of such revenues to the payment of the Series 2017 Bonds and any Additional Bonds (as defined herein) that may be hereafter issued;

(b) All moneys and securities and earnings thereon in all Funds, Accounts and Sub-Accounts established pursuant to the Indenture; and

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the District or on behalf of the District or by any other Persons to be held by the Trustee under the terms of the Indenture.

Pursuant to Section 13 of the Debt Reform Act, the moneys, securities and properties pledged and received by the District, are immediately subject to the lien and pledge of the Indenture without any physical delivery or further act, and the lien and pledge of the Indenture is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice of the lien and pledge of the Indenture.

The Bonds Are General Obligations

The Bonds are at all times Outstanding the general obligation of the District, for the payment of which its full faith and credit are pledged, and are payable from the levy of Pledged Taxes and the Pledged Revenues, as described in the Indenture. The Bonds do not represent or constitute a debt of the District within the meaning of any constitutional or any statutory limitation unless the Pledged Taxes have been extended for collection, in which case the Outstanding Bonds will, to the extent required by law, be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year of the District.

Additional Bonds and Subordinate Obligations Payable From Pledged Revenues

Except as provided below, the District shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, which are secured by a pledge of or lien on the Pledged Revenues, the Pledged Taxes or the moneys, securities or funds held or set aside by the District or by the Trustee under the Indenture, and shall not, except as expressly authorized in the Indenture, create or cause to be created any lien or charge on the Pledged Revenues, the Pledged Taxes or such moneys, securities or funds.

The District reserves the right to issue Additional Bonds from time to time payable from all or any portion of the Pledged Revenues or any other source of revenues that may be pledged under the Debt Reform Act, and any such Additional Bonds will share ratably and equally in the Pledged Revenues with the Bonds and the Series 2017 Bonds; provided, however, that no Additional Bonds are permitted under the Indenture to be issued except in accordance with the provisions of the Debt Reform Act as in existence on the date of issuance of the Additional Bonds.

The District also reserves the right to issue bonds or other evidences of indebtedness payable from Pledged Revenues subordinate to the Bonds and any Additional Bonds. Such Subordinate Obligations will be paid from such Pledged Revenues available to the District in each year in excess of those required under the Indenture to be deposited in the Pledged Revenues Account during such Year.

Provisions Regarding Payment of Bonds

The principal and Redemption Price of the Bonds are payable at the designated corporate trust office of the Trustee, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents appointed pursuant to the Indenture. Interest on the Bonds is payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the Issuer maintained by the Registrar as of the Record Date. At the option of any Owner of $1,000,000 or more in aggregate principal amount of Bonds, interest is payable by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar prior to the Record Date. Notwithstanding the foregoing, while DTC's nominee is the Owner of the Bonds, payments of principal and Redemption Price of the Bonds will be made in accordance with existing arrangements between the Trustee and DTC.

Provisions Regarding Transfer and Exchange of Bonds

Subject to the provisions described in the Official Statement under the heading "The Bonds – Book-Entry-Only System" and in the immediately succeeding sentence, any Bond, upon surrender at the principal office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any taxes, fees or charges as provided in the Indenture, be exchanged for an equal aggregate principal amount of fully registered Bonds of like maturity and interest rate of any other Authorized Denominations. Neither the Trustee nor any Registrar shall be required to make any registration, transfer or exchange of any Bond after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption. For any exchange or transfer of Bonds, whether temporary or definitive, the Issuer, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid.

Investment of Funds

Investment of Certain Moneys

Moneys held in the Accounts and Sub-Accounts of the Debt Service Fund will be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters established in the Indenture which mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account. If the District fails to provide written direction regarding moneys held in the Debt Service Fund as described in the preceding sentence, the Trustee will hold such moneys in uninvested cash. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Issuer acknowledges that all investment directions provided to the Trustee by the Designated Official are required to be consistent with the expectations expressed in the Tax Agreement.

Valuation and Sale of Investments

Investment Securities in any Fund, Account or Sub-Account created under the Indenture will be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment will be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment will be charged to such Fund, Account or Sub-Account. Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established under the Indenture will be made by the Trustee when required pursuant to the Indenture or as requested by the Issuer; provided the Issuer shall request any such valuations no more than monthly. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities therein will be valued as provided in the following paragraph.

The value of Investment Securities will mean the fair market value thereof, provided, however, that all SLGS will be valued at par and those obligations which are redeemable at the option of the holder will be valued at the price at which such obligations are then redeemable.

Except as otherwise provided in the Indenture, the Trustee at the written direction of a Designated Official will sell at the best price reasonably obtainable, or present for redemption, any Investment Security held in any Fund, Account or Sub-Account held by the Trustee whenever it will be necessary to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be.

Particular Covenants and Representations of the District

Covenants Regarding Pledged Revenues

Pursuant to the Debt Reform Act, the District covenants under the Indenture, so long as there are any Outstanding Bonds, to provide for, collect and apply the Pledged Revenues sufficient for the payment of the Bonds and the Series 2017 Bonds and the provision of not less than an additional .25 times annual debt service on the Bonds and the Series 2017 Bonds and further to establish annually a schedule of Tuition and Fee Revenues sufficient, together with State Grant Revenues, for the payment of the Bonds and the Series 2017 Bonds and the provision of not less than an additional .25 times annual debt service on the Bonds and the Series 2017 Bonds. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues may be allocated and paid to the District for application as provided in the Indenture.

Covenants Regarding Pledged Taxes

The District represents that it has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of the Indenture. As long as any of the Bonds remain Outstanding, the District will not modify or amend such direction, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of *ad valorem* property taxes; provided, that no such modification or amendment may provide for the deposit with the Trustee of less than all of the Pledged Taxes to be collected in any Year.

As described in the Official Statement under the heading "Security for the Bonds – Pledged Taxes," the District will direct the abatement of the Pledged Taxes in whole or in part as described therein, and proper notification of any such abatement will be filed with (i) the County Clerks, in a timely manner to effect such abatement and (ii) the County Collectors, so as to advise such officers of the amount of the Pledged Taxes to be extended for the relevant levy year.

As long as there are any Outstanding Bonds, the District and its officers will comply with all present and future applicable laws in order to ensure that the Pledged Taxes may be levied and extended and collected and deposited to the Pledged Taxes Account.

In furtherance of the general obligation, full faith and credit promise of the District to pay the principal and Redemption Price of and interest on the Bonds, the District will take all actions necessary to (i) cause the levy and extension of Pledged Taxes, including any Pledged Taxes required to be levied in excess of those levied pursuant to the Bond Resolution, for collection on a timely basis to make all such payments and (ii) to cause such Pledged Taxes when extended for collection to be deposited directly with the Trustee for application pursuant to the Indenture.

Accounts and Reports

The District will keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries will be made of its transactions relating to the Pledged Revenues, the Pledged Taxes and the Funds, Accounts and Sub-Accounts established by the Indenture, and which, together with all other books and financial records of the District, will at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds or their representatives duly authorized in writing.

Tax Covenants

The District will not at any time permit any of the proceeds of the Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a "private activity bond" within the meaning of the Code. In addition, the District will not permit any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" or a "hedge bond" within the meaning of the Code.

Events of Default and Remedies

Events of Default

Each of the following events constitutes an Event of Default under the Indenture:

(1) if a default occurs in the due and punctual payment of interest on any Bond, when and as such interest becomes due and payable;

(2) if a default occurs in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same becomes due and payable, whether at maturity or by call for redemption or otherwise;

(3) if a default occurs in the performance or observance by the District of any other of the covenants, agreements or conditions contained in the Indenture or in the Bonds, and such default continues for a period of sixty (60) days after written notice thereof to the District by the Trustee or after written notice thereof to the District and to the Trustee by the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, provided that if the nature of the default is such that it cannot be cured within the 60-day cure period but can be cured within a longer period, no event of default shall occur if the District institutes corrective action within the 60-day period

and diligently pursues such action until the default is corrected (provided such default is correctable) and provides the Trustee with a certification to that effect; or

(4) if the District files a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State.

Upon the occurrence and continuance of a default or an Event of Default under the Indenture, BAM will be deemed to be the sole holder of the Bonds for all purposes thereunder other than enforcing the tax covenants therein and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds for the benefit of such holders hereunder. The Trustee may not waive any default or event of default without BAM's written consent.

Proceedings Brought By Trustee

There is no provision for the acceleration of the maturity of the Bonds if an Event of Default occurs under the Indenture.

If an Event of Default happens and is not remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction will proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under the Bonds or the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for an accounting against the District as if the District were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, will deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture or enforce any of the rights or interests of the Owners of the Bonds under the Bonds or the Indenture.

All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

All actions against the District under the Indenture must be brought in a state or federal court located in the State.

The Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise of any trust or power conferred upon the Trustee, provided that the Trustee will have the right to decline to follow any such direction if the Trustee is advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith determines that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

Regardless of the happening of an Event of Default, the Trustee has the power, but unless requested in writing by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, is under no obligation to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Indenture and to preserve or protect its interests and the interest of the Owners.

Application of Trust Estate and Other Moneys on Default

During the continuance of an Event of Default, the Trustee will apply all moneys, securities, funds, Pledged Revenues and Pledged Taxes and the income therefrom (other than amounts not constituting part of the Trust Estate) as follows and in the following order:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it and the creation of a reasonable reserve for anticipated fees, costs and expenses; and

(2) to the payment of the principal of, Redemption Price and interest on the Bonds then due, as follows:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available is not sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which have become due, whether at maturity or by call for redemption and, if the amount available is not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of principal and Redemption Price of and interest on, Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the District under the Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on, all Bonds held by or for the account of the District, or provision satisfactory to the Trustee is made for such payments, and all defaults under the Indenture or the Bonds are made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate is made therefor, the Trustee will pay over to the District all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Indenture to be deposited or pledged, with the Trustee), and thereupon the District, the Trustee and the Owners will be restored, respectively, to their former positions and rights under the Indenture. No such payment to the District by the Trustee nor such restoration of the District and the Trustee to their former positions and rights will extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Whenever moneys are to be applied as provided above, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and may apply moneys to be distributed at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Restrictions on Bondholders' Actions

No Owner of any Bond will have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Owner has previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding have filed a written request with the Trustee, and have offered it reasonable opportunity either to exercise the powers granted in the Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners will have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee has refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds will have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by the Indenture or to enforce any right under the Indenture, except in the manner provided in the Indenture; and that all proceedings at law or in equity to enforce any provision of the Indenture will be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

Nothing contained in the Indenture or in the Bonds will affect or impair the general obligation of the District to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Owners thereof, or affect or impair the right of action of any Owner to enforce such payment of its Bond from the sources provided in the Indenture.

Restriction on BAM's Actions

If an Insurer Default shall occur and be continuing, then, notwithstanding anything herein to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of any such principal payment only, BAM will be treated like the Bondholder with respect only to such principal paid for all purposes, including giving of consents, and (2) if BAM has not made any principal payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Insurance Policy, in which event, the foregoing clause (1) will control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Insurance Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

Remedies Conferred By The Debt Reform Act

The District and the Trustee each acknowledge that Section 15(e) of the Debt Reform Act provides that all covenants of the District relating to the issuance of the Bonds as Alternate Bonds pursuant to Section 15 of the Debt Reform Act and the conditions and obligations imposed by said Section 15 are enforceable by any Owner of the Bonds, any taxpayer of the District and the people of the State acting through the Attorney General of the State or any designee, and in the event that any such action results in an order finding that the District has not properly collected and applied the Pledged Revenues or Pledged Taxes as required by the Debt Reform Act, the plaintiff in any such action shall be awarded reasonable attorney's fees.

No Remedy Exclusive

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but each remedy will be cumulative and will be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of the Indenture.

No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default will impair any right or power or will be construed to be a waiver of any such Event of Default or be construed to be an acquiescence to any such Event of Default.

Waiver

The Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under the Indenture and its consequences, except a default in the payment of interest on, or principal or Redemption Price of any of the Bonds when due. No such waiver will extend to any subsequent or other default or impair any right consequent thereon.

Provisions Relating to Trustee

Resignation and Removal of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by the Indenture by giving not less than sixty (60) days' written notice to the District, all Owners of the Bonds and the other Fiduciaries, and such resignation will take effect upon the day specified in such notice but only if a successor will have been appointed by the District or the Owners as provided below and accepted such appointment, in which event such resignation will take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee has not been appointed and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee is authorized to petition any court of competent jurisdiction, at the expense of the District, to appoint a successor Trustee as described below.

The Trustee may be removed upon 60 days written notice at any time by an instrument in writing approved by and executed in the name of the District and delivered to the Trustee; provided, however, that if an Event of Default has occurred and is continuing, the Trustee may be so removed by the District only with the written concurrence of the Owners of a majority in aggregate principal amount of Bonds then Outstanding (excluding Bonds held by or for the account of the District). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the District, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the District. Copies of each such instrument shall be delivered by the District to each Fiduciary.

Appointment of Successor Trustee. In case at any time the Trustee resigns, is removed or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, is appointed, or if any public officer or court takes charge or control of the Trustee, or of its property or affairs, the District will appoint a successor Trustee. The District will cause notice of any such appointment made by it to be mailed to all Owners of the Bonds.

If no appointment of a Trustee is made by the District within sixty (60) days following such resignation or removal as described in the foregoing paragraphs, the Trustee or the Owner of any Outstanding Bond may apply to any court of competent jurisdiction, at the expense of the District, to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee appointed under the provisions of the Indenture must be a bank or trust company or national banking association, doing business and having a corporate trust office in the United States of America, and having capital stock and surplus aggregating at least $15,000,000, or a wholly owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Indenture.

Supplemental Indenture

Supplemental Indenture Not Requiring Consent of Owners. The District and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures not inconsistent with the Indenture for any one or more of the following purposes:

(i) to impose additional covenants or agreements to be observed by the District;

(ii) to impose other limitations or restrictions upon the District;

(iii) to surrender any right, power or privilege reserved to or conferred upon the District by the Indenture;

(iv) to confirm, as further assurance, any pledge of or lien upon the Pledged Revenues, the Pledged Taxes or any other moneys, securities or funds;

(v) to supplement the Indenture in connection with the issuance of Additional Bonds as authorized in the Indenture;

(vi) to supplement the Indenture in connection with the issuance of Subordinate Obligations as authorized in the Indenture;

(vii) to cure any ambiguity, omission or defect in the Indenture;

(viii) to provide for the appointment of a successor securities depository;

(ix) to provide for the appointment of any successor Fiduciary; and

(x) to make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Owners or the Trustee.

Supplemental Indenture Effective upon Consent of Owners. Any Supplemental Indenture not effective in accordance with the foregoing provisions will take effect only if permitted and approved and in the manner described below under the heading "Amendments – Consent of Owners."

Amendments

General. Except for Supplemental Indentures not requiring consent of the Owners as described above, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding have the right, from time to time, to (i) consent to and approve the execution by the District and the Trustee of such other indenture or indentures supplemental to the Indenture as may be deemed necessary and desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the District of any action prohibited, or the omission by the District of the taking of any action required, by any of the provisions of the Indenture or of any supplemental indenture; provided, however, that nothing in this paragraph or as described under "Supplemental Indenture Not Requiring Consent of Owners" above permits or may be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Bond, without the consent of the Owner of such Bond, (b) except for the pledge of the Pledged Revenues in connection with the issuance of Additional Bonds, the creation of any lien prior to or on a parity with the lien of the Indenture, without the consent of the Owners of all the Bonds at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Bonds at the time Outstanding that would be affected by the action to be taken, (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) with respect to the Bonds, the loss of the exclusion from federal gross income of the Owners of the interest paid on the Bonds held by a non-consenting Bondholder to the extent otherwise afforded under the Code and Regulations.

Consent of Owners. The District may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment described in the preceding paragraph, to take effect when and as described in this paragraph. Upon the authorization of such Supplemental Indenture, a copy thereof will be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto prepared by the Issuer) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, will be mailed to the Owners, but failure to mail such copy and request will not affect the validity of such Supplemental Indenture when consented to as described below. Such Supplemental Indenture will not be effective unless and until, and will take effect in accordance with its terms when (a) there has been filed with the Trustee (i) the written consents of the Owners of the required aggregate principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the District in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and, when effective, will be valid and binding upon the District and the Trustee, (b) an Opinion of Bond Counsel to the effect that the Supplemental Indenture will not adversely affect any exemption from federal income tax of the interest paid on the Bonds to which such Bonds are otherwise entitled and (c) the notice described below has been mailed. Any such consent will be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor or replacement thereto whether or not such subsequent Owner has notice thereof, provided, however, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement described below is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The Trustee will give notice by mail within 30 days of receiving sufficient consent to the Owners of the Bonds that the Supplemental Indenture has been consented to by the Owners of the required aggregate principal amount of Outstanding Bonds and will be effective (but failure to mail such notice or any defect therein will not prevent such Supplemental Indenture from becoming effective and binding). The Trustee will deliver to the District proof of the mailing of such notice. A record, consisting of the information required or permitted by the Indenture to be delivered by or to the Trustee, will be proof of the matters therein stated.

The Indenture and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Bonds with respect to which such consent is given. Such Supplemental Indenture will take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in the preceding paragraph and (b) with the District of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice will be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

The prior written consent of BAM is required for any amendments or supplements to the Indenture that require the consent of the Bondholders or that adversely affects the rights or interests of BAM other than with respect to amendments to the provision regarding tax covenants.

Defeasance

If the District pays or causes to be paid or there is otherwise paid to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of the Trust Estate under the Indenture and all covenants, agreements and other obligations of the District to the Owners will thereupon be discharged and satisfied. In such event, the Trustee, upon request of the District, will provide an accounting of the assets managed by the Trustee to be prepared and filed with the District for any year or part thereof requested, and will execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Paying Agent will pay over or deliver to the District all moneys and securities held by it pursuant to the Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption. If the District pays or causes to be paid, or there is otherwise paid, to the Owners of all or a portion of Outstanding Bonds of a particular maturity and interest rate (and if only a portion of such particular maturity and interest rate, such portion will be selected by lot by the Trustee in the manner provided in the Indenture for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated in such Bond and in the Indenture, such Bonds will cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds and to the Trustee will thereupon be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date will be deemed to have been paid as described in the preceding paragraph if the District has delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Bonds or interest installments, as applicable, in specified amounts no less than the respective amounts of their principal or interest, and on specified dates no later than the respective due dates thereof, (b) irrevocable instructions to mail the required notice of redemption of any Bonds or interest installments, as applicable, so to be redeemed, (c) either moneys in an amount which will be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which will be sufficient, without further reinvestment, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Bonds or interest installments, as applicable, are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or

Redemption Price, if applicable, of said Bonds. The Defeasance Obligations and moneys deposited with the Trustee as described in this paragraph will be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Bonds, at maturity or upon redemption, as the case may be.

The Defeasance Obligations (or any portion thereof) held for the payment of the principal and redemption price of and interest on said Bonds as described in the preceding paragraph may not be sold, redeemed, invested, reinvested or removed from the lien of the Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a "subsequent action") unless prior to the taking of such subsequent action, the Trustee has received the following: (i) either (a) a certified copy of the proceedings of the District authorizing the subsequent action, or (b) an opinion of counsel for the District to the effect that such subsequent action has been duly authorized by all necessary action on the part of the District; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of the Bonds after the taking of the subsequent action will remain sufficient to pay, without any further reinvestment thereof, the principal and redemption price of and interest on said Bonds at or prior to their maturity in the manner provided in the preceding paragraph; (iii) an opinion of bond counsel to the effect that the subsequent action will not adversely affect any exemption from federal income tax of the interest paid on the Bonds to which such Bonds are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require. The Trustee will give notice to the owners of any subsequent action in the same manner as notices of redemption are required to be sent pursuant to the Indenture.

APPENDIX C

[PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

Community College District Number 508
County of Cook 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 Number 508, County of Cook and State of Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024 (the *"Bonds"*), to the amount of $186,565,000, dated January 24, 2024, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2027	$ 2,960,000	5.000%
2028	7,760,000	5.000
2029	8,150,000	5.000
2030	8,560,000	5.000
2031	8,980,000	5.000
2032	9,435,000	5.000
2033	9,905,000	5.000
2034	10,400,000	5.000
2035	10,920,000	5.000
2036	11,470,000	5.000
2037	12,040,000	5.000
2038	12,640,000	5.000
2039	13,275,000	5.000
2040	13,940,000	5.000
2041	14,630,000	5.000
2042	15,365,000	5.000
2043	16,135,000	5.000

the Bonds due on or after December 1, 2034, 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 Trustee), on December 1, 2033, 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 (i)(a) student tuition and fees, net of scholarship allowances, imposed and collected pursuant to the Public Community College Act and (b) grants and other revenues received by the District from the Illinois Community College Board pursuant to the Public Community College Act and (ii) ad valorem property taxes levied against all of the taxable property in the District without limitation as to rate or amount, 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.

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.

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 D

BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company ("DTC") of New York, New York has been furnished by DTC for use in this Official Statement. None of the District, the Trustee nor the Underwriters take responsibility for its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 each series 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 of the Securities Exchange Act of 1934. 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 rating of "AA+". The DTC Rules applicable to its Participants are on file with 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 effect 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 the 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 Bond 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 detail information from the District or Bond 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 bonds 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 Bond 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 Bond 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar. Under such circumstances, in the event that a successor securities 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 appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither of the District, the Trustee nor the Underwriters takes any responsibility for the accuracy thereof.

The District, the Trustee and the Underwriters cannot and do not give any assurances that DTC, direct participants or indirect participants of DTC, will distribute to the beneficial owners of the Bonds (1) payments of principal of or interest or redemption premium on the Bonds, (2) confirmations of their ownership interests in the Bonds or (3) other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, direct participants or indirect participants of DTC, will serve and act in the manner described in this Official Statement.

Neither the District, the Trustee nor the Underwriters will have any responsibility or obligations to DTC, Direct participants or the Indirect Participants of DTC, or the beneficial owners with respect to (1) the accuracy of any records maintained by DTC or any direct participants or indirect participants of DTC; (2) the payment by DTC or any direct participants or indirect participants of DTC of any amount due to any beneficial owner in respect of the principal amount of or interest or redemption premium on the Bonds; (3) the delivery by DTC or any direct participants or indirect participants of DTC of any notice to any beneficial owner that is required or permitted to be given to owners under the terms of the Indenture; (4) the selection of the beneficial owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as Owner of the Bonds.

FOR SO LONG AS THE BONDS ARE REGISTERED IN THE NAME OF DTC OR ITS NOMINEE, CEDE & CO., THE DISTRICT AND THE TRUSTEE WILL RECOGNIZE ONLY DTC OR ITS NOMINEE, CEDE & CO., AS THE REGISTERED OWNER OF THE BONDS FOR ALL PURPOSES, INCLUDING PAYMENTS, NOTICES AND VOTING.

Any references in this Official Statement to notices or other communication to be provided to owners by the District or the Trustee will be given to DTC, as the owner. Conveyance of notices and other communications by DTC and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time. The District and the Trustee shall have no responsibility or obligation to assure that any such notice is forwarded by DTC to the Participants or by any Participant to the Beneficial Owner.

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APPENDIX E

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 (the "***Agreement***") is executed and delivered by the Community College District Number 508, County of Cook and State of Illinois, a community college district established pursuant to the Public Community College Act (the "***District***"), in connection with the issuance of its $186,565,000 aggregate principal amount of its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2024 (the "***Bonds***"). The Bonds are being issued under and pursuant to the Public Community College Act of the State of Illinois, as amended, 110 ILCS 805/1-1 et seq., including, without limitation, Section 7-1.1 and the Local Government Debt Reform Act of the State of Illinois, as amended, 30 ILCS 350/1 et seq., a resolution adopted by the Board of Trustees of the District (the "***Board***") on September 15, 2023, a resolution adopted by the Board on October 5, 2023, and a Trust Indenture, dated as of January 1, 2024 (the "***Indenture***"), by and between the District and U.S. Bank Trust Company, National Association, Chicago, Illinois, as trustee. The Bonds will be as described in, and secured pursuant to, the Indenture.

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:

Section 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 for the purpose of providing certain information annually and to provide notice of certain events to the MSRB (defined below) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. 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 (as defined below) and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 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 the financial information and operating data described in Exhibit I.

"***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 combined financial statements of the District prepared in accordance with generally accepted accounting principles and Government Auditing Standards, issued by the Comptroller General of the United States, 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 accessible at http://www.emma.msrb.org/ or through any other electronic format or system prescribed by the Commission from time to time for purposes of the Rule.

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

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

"***MSRB***" means the Municipal Securities Rulemaking Board or any successor entity as described in the Rule.

"***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 set forth in Exhibit II.

"***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.

Section 3. CUSIP Numbers/Official Statement. The CUSIP Numbers of the Bonds are as set forth in Exhibit III. The final Official Statement relating to the Bonds is dated January 9, 2024 (the "***Final Official Statement***").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements in electronic format (in the form and by the dates set forth in Exhibit I hereto) 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. If Audited Financial Statements are not available when the Annual Financial Information is filed, the District will file unaudited financial statements. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents filed within 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 shall 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 and its impact on the type of information being provided.

Section 5. Reportable Events Disclosure. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten (10) business days after the occurrence of the Reportable Event) 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 to 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 Indenture.

Section 6. Duty To Update the Procedures. The District shall determine, in the manner it deems appropriate, the proper procedures for disseminating such information required to be disseminated under the Rules each time it is required to file such information with EMMA.

Section 7. Consequences of Failure of the District to Provide Information. The District shall give notice in a timely manner to the EMMA of any failure to provide Annual Financial Information and Audited Financial Statements 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 the cause the District to comply with its obligations under this Agreement. Any court action to enforce this Agreement must be commenced in the Circuit Court of Cook County, Illinois.

A default under this Agreement shall not be deemed an event of default under the Indenture with respect to the Bonds, and the sole remedy in the event of any failure of the District to comply with this Agreement shall be an action to compel performance. A failure by the District to comply with this Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the District 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 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 a party unaffiliated with the District (such as Co-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 the MSRB or in lieu of the MSRB, 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.

Section 9. Termination of Undertaking. The Undertaking of the District shall be terminated hereunder if the District no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. If this Section is applicable, the District shall give notice in a timely manner to the MSRB.

Section 10. 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.

Section 11. 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.

Section 12. Beneficiaries. This Agreement has been executed 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.

Section 13. Recordkeeping. The District shall maintain records of all Annual Financial Information Disclosure and 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.

Section 14. Assignment. The District shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the District under this Agreement or to execute a similar agreement obligating such transference to comply with the provisions of the Rule.

Section 15. Governing Law. This Agreement shall be governed by the internal laws of the State of Illinois applicable to contracts performed wholly therein and without reference to its conflict of laws principles.

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COMMUNITY COLLEGE DISTRICT NUMBER 508

By:________________________________
Name:
Its:

Date: ____________________, 2024

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

Annual Financial Information includes the financial information and operating data as set forth below. 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, including other official statements (subject to the following sentence), 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

"*Annual Financial Information*" means information of the type contained in the following charts, tables, headings, subheadings and exhibits of the Final Official Statement, which may be presented in such format as the District determines:

- "Tuition and Fees" chart under "SECURITY FOR THE BONDS – Pledged Revenues."
- "Community College State Funding" chart under "SECURITY FOR THE BONDS – Pledged Revenues."
- "Direct and Overlapping General Obligation Debt" table under "OTHER LOCAL GOVERNMENTAL UNITS – Overlapping Entities."
- "Assessed and Estimated Value of Taxable Property in the City" table under "THE REAL PROPERTY TAX SYSTEM – Property Tax Information."
- "District's Property Tax Extensions and Collections" table under "THE REAL PROPERTY TAX SYSTEM – Property Tax Information."

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA not more than 210 days after the last day of the District's Fiscal Year which is June 30th of each calendar year.

Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units *(i.e.*, as subject to the pronouncements of the Governmental Standards Accounting Board) and subject to any express requirements of State law. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Agreement, the District will disseminate a notice of such change as required by Section 4 herein.

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 Bonds, if material.
(11) Rating changes.
(12) Bankruptcy, insolvency, receivership or similar event of the District[1]
(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 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[2] of the District, 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; and
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties

---

[1] 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.

[2] For purposes of this Undertaking, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

EXHIBIT III

CUSIP NUMBERS

Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2024

Maturity	Principal Amount	CUSIP†
12/01/2027	$ 2,960,000	213187DS3
12/01/2028	7,760,000	213187DT1
12/01/2029	8,150,000	213187DU8
12/01/2030	8,560,000	213187DV6
12/01/2031	8,980,000	213187DW4
12/01/2032	9,435,000	213187DX2
12/01/2033	9,905,000	213187DY0
12/01/2034	10,400,000	213187DZ7
12/01/2035	10,920,000	213187EA1
12/01/2036	11,470,000	213187EB9
12/01/2037	12,040,000	213187EC7
12/01/2038	12,640,000	213187ED5
12/01/2039	13,275,000	213187EE3
12/01/2040	13,940,000	213187EF0
12/01/2041	14,630,000	213187EG8
12/01/2042	15,365,000	213187EH6
12/01/2043	16,135,000	213187EJ2

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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APPENDIX G

TABLE OF REFUNDED SERIES 2013 BONDS

Maturity Date	Interest Rate (%)	Outstanding Principal Amount	Principal Amount Refunded	Redemption Date	CUSIP[1,2]
12/1/2024	5.000%	$ 6,095,000	$ 6,095,000	4/23/2024	213187BZ9
12/1/2025	5.250	6,400,000	6,400,000	4/23/2024	213187CA3
12/1/2026	5.250	6,735,000	6,735,000	4/23/2024	213187CB1
12/1/2027	5.250	7,090,000	7,090,000	4/23/2024	213187CC9
12/1/2028	5.250	7,465,000	7,465,000	4/23/2024	213187CD7
12/1/2029	5.250	7,855,000	7,855,000	4/23/2024	213187CE5
12/1/2030	5.250	8,270,000	8,270,000	4/23/2024	213187CF2
12/1/2031	5.250	8,700,000	8,700,000	4/23/2024	213187CG0
12/1/2032	5.250	9,160,000	9,160,000	4/23/2024	213187CH8
12/1/2033	5.000	9,640,000	9,640,000	4/23/2024	213187CJ4
12/1/2038	5.125	26,290,000	26,290,000	4/23/2024	213187CK1
12/1/2038	5.500	30,000,000	30,000,000	4/23/2024	213187CM7
12/1/2043	5.250	72,855,000	72,855,000	4/23/2024	213187CL9

[1] Copyright, American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for convenience.
[2] CUSIP number prior to the issuance of the Bonds and the refunding of the Refunded Series 2013 Bonds.

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COMMUNITY COLLEGE DISTRICT NUMBER 508, COUNTY OF COOK AND STATE OF ILLINOIS (CITY COLLEGES OF CHICAGO)
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2024

CITY COLLEGES® of CHICAGO
Education that Works

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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